



Council Agenda Report

To: Mayor Farrer and the Honorable Members of the City Council

Prepared by: Mary Linden, Executive Assistant

Approved by: Reva Feldman, City Manager

Date prepared: June 22, 2020 Meeting date: July 13, 2020

Subject: Legislation Position Letters – Assembly Bills 2167 and AB 2178, and Senate Bills 378, SB 801 and SB 862 (Mayor Farrer)

RECOMMENDED ACTION: At the request of Mayor Farrer, 1) authorize the Mayor to send the following legislature position letters: A) In opposition to Assembly Bill (AB) 2167, legislation intended to address problems associated with insurance availability and pricing in fire-prone areas; B) In support of AB 2178, which would add Power Safety Shut-Offs (PSPS) as a cause for declaring a state of emergency, potentially providing a source of funding for costs accrued during these events; C) In support of Senate Bill (SB) 378, which would require numerous provisions related to an electrical investor-owned utility's (IOU) decision to proactively shut off power; D) In support of SB 801, which would establish new requirements on electrical corporations regarding deployment of backup electrical resources to customers receiving medical baseline allowance and living in a high fire-threat district and would require the corporation's program to provide backup electrical resources in consultation with local disability rights advocates; and E) In support of SB 862, which adds PSPS as a cause for declaring a state of emergency and requires coordination with local governments; and 2) Direct the City's lobbyist to closely monitor these legislation and report to the City on the bill's status or any significant modifications.

FISCAL IMPACT: There is no fiscal impact associated with the recommended action.

WORK PLAN: This item was not included in the Adopted Work Plan for Fiscal Year 2020-2021.

DISCUSSION: In the western United States, the length of the fire season is now over 80 days longer than it was in the 1970s. It is understood that fire season is no longer expected to end in September as seasonal rain is often delayed into October or November. These longer periods without rain, combined with the well-known, heavy autumnal wind patterns,

have created increased likelihood of uncontrollable, severe fires that endanger life and property, such as California experienced when the Camp Fire in Northern California and the Woolsey Fire in Southern California, two of the most destructive wildfires in the state's history, ignited on the same day in November 2018.

When the National Weather Service (NWS) forecasts critical fire weather conditions consisting of high winds (Santa Ana events) along with high temperatures and low humidity, power companies, including Southern California Edison (SCE), which services Malibu and much of Los Angeles and Ventura Counties, may implement Public Safety Power Shutoffs (PSPS) to proactively shut down power in certain at-risk areas to reduce the threat of wildfires.

There are several proposed bills currently in the State Legislature related to PSPS and their impacts on local communities and the local governments that serve them:

- A) AB 2167 (OPPOSED) – A Department of Insurance 2018 report on the availability and affordability of wildfire coverage found that major insurers were pulling back from writing new policies or renewing policies in the wildland-urban interface (WUI) fire areas. Additionally, premiums were increasing in the WUI, and most insurers do not take into consideration wildfire mitigation conducted by the homeowner or the community. The report further suggests that the Legislature should create a framework within which insurers offer a mitigation premium credit for property owners that conduct proper mitigation.

AB 2167 would establish the Insurance Market Action Plan (IMAP) program under which residential property insurance policies in a county may qualify for IMAP protection if the requirements of the program are met. According to the bill's author, AB 2167 is intended to address the problem of insurance unavailability in fire-prone WUI areas by creating a market-based approach to pricing and product offering. The author indicates current rules make it difficult for insurers to voluntarily write policies in high-risk areas. The bill is intended to provide alternatives to insurance companies non-renewing coverage altogether because the premiums they are able to charge pursuant to normal rules are insufficient to cover their projected risk. The bill contains a mechanism for insurers to make IIMAP filings with the Insurance Commissioner that the Commissioner may approve or deny. These filings specify the terms and conditions upon which the insurer will accept a legal mandate to issue more policies in high risk areas.

The insurance industry and the California Fire Safe Council (CFSC) support this bill as a reasoned private-sector solution to the problem of insurance unavailability. Consumer Watchdog, Consumer Federation, and Insurance Commissioner Ricardo Lara oppose this bill, citing their belief it will harm consumers and that it represents an end-run around long-standing consumer protections enshrined in Proposition

103, the Insurance Rate Reduction and Reform Act, which was approved by California voters in 1988 to prohibit specified insurance rates from being approved or remaining in effect that are excessive, inadequate, unfairly discriminatory, or otherwise in violation of the act.

- B) AB 2178 (SUPPORT) – This bill would add PSPS as a cause for declaring a state of emergency or local emergency. By adding planned de-energization events to the list of conditions constituting a state of emergency and a local emergency, local agencies could potentially be provided with a source of funding for costs accrued during these events. AB 2178 is supported by Counties and the Association of California Water Agencies (ACWA) with no opposition.
- C) SB 378 (SUPPORT) – This legislation requires numerous provisions related to an electrical investor-owned utility's (IOU) decision to proactively shut off power, including requiring reimbursements of specified costs, specified penalties for shutting off power, and other reporting. SB 378 is supported by local governments and is opposed by utilities and the California Chamber of Commerce.
- D) SB 801 (SUPPORT) – This bill establishes new requirements on electrical corporations regarding deployment of backup electrical resources to customers receiving medical baseline allowance and living in a high fire-threat district, if the customer meets specified conditions, and requires an electrical corporation to develop its program to provide backup electrical resources in consultation with community disability rights groups or other local disability rights advocates. SB 801 is supported by Solar Storage Association and local governments, and is opposed by utilities.
- E) SB 862 (SUPPORT) – Similar to AB 2178, this bill adds PSPS as a cause for declaring a state of emergency with the additional requirement of coordinating with local governments. SB 862 is supported by local governments, healthcare rights activists, Community Choice Aggregators (CCA), and others.

Mayor Farrer is requesting the Council authorize legislative position letters be submitted from the City in opposition to AB 2167 and in support of AB 2178, SB 378, SB 801, and SB 862. She further requests that Council direct California Strategies and Advocacy, LLC, the City's lobbyist, to closely monitor the status of these bills and report back to the City.

ATTACHMENTS:

1. AB 2167
2. AB 2178
3. SB 378
4. SB 801
5. SB 862

AMENDED IN ASSEMBLY MAY 4, 2020

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 2167

Introduced by Assembly Members Daly and Cooley

(Principal coauthor: Senator Rubio)

**(Coauthors: Assembly Members Chen, Megan Dahle, Kamlager,
Mayes, Medina, and Waldron)**

(Coauthors: Senators Dahle and Jones)

February 11, 2020

An act to add Chapter 12 (commencing with Section 10109) to Part 1 of Division 2 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2167, as amended, Daly. Insurance market action plan.

The Insurance Rate Reduction and Reform Act of 1988, an initiative measure enacted by Proposition 103, as approved by the voters at the November 8, 1988, statewide general election, prohibits specified insurance rates from being approved or remaining in effect that are excessive, inadequate, unfairly discriminatory, or otherwise in violation of the act. The act requires an insurer that wishes to change a rate to file a complete rate application with the Insurance Commissioner and deems the application approved 60 days after public notice of the application unless certain events occur, including that a consumer requests a hearing, or the commissioner determines to hold a hearing. The act requires hearings to be conducted pursuant to specified provisions of law governing administrative hearings. Existing law authorizes the provisions of Proposition 103 to be amended by a statute that furthers the purposes of the act and is enacted by the Legislature with a $\frac{2}{3}$ vote.

~~Under existing law, the California FAIR Plan Association is a joint reinsurance association in which all insurers licensed to write basic property insurance participate in administering a program for the equitable apportionment of basic property insurance for persons who are unable to obtain that coverage through normal channels.~~

This bill would establish the Insurance Market Action Plan (IMAP) program under which residential property insurance policies in a county may qualify for IMAP protection ~~if residential property insurance policies issued by the FAIR Plan constitute 3% or more of all policies issued and in force in that county. The bill would authorize an insurer to submit an IMAP filing to the department and the requirements of the program are met. The bill would require the an IMAP filing submitted to the Department of Insurance by an insurer to include include, among other things, a request for adequate rates, a plan for maintaining solvency of the insurer, and mitigation requirements. The bill would also require an insurer to commit in the IMAP to offer new and renewal residential property insurance policies in a set of IMAP counties until the insurer achieves a market penetration rate in those IMAP counties that is no lower than 85% of its statewide market penetration rate. The bill would require an insurer that submits an IMAP filing to receive an expedited review of its rate filing, not to exceed 120 days, if the insurer uses an actuarial assumption for trend and loss development that is at the midpoint or less of rate impacts, or files for a rate increase based solely on increased reinsurance costs, and does not otherwise change any other aspect of its rate filing from its previous department approved rate. The bill would require the Office of Planning and Research, on or before, January 1, 2023, to issue a report outlining the effectiveness of the IMAP program.~~

By providing for an expedited review and approval of residential property insurance rates, the bill would amend Proposition 103 and thus require a $\frac{2}{3}$ vote.

The bill would provide that its provisions are not severable.

The bill would make its operation contingent on the enactment of SB 292 of the 2019–20 Regular Session.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. (a) The Legislature finds and declares all of the following:

~~(a)~~

(1) Climate change has created a new reality in California. Fifteen of the 20 most destructive wildfires in the state's history have occurred since 2000 and 10 of the most destructive fires have occurred since 2015. *More people died from wildfires in 2017 and 2018 than in the last 10 years combined.*

(A) *Igniting November 8, 2018, the Camp Fire burned for 17 days, killed at least 85 people, and destroyed over 18,800 structures. It is not only the most expensive wildfire in United States history, but was the most expensive natural disaster worldwide in 2018. Insured losses reached \$12.5 billion, while total losses were \$16.5 billion.*

(B) *Also igniting November 8, 2018, the Woolsey Fire burned for 14 days, killed three people, and destroyed over 1,600 buildings. Insured losses are estimated at \$3 billion to \$5 billion of the \$6 billion in total property losses.*

(C) *Igniting July 23, 2018, the Carr Fire burned for 37 days, killed eight people, including three firefighters, and destroyed over 1,600 structures. The fire caused over \$1.5 billion in property damage.*

(D) *Igniting December 4, 2017, the Thomas Fire burned for 39 days, killed 23 people, including one firefighter and 21 people from a resulting mudslide, and destroyed over 1,000 structures. The fire caused over \$2.2 billion in damages.*

(E) *Igniting October 8, 2017, the Tubbs Fire burned for 12 days, killed 22 people, and destroyed over 5,600 structures. Insured losses are estimated to be between \$7.5 billion and \$9.5 billion.*

(F) *Igniting October 8, 2017, the Atlas Fire burned for 12 days, destroyed 25,000 acres, and destroyed over 700 buildings. Insured losses are estimated to be between \$2.5 billion and \$4.5 billion.*

(G) *Burning for over three months in 2018, a less costly seventh fire, the Mendocino Complex Fire, became the largest recorded fire in state history when it consumed over 459,000 acres, more than the previous largest fire, the Thomas Fire, in 2017.*

~~(b)~~

(2) Fire season in California has changed. In the western United States, the length of the fire season is over 80 days longer than it was in the 1970s. According to research from the University of California, Los Angeles, residents may no longer expect fire season to end in September. Instead, the onset of seasonal rain can be delayed into October or even November. These longer periods without rain, combined with the well-known, heavy wind patterns of autumn, have created increased likelihood of uncontrollable, severe fires that endanger life and property. The Camp Fire in Paradise is an example of a fire that started after the end of the traditional fire season.

(e)

(3) The impact of catastrophic fires is multifaceted. While the governmental costs of fire response and suppression are significant, research from Headwaters Economics indicates those costs are less than 10 percent of the total costs. Combined with suppression expenses, other short-term costs, including evacuation and aid relief, road stabilization, and home and property loss only represent 35 percent of the total wildfire-related costs. Longer term costs, including loss of property value, tax revenue, and business revenue, as well as landscape rehabilitation, infrastructure repair, loss of ecosystem services, and human casualties represent the remaining 65 percent.

(4) *According to a Department of Insurance 2018 report on the availability and affordability of wildfire coverage, major insurers are pulling back from writing new policies or renewing policies in the wildland-urban interface (WUI) fire areas. Additionally, premiums are increasing in the WUI, and most insurers do not take into consideration wildfire mitigation conducted by the homeowner or the community. This is in part because no single insurer has loss experience in the WUI to validate the rates and premiums charged for each wild fire risk model score. The department's report further states that a credible database for wildfire loss experience in the WUI is needed in order for insurers to use rating plans that impact rates in the WUI and suggests that the Legislature should create a framework within which insurers offer a mitigation premium credit for property owners that conduct proper mitigation.*

(5) *The National Institute of Building Sciences studied 23 years of federally funded mitigation grants provided by the Federal*

Emergency Management Agency (FEMA), the United States Economic Development Administration, and the United States Department of Housing and Urban Development, and found that hazard mitigation funding saves six dollars (\$6) in future disaster costs for every one dollar (\$1) invested. Further, the study found that designing buildings to meet the 2018 International Residential Code and 2018 International Building Code would provide a national benefit of eleven dollars (\$11) for every one dollar (\$1) of investment when compared to 1990-era building codes and National Flood Insurance Program requirements.

(6) Studying, developing, and incentivizing homeowners to actively participate in, actuarially sound wildfire mitigation measures is therefore a fiscally prudent policy with the potential to save lives and prevent billions of dollars in future losses from occurring. A regularly updated and secure central database of publicly held housing infrastructure information, deployed in support of a public catastrophic loss model, has the potential to significantly enhance statewide disaster planning and response efforts, as well as quantify the benefit of homeowners' mitigation efforts. In order to accomplish this goal, it is important for the state to partner with insurers, insurance research organizations, and local agencies to develop easily and uniformly enforced defensible space practices and measurable mitigation efforts for future study.

(7) Research shows that homeowners' risk reduction behaviors are influenced by the perceived effectiveness of the activities and their perceived ability to complete them. Public outreach, information sharing, and a communitywide collaborative process on wildfire protection planning have been found to build trust among residents and local fire agencies. It is the intent of the Legislature to partner with local agencies throughout California's diverse wildfire risk regions in support of collecting regionally specific housing infrastructure information in support of developing regionally specific loss modeling.

(d)

(8) Residential property insurance provides essential financial security for California residents for both short-term and long-term costs. Insurance supports temporary needs for housing and transportation for fire victims, intermediate needs for debris and hazardous materials removal from fire-affected properties, and

1 long-term rebuilding of structures and replacement of personal
2 property. There is no governmental program that provides similar
3 comprehensive assistance for California residents and it is,
4 therefore, vital for the State of California to ensure the existence
5 of a vibrant residential property insurance marketplace capable of
6 serving all communities.

7 (e)

8 (9) Strains in the residential property insurance system are
9 becoming evident. As the Senate Committee on Insurance noted
10 in its 2019 informational hearing on homeowners' insurance
11 availability and affordability, California policyholders have
12 "enjoyed a long spell of low insurance rates" but "climate change,
13 drought, population movement, and other factors may be changing
14 the fundamental nature of the homeowners' insurance market."
15 Analysis of countrywide data from the National Association of
16 Insurance Commissioners indicates that average homeowners'
17 insurance rates in California rank 32nd in the country and, when
18 adjusted for differences in regional costs, rank 49th in the country,
19 at less than one-half the cost for insurance in states exposed to
20 other natural disasters, including hurricanes.

21 (f)

22 (10) As part of a similar 2019 investigation of the homeowners'
23 insurance market, the Assembly Committee on Insurance noted
24 the acceleration of losses in this environment of relatively low
25 rates, finding that a "study of the homeowners' insurance market
26 released in 2018 as part of California's Fourth Climate Change
27 Assessment found that insured losses through 2017 wiped out the
28 entire underwriting profit insurers earned since 2000. The 2018
29 fires continued with another round of enormous losses." The
30 committee cautioned against a legislative response that "increases
31 the likelihood of any policy change to generate unintended
32 consequences" and guarding against the great risk that regulating
33 some, but not all, of the important aspects of insurance could
34 "significantly disrupt a homeowners' insurance market that is
35 effectively serving a great majority of California homeowners."

36 (g)

37 (11) The final report of the Governor's Commission on
38 Catastrophic Wildfire Cost and Recovery attempted to reconcile
39 the various competing interests associated with insurance
40 availability, risk selection, and pricing. The commission noted that

1 “while insurance is still largely available, it will become
2 increasingly unavailable and/or unaffordable for many in the
3 wildland urban interface in California.” In attempting to harmonize
4 the various competing interests for California, the commission
5 recommended preserving risk-based insurance pricing, while
6 avoiding cross-subsidies of high-risk areas by low-risk areas, as
7 well as developing incentives for parcel and community level loss
8 mitigation efforts.

9 ~~(h)~~

10 (b) Based upon this extensive investigation in both the legislative
11 and executive branches, the Legislature ~~has determined~~ *determines*
12 that a state policy response is required to solve several issues
13 simultaneously, ~~including~~, *including* all of the following:

14 (1) Ensuring insurance rates are adequate to avoid insurer
15 insolvencies and to permit insurers to operate in the state’s highest
16 risk areas, while imposing restrictions on rates above actuarially
17 justified levels.

18 (2) Reducing the number of residents that are required to rely
19 upon the California FAIR Plan, which the State of California
20 created to provide a market of last resort but which is a catastrophic
21 insurance pool at rate levels far higher than the regular insurance
22 market.

23 (3) Incentivizing insurers to seek cost-based rates in exchange
24 for assurances that they will serve high-risk communities at levels
25 similar to their statewide presence.

26 (4) Developing systems of accountability for individual and
27 community-based loss mitigation efforts.

28 (c) *Recent wildfires have contributed to a surge of residential*
29 *property insurance policies being issued by the FAIR Plan in*
30 *numbers approaching that seen after the Northridge earthquake.*
31 *In order to monitor surges in new FAIR Plan policies and to create*
32 *a standard threshold to indicate when admitted market residential*
33 *property insurance availability in specified areas of the state has*
34 *declined, the Legislature determines that it is necessary to do all*
35 *of the following:*

36 (1) *Create a standard threshold for residential property*
37 *insurance policies to qualify for the Insurance Market Action Plan*
38 *(IMAP), established by this act, based on monitoring surges in*
39 *FAIR Plan new business that indicate a contracting insurance*
40 *market.*

1 (2) *Incentivize insurers to seek cost-based rates in exchange*
2 *for assurances that they will maintain an adequate presence in*
3 *specified high-risk areas of the state, and evaluate the effectiveness*
4 *of these methods at reducing reliance on the FAIR Plan in eligible*
5 *areas, thereby maintaining an adequate supply of admitted market*
6 *insurance at a price more affordable to most consumers than that*
7 *offered by the FAIR Plan.*

8 (3) *Establish a scientifically advanced probabilistic wildfire*
9 *loss model for the purpose of providing property and casualty*
10 *insurers access to a state of the art public tool that is accessible*
11 *for comparison, evaluation, and analysis of modeled risk*
12 *assumptions used in support of IMAP rate filings. In this regard,*
13 *it is the intent of the Legislature to convene an advisory committee*
14 *of public and private stakeholders to design standards for the use*
15 *of probabilistic wildfire loss models in residential property*
16 *insurance rate development, and to establish a database and*
17 *computer model for that purpose.*

18 (A) *The Legislature finds these measures are necessary to limit*
19 *the number of insurer-initiated nonrenewals that occur in response*
20 *to changes in the understanding of wildfire risk and to limit*
21 *homeowners' reliance on the California FAIR Plan.*

22 (B) *The Legislature finds that such a model is an objective public*
23 *tool that will promote precision in loss projection, and that*
24 *decreasing the uncertainty of future losses in this state is necessary*
25 *to stabilize large price swings in the residential property insurance*
26 *market.*

27 (C) *The Legislature further intends that such a model be*
28 *available to assist state and local governments incorporate a*
29 *modeled understanding of the costs of wildfire risk in their planning*
30 *processes.*

31 (†)

32 (d) *To the extent that a court may find that this legislation*
33 *amends the Insurance Rate Reduction and Reform Act of 1988,*
34 *an initiative measure, enacted by Proposition 103, as approved by*
35 *the voters at the November 8, 1988, statewide general election,*
36 *the Legislature has determined that this act furthers the purpose*
37 *of Proposition 103 because the primary goal of this act is to*
38 *increase statewide availability of insurance using risk-based pricing*
39 *subject to the prior approval of the Insurance Commissioner, and*

1 seeks to prevent unfair discrimination in pricing or unjustified
2 regional subsidies in high fire-risk areas.

3 SEC. 2. Chapter 12 (commencing with Section 10109) is added
4 to Part 1 of Division 2 of the Insurance Code, to read:

5
6 CHAPTER 12. ~~INSURANCE MARKET ACTION PLAN~~ WILDFIRE
7 RISK MODELING AND MITIGATION

8
9 Article 1. Insurance Market Action Plan

10
11 ~~10109. (a) The Insurance Market Action Plan (IMAP) program~~
12 ~~is hereby established.~~

13 ~~(b) (1) Residential property insurance policies in a county may~~
14 ~~qualify for insurance market action plan (IMAP) protection if~~
15 ~~residential property insurance policies issued by the California~~
16 ~~FAIR Plan constitute 3 percent or more of all policies issued and~~
17 ~~in force in the county, as annually calculated by the department~~
18 ~~and the Department of Finance.~~

19 ~~(2) A county that meets the requirements of paragraph (1) shall~~
20 ~~be designated by the department as an IMAP county.~~

21 ~~(c) If the IMAP process implemented by this chapter results in~~
22 ~~eliminating the eligibility of all counties from being qualified under~~
23 ~~subdivision (b), an insurer may continue to make IMAP filings~~
24 ~~pursuant to this chapter.~~

25 *10109. (a) The Insurance Market Action Plan (IMAP) program*
26 *is hereby established.*

27 *(b) Residential property insurance policies in a county may*
28 *qualify for insurance market action plan (IMAP) protection if the*
29 *requirements of this article are met.*

30 *10109.1 (a) An insurer may submit an IMAP filing submitted*
31 *to the department, which department by an insurer shall include*
32 *all of the following:*

33 *(1) A request for adequate rates, as described in Section 10109.3.*

34 *(2) A plan for maintaining the insurer's solvency as policy count*
35 *grows in IMAP counties, taking into account, among other things,*
36 *risks related to overconcentration in high-risk communities.*

37 *(3) Parcel-level and community-based mitigation and*
38 *verification requirements, as described in Section 10109.2.*

39 *(4) A list of the areas within an IMAP eligible county in which*
40 *the insurer proposes to issue residential property insurance*

1 pursuant to its IMAP filing, and a list of the areas within that
2 county in which the insurer shall not issue residential property
3 insurance pursuant to its IMAP filing.

4 (b) (1) An insurer shall commit in the IMAP to offer new and
5 renewal residential property insurance policies in a set of IMAP
6 counties until the insurer achieves a market penetration rate in
7 those IMAP counties that is no lower than 85 percent of its
8 statewide market penetration rate. The IMAP commitment shall
9 be calculated based on the insurer's residential property insurance
10 policy count across the entire designated set of IMAP counties,
11 but need not be met in each county individually.

12 (2) Notwithstanding paragraph (1), an insurer shall monitor and
13 avoid overconcentration in any one particular area within an IMAP
14 county or across a particular IMAP county in order to prevent a
15 catastrophic loss that could impair its solvency.

16 ~~10109.2. An IMAP filing shall set forth the mitigation standards~~
17 ~~required in order for counties to qualify for IMAP protection,~~
18 ~~including all of the following:~~

19 ~~(a) Objective standards for parcel-level mitigation, along with~~
20 ~~procedures for verifying that the mitigation actually occurred,~~
21 ~~including any required governmental or third-party certifications.~~

22 ~~(b) Requirements for community certifications, if any, including~~
23 ~~designation as a Firewise USA site by the National Fire Protection~~
24 ~~Association.~~

25 10109.3. (a) A rate proposed as part of an IMAP filing shall
26 not be excessive, inadequate, or unfairly discriminatory, and shall
27 be actuarially sound so that premiums are adequate to cover
28 expected losses, expenses, and taxes, and shall reflect investment
29 income of the insurer.

30 (b) A rate requested as part of an IMAP filing shall be subject
31 to the prior approval of the commissioner.

32 ~~10109.4. A rate requested as part of an IMAP filing may be~~
33 ~~based on a complex catastrophe model, as follows:~~

34 ~~(a) The complex catastrophe model shall be based on the best~~
35 ~~available scientific information for assessing the risk of catastrophic~~
36 ~~wildfire frequency, severity, and loss.~~

37 ~~(b) The projected losses derived from the catastrophe model~~
38 ~~shall meet all applicable statutory standards.~~

39 ~~(c) The complex catastrophe model shall consider both~~
40 ~~parcel-level mitigation and regional mitigation.~~

1 10109.5. (a) An insurer that submits an IMAP filing pursuant
2 to this chapter shall receive an expedited review of its rate filing
3 if either of the following conditions are met:

4 (1) The insurer uses an actuarial assumption for trend and loss
5 development that is at the midpoint or less of rate impacts, and
6 does not otherwise change any other aspect of its rate filing from
7 its previous department approved rate.

8 (2) The insurer files for a rate increase based solely on increased
9 reinsurance costs, subject to the requirements of Section 10109.6,
10 and does not otherwise change any other aspect of its rate filing
11 from its previous department approved rate.

12 (b) The time period for the expedited rate review shall not
13 exceed 120 days, and the department shall not request that the
14 insurer waive the 120-day requirement.

15 (c) If the department does not approve the filing within the 120
16 days, the IMAP filing is automatically withdrawn and the insurer
17 may continue with its previously approved rate and the insurer
18 retains the ability to select risks without meeting the requirements
19 of subdivision (b) of Section 10109.1.

20 (d) Notwithstanding subdivision (c), if an insurer submits an
21 IMAP filing to amend a rate level approved in a previous IMAP
22 filing, and the department does not approve the filing within the
23 120 days, the insurer's IMAP commitments, including the
24 ~~commitments~~ *commitment* required by subdivision (b) of Section
25 10109.1, shall be suspended until the department and the insurer
26 reach agreement on the filing.

27 10109.6. If a rate requested as part of an IMAP filing includes
28 the net costs of reinsurance, including internal or external
29 reinsurance, the reinsurance agreement shall be entered into in
30 good faith in an arm's length transaction and at fair market value
31 for the coverage provided. The reinsurance shall meet the
32 department's statement credit requirements.

33 10109.7. If an insurer submits an IMAP filing pursuant to this
34 chapter and the department or an intervener objects to an issue
35 other than the rate calculation, then the expedited IMAP rate filing
36 shall be processed separately from the contested issue so that the
37 contested issue does not delay the expedited rate filing. If, based
38 on the contested issue, the department orders a nonconsensual
39 change to the IMAP, the insurer's IMAP requirements shall be

1 suspended until the department and the insurer agree upon revised
2 terms for the IMAP.

3 ~~10109.8. On or before January 1, 2023, the Office of Planning~~
4 ~~and Research shall issue a report outlining the effectiveness of the~~
5 ~~IMAP program that includes, but is not limited to, all of the~~
6 ~~following:~~

7 ~~(a) An analysis of whether the IMAP program achieved average~~
8 ~~admitted market rates lower than the California FAIR Plan plus~~
9 ~~difference in condition policies.~~

10 ~~(b) An analysis of the overall progress of the IMAP program~~
11 ~~towards achieving market penetration goals in IMAP counties.~~
12 ~~This data shall be reported in aggregate.~~

13 ~~(c) Recommendations for continued improvements to the IMAP~~
14 ~~program.~~

15 *SEC. 3. The provisions of this act are not severable. If any*
16 *provision of this act or its application is held invalid, all other*
17 *provisions of this act shall also be held invalid.*

18 *SEC. 4. This act shall become operative only if Senate Bill 292*
19 *of the 2019–20 Regular Session is enacted and becomes effective*
20 *on or before January 1, 2021.*

ASSEMBLY BILL

No. 2178

Introduced by Assembly Member Levine

February 11, 2020

An act to amend Sections 8557 and 8558 of the Government Code, relating to emergency services.

LEGISLATIVE COUNSEL'S DIGEST

AB 2178, as introduced, Levine. Emergency services.

Existing law, the California Emergency Services Act, authorizes the Governor to proclaim a state of emergency, and local officials and local governments to proclaim a local emergency, when specified conditions of disaster or extreme peril to the safety of persons and property exist, and authorizes the Governor or the appropriate local government to exercise certain powers in response to that emergency. Existing law defines the terms “state of emergency” and “local emergency” to mean a duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by, among other things, fire, storm, or riot.

This bill would additionally include a deenergization, defined as a planned public safety power shutoff, as specified, within those conditions constituting a state of emergency and a local emergency.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 8557 of the Government Code is amended
2 to read:

1 8557. (a) “State agency” means any department, division,
2 independent establishment, or agency of the executive branch of
3 the state government.

4 (b) “Political subdivision” includes any city, city and county,
5 county, district, or other local governmental agency or public
6 agency authorized by law.

7 (c) “Governing body” means the legislative body, trustees, or
8 directors of a political subdivision.

9 (d) “Chief executive” means that individual authorized by law
10 to act for the governing body of a political subdivision.

11 (e) “Disaster council” and “disaster service worker” have the
12 meaning prescribed in Chapter 1 (commencing with Section 3201)
13 of Part 1 of Division 4 of the Labor Code.

14 (f) “Public facility” means any facility of the state or a political
15 subdivision, which facility is owned, operated, or maintained, or
16 any combination thereof, through moneys derived by taxation or
17 assessment.

18 (g) “Sudden and severe energy shortage” means a rapid,
19 unforeseen shortage of energy, resulting from, but not limited to,
20 events such as an embargo, sabotage, or natural disasters, and
21 which has statewide, regional, or local impact.

22 (h) *“Deenergization” means a planned public safety power*
23 *shutoff that is consistent with the requirements of subdivision (a)*
24 *of Section 399.2 of, and of Section 451 of, the Public Utilities Code.*

25 SEC. 2. Section 8558 of the Government Code is amended to
26 read:

27 8558. Three conditions or degrees of emergency are established
28 by this chapter:

29 (a) “State of war emergency” means the condition that exists
30 immediately, with or without a proclamation thereof by the
31 Governor, whenever this state or nation is attacked by an enemy
32 of the United States, or upon receipt by the state of a warning from
33 the federal government indicating that such an enemy attack is
34 probable or imminent.

35 (b) “State of emergency” means the duly proclaimed existence
36 of conditions of disaster or of extreme peril to the safety of persons
37 and property within the state caused by conditions such as air
38 pollution, fire, flood, storm, epidemic, riot, drought, cyberterrorism,
39 sudden and severe energy shortage, plant or animal infestation or
40 disease, the Governor’s warning of an earthquake or volcanic

1 prediction, or an earthquake, or other conditions, other than
2 conditions resulting from a labor controversy or conditions causing
3 a “state of war emergency,” which, by reason of their magnitude,
4 are or are likely to be beyond the control of the services, personnel,
5 equipment, and facilities of any single county, city and county, or
6 city and require the combined forces of a mutual aid region or
7 regions to combat, or with respect to regulated energy utilities, *a*
8 *deenergization* or a sudden and severe energy shortage *that* requires
9 extraordinary measures beyond the authority vested in the
10 California Public Utilities Commission.

11 (c) “Local emergency” means the duly proclaimed existence of
12 conditions of disaster or of extreme peril to the safety of persons
13 and property within the territorial limits of a county, city and
14 county, or city, caused by conditions such as air pollution, fire,
15 flood, storm, epidemic, riot, drought, cyberterrorism, sudden and
16 severe energy shortage, plant or animal infestation or disease, the
17 Governor’s warning of an earthquake or volcanic prediction, or
18 an earthquake, or other conditions, other than conditions resulting
19 from a labor controversy, which are or are likely to be beyond the
20 control of the services, personnel, equipment, and facilities of that
21 political subdivision and require the combined forces of other
22 political subdivisions to combat, or with respect to regulated energy
23 utilities, *a deenergization* or a sudden and severe energy shortage
24 *that* requires extraordinary measures beyond the authority vested
25 in the California Public Utilities Commission.

AMENDED IN SENATE JANUARY 21, 2020

AMENDED IN SENATE JANUARY 6, 2020

AMENDED IN SENATE SEPTEMBER 6, 2019

AMENDED IN SENATE MARCH 25, 2019

SENATE BILL

No. 378

Introduced by Senator Wiener

(Principal coauthor: Assembly Member Kalra)

(Coauthor: Senator Wilk)

(Coauthors: Assembly Members Chiu, Cunningham, Eggman, Lackey, Levine, and Mark Stone)

February 20, 2019

An act to add Sections 592, ~~707.3, 707.5~~, 748, 776.7, 911.3, and 2111.5 to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 378, as amended, Wiener. Electrical corporations: deenergization events: procedures: allocation of costs: reports.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law requires every public utility to furnish any reports required by the commission. *Existing law requires the commission to establish the Wildfire Safety Division within the commission to undertake specified tasks. Existing law, effective July 1, 2021, transfers all functions of the Wildfire Safety Division to the Office of Energy Infrastructure Safety.*

This bill would require each electrical corporation ~~with more than 2,500,000 electrical service connections in California~~ to annually submit a report to the ~~commission, the Office of Emergency Services, the Department of Forestry and Fire Protection, the Independent System~~

~~Operator, and county governments within its service territory Wildfire Safety Division and, after June 30, 2021, to the Office of Energy Infrastructure Safety, that includes the age, useful life, and condition of the electrical corporation's equipment, inspection dates, and maintenance records for its equipment, investments to maintain and improve the operation of its transmission and distribution facilities, and an assessment of the current and future fire and safety risk posed by the equipment.~~

~~Existing law requires the commission to institute a rulemaking proceeding by March 1, 2012, for the purpose of considering and adopting a code of conduct, associated rules, and enforcement procedures, as specified, to govern the conduct of an electrical corporation relative to the consideration, formation, and implementation of community choice aggregation programs and to implement the code of conduct, associated rules, and enforcement procedures by January 1, 2013.~~

~~This bill would prohibit the commission from allowing an electrical corporation to recover in rates costs associated with the electrical corporation's opposition to the consideration, formation, implementation, or expansion of a local publicly owned electric utility, electrical cooperative, or microgrid, self-generation, or distributed resource program or policy or to other efforts to expand the electrical service options available to consumers. The bill would require the commission to ensure that an electrical corporation does not market against those efforts, except through an affiliate that is funded exclusively by the electrical corporation's shareholders, and would impose other related requirements on the commission.~~

Existing law requires each electrical corporation to annually prepare and submit a wildfire mitigation plan to the commission for review and approval, as specified. Existing law requires a wildfire mitigation plan of an electrical corporation to include, among other things, protocols for deenergizing portions of the electrical distribution system that consider the associated impacts on public safety, as well as protocols related to mitigating the public safety impacts of those protocols, including impacts on critical first responders and on health and communications infrastructure.

Existing law establishes an independent Public Advocate's Office within the commission with the goal to obtain the lowest possible rate for service consistent with reliable and safe service levels.

This bill would require the commission, in consultation with the ~~Department of Consumer Affairs, Public Advocate's Office~~, on or before June 1, 2021, to establish a procedure for customers, local governments, and others affected by a deenergization event to recover costs accrued during the deenergization event from an ~~electrical corporation with more than 2,500,000 electrical service connections in California.~~ *corporation, within specified time periods.* The bill would require an ~~electrical corporation with more than 2,500,000 electrical service connections in California, corporation,~~ on or before June 1, 2021, to create a fund, of an amount to be determined by the commission, for the recovery of costs accrued by ~~establish a memorandum account to track expenses paid to~~ customers, local governments, and others ~~during for claims resulting from~~ a deenergization event. ~~The bill would require that money be paid into the fund exclusively by the electrical corporation's shareholders, would prohibit expenses paid by the fund from being recovered either directly or indirectly in rates, and would require that those expenses be borne exclusively by the shareholders of the electrical corporation.~~ *The bill would require the commission to establish rules to determine whether the expenses paid can be recovered from ratepayers.* The bill would prohibit an electrical corporation ~~with more than 2,500,000 electrical service connections in California~~ from billing customers for any nonfixed costs during a deenergization event or from charging customers increased amounts after a deenergization event in order to offset losses accrued during a deenergization event. The bill would require, on or before June 1, 2021, that any profit accrued by an ~~electrical corporation with more than 2,500,000 electrical service connections in California corporation,~~ due to a deenergization ~~event~~ *event that is determined by the commission to have been undertaken in an unreasonable or imprudent manner*, be remitted or credited to its ratepayers, ~~while and that~~ any loss be borne by the electrical corporation's shareholders.

This bill would require an electrical corporation ~~with more than 2,500,000 electrical service connections in California~~ to provide notification of a pending deenergization event as early as possible to the cities and counties within its service territory and to other local governmental entities upon their request, and to share information relating to a deenergization event with local governmental entities, as specified.

This bill would require the commission to biennially produce a report on the economic, environmental, public health, and public safety impacts

of deenergization events, using information provided by electrical corporations ~~with more than 2,500,000 electrical service connections in California~~ and independent analysis.

Existing law provides for the imposition of fines and civil penalties for the violation of the California Constitution, statutes, or an order, decision, or requirement of the commission by a public utility.

~~This~~

If the commission determines that the electrical corporation failed to act in a reasonable and prudent manner in its implementation and execution of a deenergization event, this bill would provide that an electrical corporation is subject to a civil penalty of not less than \$500,000 \$250,000 per 50,000 affected customers for every hour that a deenergization event is in place, and would require that the penalty be borne exclusively by the electrical corporation's shareholders.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime, when a penalty has not otherwise been provided.

Because the provisions of this bill would be a part of the act and would require action to be taken by the commission to implement its requirements, and because penalties are not provided for certain of the bill's requirements, the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 592 is added to the Public Utilities Code,
- 2 to read:
- 3 592. (a) The commission shall direct each electrical corporation
- 4 ~~with more than 2,500,000 electrical service connections in~~
- 5 ~~California to submit an annual report to the commission, the Office~~
- 6 ~~of Emergency Services, the Department of Forestry and Fire~~
- 7 ~~Protection, the Independent System Operator, and county~~
- 8 ~~governments within its service territory~~ *Wildfire Safety Division*

1 *and, after June 30, 2021, to the Office of Energy Infrastructure*
2 *Safety, that includes all of the following:*

3 (1) The age, useful life, and condition of the electrical
4 corporation's equipment.

5 (2) For all equipment subject to inspection, the date of the most
6 recent inspections.

7 (3) The maintenance records for the electrical corporation's
8 equipment.

9 (4) A list of the electrical corporation's investments made in
10 the preceding year to maintain and improve the operation of its
11 transmission and distribution facilities.

12 (5) An assessment of the current and future fire and safety risk
13 posed by the equipment.

14 (b) ~~The commission~~ *Wildfire Safety Division, or after June 30,*
15 *2021, the Office of Energy Infrastructure Safety,* shall post each
16 submitted report on its internet website.

17 (c) For purposes of this section, "deenergization event" has the
18 same meaning as defined in Section 748.

19 ~~SEC. 2.—Section 707.3 is added to the Public Utilities Code, to~~
20 ~~read:~~

21 ~~707.3.—(a) The commission shall not allow an electrical~~
22 ~~corporation to recover in rates costs associated with the electrical~~
23 ~~corporation's opposition either to the consideration, formation, or~~
24 ~~implementation of a new local publicly owned electric utility or~~
25 ~~electrical cooperative, or to the expansion of an existing local~~
26 ~~publicly owned electric utility or electrical cooperative.~~

27 ~~(b) The commission shall do all of the following:~~

28 ~~(1) Ensure that an electrical corporation does not market against~~
29 ~~the consideration, formation, implementation, or expansion of a~~
30 ~~local publicly owned electric utility or electrical cooperative, except~~
31 ~~through an affiliate that is funded exclusively by the electrical~~
32 ~~corporation's shareholders.~~

33 ~~(2) Require that an electrical corporation's marketing against~~
34 ~~the consideration, formation, implementation, or expansion of a~~
35 ~~local publicly owned electric utility or electrical cooperative be~~
36 ~~conducted by an affiliate of the electrical corporation and not by~~
37 ~~a marketing division of the electrical corporation, subject to affiliate~~
38 ~~transaction rules to be developed by the commission.~~

39 ~~(3) Limit an electrical corporation's affiliate's use of support~~
40 ~~services from the electrical corporation's ratepayer-funded~~

1 divisions, and ensure that an electrical corporation's affiliate is
2 allocated the costs of any permissible support services from the
3 electrical corporation's ratepayer-funded divisions on a fully
4 allocated embedded cost basis, with the corporation providing
5 detailed public reports of such use.

6 (4) Ensure that an electrical corporation's affiliate does not have
7 access to competitively sensitive information.

8 SEC. 3. Section 707.5 is added to the Public Utilities Code, to
9 read:

10 707.5. (a) The commission shall not allow an electrical
11 corporation to recover in rates costs associated with the electrical
12 corporation's opposition to the consideration, formation,
13 implementation, or expansion of a microgrid, self-generation, or
14 distributed resource program or policy or to other efforts to expand
15 the electrical service options available to consumers.

16 (b) The commission shall do all of the following:

17 (1) Ensure that an electrical corporation does not market against
18 the consideration, formation, implementation, or expansion of a
19 microgrid, self-generation, or distributed resource program or
20 policy or against other efforts to expand the electrical service
21 options available to consumers, except through an affiliate that is
22 funded exclusively by the electrical corporation's shareholders.

23 (2) Require that an electrical corporation's marketing against
24 the consideration, formation, implementation, or expansion of a
25 microgrid, self-generation, or distributed resource program or
26 policy, or against other efforts to expand the electrical service
27 options available to consumers, be conducted by an affiliate of the
28 electrical corporation and not by a marketing division of the
29 electrical corporation, subject to affiliate transaction rules to be
30 developed by the commission.

31 (3) Limit an electrical corporation's affiliate's use of support
32 services from the electrical corporation's ratepayer-funded
33 divisions, and ensure that an electrical corporation's affiliate is
34 allocated the costs of any permissible support services from the
35 electrical corporation's ratepayer-funded divisions on a fully
36 allocated embedded cost basis, with the corporation providing
37 detailed public reports of such use.

38 (4) Ensure that an electrical corporation's affiliate does not have
39 access to competitively sensitive information.

~~SEC. 4.~~

SEC. 2. Section 748 is added to the Public Utilities Code, to read:

748. (a) For purposes of this section, “deenergization event” means an intentional, temporary termination of electrical service to an area for the purpose of reducing or eliminating the risk of wildfires resulting from the operation of the electrical grid or related facilities.

(b) (1) On or before June 1, 2021, the commission, in consultation with the ~~Department of Consumer Affairs, Public Advocate’s Office,~~ shall establish a procedure to do both of the following:

(A) To enable customers and others affected by a deenergization event to recover costs accrued during the deenergization event from an electrical corporation ~~with more than 2,500,000 electrical service connections in California within two weeks of the end of~~ *within the utility bill encompassing the dates of* the event.

(B) To enable local governments affected by a deenergization event to recover costs accrued during the deenergization event from an electrical corporation ~~with more than 2,500,000 electrical service connections in California~~ within two weeks of billing the electrical corporation for those costs.

(2) Costs recoverable under this section *may* include, but are not limited to, assets, revenue, and wages lost as a direct result of a deenergization event, medical bills, travel expenses, lodging costs, and other incidental expenses incurred as a direct result of a deenergization event, and local government planning and response activity costs directly related to a deenergization event.

(c) On or before June 1, 2021, the commission shall require an electrical corporation ~~with more than 2,500,000 electrical service connections in California to create a fund, of an amount to be determined by the commission, to fund recovery of costs accrued by to establish a memorandum account to track expenses paid to~~ customers, local governments, and others ~~during for claims resulting from~~ a deenergization event. ~~Moneys shall be paid into the fund exclusively by the electrical corporation’s shareholders, and expenses paid by the fund shall not be recoverable either directly or indirectly in rates and shall be borne exclusively by the shareholders of the electrical corporation. The commission shall~~

1 *establish rules to determine whether the expenses paid can be*
2 *recovered from ratepayers.*

3 (d) An electrical corporation ~~with more than 2,500,000 electrical~~
4 ~~service connections in California~~ shall not bill customers for any
5 nonfixed costs during a deenergization event, including with the
6 intent of subsequently reimbursing the customers, and shall not
7 charge customers increased amounts after a deenergization event
8 in order to offset losses accrued during a deenergization event.

9 (e) Beginning on or before June 1, 2021, the commission shall
10 require any profit accrued by an electrical corporation ~~with more~~
11 ~~than 2,500,000 electrical service connections in California~~ due to
12 a deenergization event *that the commission determines to have*
13 *been undertaken in an unreasonable or imprudent manner* to be
14 remitted or credited to its ratepayers and any loss to be borne by
15 the electrical corporation's shareholders.

16 ~~SEC. 5.~~

17 *SEC. 3.* Section 776.7 is added to the Public Utilities Code, to
18 read:

19 776.7. (a) An electrical corporation ~~with more than 2,500,000~~
20 ~~electrical service connections in California~~ shall provide
21 notification of a pending deenergization event as early as possible
22 to the cities and counties within its service territory and to other
23 local governmental entities upon their request.

24 (b) An electrical corporation shall share ~~any~~ information relating
25 to a deenergization event, including information relating to the
26 duration, timing, and location of the deenergization event, impacted
27 facilities, and affected customers, with all local governmental
28 entities within its service territory.

29 (c) An electrical corporation shall share ~~any~~ location-specific
30 information relating to a deenergization event, including
31 information relating to the duration, timing, and location of the
32 deenergization event, impacted facilities, and affected customers,
33 with all local governmental entities with jurisdiction over that
34 location.

35 (d) For purposes of this section, "deenergization event" has the
36 same meaning as defined in Section 748.

37 ~~SEC. 6.~~

38 *SEC. 4.* Section 911.3 is added to the Public Utilities Code, to
39 read:

1 911.3. The commission shall biennially produce a report on
2 the economic, environmental, public health, and public safety
3 impacts of deenergization events, using information provided by
4 electrical corporations with more than 2,500,000 electrical service
5 connections in California and independent analysis. For purposes
6 of this section, “deenergization event” has the same meaning as
7 defined in Section 748.

8 ~~SEC. 7.~~

9 *SEC. 5.* Section 2111.5 is added to the Public Utilities Code,
10 to read:

11 2111.5. An electrical corporation ~~with more than 2,500,000~~
12 ~~electrical service connections in California~~ is subject to a penalty
13 of not less than ~~five hundred thousand dollars~~ *\$500,000 two*
14 *hundred fifty thousand dollars (\$250,000)* for every hour that a
15 deenergization event is in place, multiplied by the sum of the
16 number of full sets of 50,000 customers affected plus one for any
17 ~~remainder.~~ *remainder, if the commission determines that the*
18 *electrical corporation failed to act in a reasonable and prudent*
19 *manner in its implementation and execution of the deenergization*
20 *event.* Penalties remitted pursuant to this section shall be borne
21 exclusively by the electrical corporation’s shareholders. For
22 purposes of this section, “deenergization event” has the same
23 meaning as defined in Section 748.

24 ~~SEC. 8.~~

25 *SEC. 6.* No reimbursement is required by this act pursuant to
26 Section 6 of Article XIII B of the California Constitution because
27 the only costs that may be incurred by a local agency or school
28 district will be incurred because this act creates a new crime or
29 infraction, eliminates a crime or infraction, or changes the penalty
30 for a crime or infraction, within the meaning of Section 17556 of
31 the Government Code, or changes the definition of a crime within
32 the meaning of Section 6 of Article XIII B of the California
33 Constitution.

AMENDED IN SENATE MAY 20, 2020

AMENDED IN SENATE MAY 5, 2020

SENATE BILL

No. 801

Introduced by Senators Glazer and McGuire
(Principal coauthor: Assembly Member Bauer-Kahan)
(Coauthors: Senators Dodd, Hill, Nielsen, Stern, and Wilk)

January 7, 2020

An act to amend Section 8386 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 801, as amended, Glazer. Electrical corporations: wildfire mitigation plans: deenergization: public safety protocol.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law requires each electrical corporation to annually prepare and submit a wildfire mitigation plan to the commission for review and approval, as specified. Following approval, the commission is required to oversee compliance with the plans. Existing law requires a wildfire mitigation plan of an electrical corporation to include, among other things, protocols for deenergizing portions of the electrical distribution system that consider the associated impacts on public safety. As part of these protocols, an electrical corporation is required to include protocols related to mitigating the public safety impacts of deenergizing portions of the electrical distribution system that consider customers that receive medical baseline allowances. Existing law authorizes an electrical corporation to deploy backup electrical resources or provide financial assistance for backup electrical resources to a customer receiving a medical baseline allowance if the customer meets specified conditions.

This bill would require an electrical corporation to deploy backup electrical resources or provide financial assistance for backup electrical resources to a customer receiving a medical baseline allowance if the customer meets those ~~conditions~~: *conditions and the additional condition that the customer is located in a high fire threat district*. The bill would require an electrical corporation to develop its program to provide backup electrical resources or financial assistance in consultation with community disability rights groups or other local disability rights advocates.

Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because this bill would add additional requirements to an electrical corporation's wildfire mitigation plan that would be approved and overseen by the commission and because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 8386 of the Public Utilities Code is
2 amended to read:
3 8386. (a) Each electrical corporation shall construct, maintain,
4 and operate its electrical lines and equipment in a manner that will
5 minimize the risk of catastrophic wildfire posed by those electrical
6 lines and equipment.
7 (b) Each electrical corporation shall annually prepare and submit
8 a wildfire mitigation plan to the Wildfire Safety Division for review
9 and approval. In calendar year 2020, and thereafter, the plan shall
10 cover at least a three-year period. The division shall establish a
11 schedule for the submission of subsequent comprehensive wildfire
12 mitigation plans, which may allow for the staggering of compliance
13 periods for each electrical corporation. In its discretion, the division

1 may allow the annual submissions to be updates to the last
2 approved comprehensive wildfire mitigation plan; provided, that
3 each electrical corporation shall submit a comprehensive wildfire
4 mitigation plan at least once every three years.

5 (c) The wildfire mitigation plan shall include all of the
6 following:

7 (1) An accounting of the responsibilities of persons responsible
8 for executing the plan.

9 (2) The objectives of the plan.

10 (3) A description of the preventive strategies and programs to
11 be adopted by the electrical corporation to minimize the risk of its
12 electrical lines and equipment causing catastrophic wildfires,
13 including consideration of dynamic climate change risks.

14 (4) A description of the metrics the electrical corporation plans
15 to use to evaluate the plan's performance and the assumptions that
16 underlie the use of those metrics.

17 (5) A discussion of how the application of previously identified
18 metrics to previous plan performances has informed the plan.

19 (6) Protocols for disabling reclosers and deenergizing portions
20 of the electrical distribution system that consider the associated
21 impacts on public safety. As part of these protocols, each electrical
22 corporation shall include protocols related to mitigating the public
23 safety impacts of disabling reclosers and deenergizing portions of
24 the electrical distribution system that consider the impacts on all
25 of the following:

26 (A) Critical first responders.

27 (B) Health and communication infrastructure.

28 (C) Customers who receive medical baseline allowances
29 pursuant to subdivision (c) of Section 739. The electrical
30 corporation shall deploy backup electrical resources or provide
31 financial assistance for backup electrical resources to a customer
32 receiving a medical baseline allowance for a customer who meets
33 all of the following requirements:

34 (i) The customer relies on life-support equipment that operates
35 on electricity to sustain life.

36 (ii) The customer demonstrates financial need, including through
37 enrollment in the California Alternate Rates for Energy program
38 created pursuant to Section 739.1.

1 (iii) The customer is not eligible for backup electrical resources
2 provided through medical services, medical insurance, or
3 community resources.

4 (iv) *The customer is located in a high fire threat district.*

5 (D) An electrical corporation shall develop its program to
6 provide backup electrical resources or financial assistance pursuant
7 to subparagraph (C) in consultation with community disability
8 rights groups or other local disability rights advocates.

9 (E) Subparagraph (C) shall not be construed as preventing an
10 electrical corporation from deploying backup electrical resources
11 or providing financial assistance for backup electrical resources
12 under any other authority.

13 (7) Appropriate and feasible procedures for notifying a customer
14 who may be impacted by the deenergizing of electrical lines,
15 including procedures for those customers receiving a medical
16 baseline allowance as described in paragraph (6). The procedures
17 shall direct notification to all public safety offices, critical first
18 responders, health care facilities, and operators of
19 telecommunications infrastructure with premises within the
20 footprint of potential deenergization for a given event.

21 (8) Plans for vegetation management.

22 (9) Plans for inspections of the electrical corporation's electrical
23 infrastructure.

24 (10) Protocols for the deenergization of the electrical
25 corporation's transmission infrastructure, for instances when the
26 deenergization may impact customers who, or entities that, are
27 dependent upon the infrastructure.

28 (11) A list that identifies, describes, and prioritizes all wildfire
29 risks, and drivers for those risks, throughout the electrical
30 corporation's service territory, including all relevant wildfire risk
31 and risk mitigation information that is part of the Safety Model
32 Assessment Proceeding and the Risk Assessment Mitigation Phase
33 filings. The list shall include, but not be limited to, both of the
34 following:

35 (A) Risks and risk drivers associated with design, construction,
36 operations, and maintenance of the electrical corporation's
37 equipment and facilities.

38 (B) Particular risks and risk drivers associated with topographic
39 and climatological risk factors throughout the different parts of
40 the electrical corporation's service territory.

1 (12) A description of how the plan accounts for the wildfire risk
2 identified in the electrical corporation's Risk Assessment
3 Mitigation Phase filing.

4 (13) A description of the actions the electrical corporation will
5 take to ensure its system will achieve the highest level of safety,
6 reliability, and resiliency, and to ensure that its system is prepared
7 for a major event, including hardening and modernizing its
8 infrastructure with improved engineering, system design, standards,
9 equipment, and facilities, such as undergrounding, insulation of
10 distribution wires, and pole replacement.

11 (14) A description of where and how the electrical corporation
12 considered undergrounding electrical distribution lines within those
13 areas of its service territory identified to have the highest wildfire
14 risk in a commission fire threat map.

15 (15) A showing that the electrical corporation has an adequately
16 sized and trained workforce to promptly restore service after a
17 major event, taking into account employees of other utilities
18 pursuant to mutual aid agreements and employees of entities that
19 have entered into contracts with the electrical corporation.

20 (16) Identification of any geographic area in the electrical
21 corporation's service territory that is a higher wildfire threat than
22 is currently identified in a commission fire threat map, and where
23 the commission should consider expanding the high fire threat
24 district based on new information or changes in the environment.

25 (17) A methodology for identifying and presenting
26 enterprisewide safety risk and wildfire-related risk that is consistent
27 with the methodology used by other electrical corporations unless
28 the commission determines otherwise.

29 (18) A description of how the plan is consistent with the
30 electrical corporation's disaster and emergency preparedness plan
31 prepared pursuant to Section 768.6, including both of the following:

32 (A) Plans to prepare for, and to restore service after, a wildfire,
33 including workforce mobilization and prepositioning equipment
34 and employees.

35 (B) Plans for community outreach and public awareness before,
36 during, and after a wildfire, including language notification in
37 English, Spanish, and the top three primary languages used in the
38 state other than English or Spanish, as determined by the
39 commission based on the United States Census data.

1 (19) A statement of how the electrical corporation will restore
2 service after a wildfire.

3 (20) Protocols for compliance with requirements adopted by
4 the commission regarding activities to support customers during
5 and after a wildfire, outage reporting, support for low-income
6 customers, billing adjustments, deposit waivers, extended payment
7 plans, suspension of disconnection and nonpayment fees, repair
8 processing and timing, access to electrical corporation
9 representatives, and emergency communications.

10 (21) A description of the processes and procedures the electrical
11 corporation will use to do all of the following:

12 (A) Monitor and audit the implementation of the plan.

13 (B) Identify any deficiencies in the plan or the plan's
14 implementation and correct those deficiencies.

15 (C) Monitor and audit the effectiveness of electrical line and
16 equipment inspections, including inspections performed by
17 contractors, carried out under the plan and other applicable statutes
18 and commission rules.

19 (22) Any other information that the Wildfire Safety Division
20 may require.

21 (d) The Wildfire Safety Division shall post all wildfire
22 mitigation plans and annual updates on the commission's internet
23 website for no less than two months before the division's decision
24 regarding approval of the plan. The division shall accept comments
25 on each plan from the public, other local and state agencies, and
26 interested parties, and verify that the plan complies with all
27 applicable rules, regulations, and standards, as appropriate.

28 SEC. 2. No reimbursement is required by this act pursuant to
29 Section 6 of Article XIII B of the California Constitution because
30 the only costs that may be incurred by a local agency or school
31 district will be incurred because this act creates a new crime or
32 infraction, eliminates a crime or infraction, or changes the penalty
33 for a crime or infraction, within the meaning of Section 17556 of
34 the Government Code, or changes the definition of a crime within
35 the meaning of Section 6 of Article XIII B of the California
36 Constitution.

AMENDED IN SENATE MAY 20, 2020

AMENDED IN SENATE MARCH 5, 2020

SENATE BILL

No. 862

Introduced by Senator Dodd

January 16, 2020

An act to amend Section 8557 of the Government Code, and to amend Section 8386 of, and to add Section 768.9 to, the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 862, as amended, Dodd. Planned power outage: public safety.

Existing law, the California Emergency Services Act, authorizes the Governor to proclaim a state of emergency, and local officials and local governments to proclaim a local emergency, when specified conditions of disaster or extreme peril to the safety of persons and property exist, and authorizes the Governor or the appropriate local government to exercise certain powers in response to that emergency. Existing law defines the terms "state of emergency" and "local emergency" to mean a duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by, among other things, fire, storm, or riot.

This bill would additionally include a deenergization event, as defined, within a sudden and severe energy shortage constituting a state of emergency and a local emergency.

Existing law requires each electrical corporation to annually prepare a wildfire mitigation plan and to submit its plan to the ~~commission~~ *Public Utilities Commission* for review and approval, as specified. Following approval, the commission is required to oversee compliance with the plan. Existing law requires a wildfire mitigation plan of an

electrical corporation to include, among other things, protocols for deenergizing portions of the electrical distribution system that consider the associated impacts on public safety, and protocols related to mitigating the public safety impacts of those protocols, including impacts on customers who receive medical baseline allowances.

This bill would require an electrical corporation, as a part of its public safety mitigation protocols, to include protocols that deal specifically with access and functional ~~need~~ *needs* individuals, ~~as defined, including those individuals who are enrolled in the California Alternative Rates for Energy program, as specified.~~ *defined.*

The bill would require an electrical corporation to coordinate with local governments in its service territory to identify sites within those jurisdictions where community resource centers can be established and operated during a deenergization event and the level of services that will be available at those centers, as those terms are defined. The bill would require the electrical corporation to perform additional duties in coordination with local governments, including performing any necessary electrical upgrades to ensure that a mobile backup generator can be located at, and provide the necessary electricity for, the community resource center during a deenergization event.

~~Existing law authorizes an electrical corporation to deploy backup electrical resources or provide financial assistance for backup electrical resources to a customer receiving a medical baseline allowance who meets specified requirements, including that the customer is not eligible for backup electrical resources provided through medical services, medical insurance, or community resources.~~

~~This bill would recast those provisions to authorize the electrical corporation to deploy backup resources to a customer, including an individual with an access of functional need, as defined, and would delete the requirement that the customer not be eligible for backup electrical resources from the other providers.~~

Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because a violation of the public utilities provisions this bill would add additional requirements to an electrical corporation's wildfire mitigation plan that would be approved and overseen by the commission and because a violation by an electrical corporation of an order or decision of the commission implementing these requirements would be a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 8557 of the Government Code is amended
2 to read:

3 8557. (a) “State agency” means any department, division,
4 independent establishment, or agency of the executive branch of
5 the state government.

6 (b) “Political subdivision” includes any city, city and county,
7 county, district, or other local governmental agency or public
8 agency authorized by law.

9 (c) “Governing body” means the legislative body, trustees, or
10 directors of a political subdivision.

11 (d) “Chief executive” means that individual authorized by law
12 to act for the governing body of a political subdivision.

13 (e) “Disaster council” and “disaster service worker” have the
14 meaning prescribed in Chapter 1 (commencing with Section 3201)
15 of Part 1 of Division 4 of the Labor Code.

16 (f) “Public facility” means any facility of the state or a political
17 subdivision, which facility is owned, operated, or maintained, or
18 any combination thereof, through moneys derived by taxation or
19 assessment.

20 (g) “Sudden and severe energy shortage” means either of the
21 following:

22 (1) A rapid, unforeseen shortage of energy, resulting from, but
23 not limited to, events such as an embargo, sabotage, or natural
24 disasters, and which has statewide, regional, or local impact.

25 (2) A deenergization event.

26 (h) For purposes of this section, a “deenergization event” means
27 a planned power outage, undertaken by an electrical corporation,
28 as defined in Section 218 of the Public Utilities Code, to reduce
29 the risk of wildfires caused by utility equipment, pursuant to Public
30 Utilities Commission Resolution ESRB-8 and any decisions issued

1 by the commission, the Wildfire Safety Division, as set forth in
2 Section 326 of the Public Utilities Code, the Office of Energy
3 Infrastructure Safety, or any other agency with authority over
4 electrical corporations. A deenergization event commences when
5 an electrical corporation provides notice to any state agency or
6 political subdivision of the potential need to initiate a planned
7 deenergization of the electrical grid, and ceases when the electrical
8 corporation restores electrical services to all deenergized customers,
9 or at such time as the electrical corporation cancels the power
10 outage for some or all of its affected customers, and rescinds the
11 notice of the potential need to initiate the deenergization event.

12 SEC. 2. Section 768.9 is added to the Public Utilities Code, to
13 read:

14 768.9. (a) For purposes of this section, all of the following
15 definitions shall apply:

16 (1) “Community resource center” means a facility that is jointly
17 identified by an electrical corporation and a local government as
18 being capable of providing resources and services to individuals
19 during a deenergization event. With the agreement of the property
20 owner or lessee of the facility, a community resource center may
21 include, but not be limited to a library, senior center, sports center,
22 community center, convention center, fairground, or school
23 cafeteria or gymnasium.

24 (2) “Local government” means a city, county, or city and county.

25 (3) “Deenergization event” has the same meaning as set forth
26 in subdivision (h) of Section 8557 of the Government Code.

27 (b) (1) (A) An electrical corporation shall coordinate with local
28 governments in its service territory to identify sites within those
29 jurisdictions where community resource centers can be established
30 and operated during a deenergization event and the level of services
31 that will be available at those centers.

32 (B) The electrical corporation shall perform any necessary
33 electrical upgrades to ensure that a mobile backup generator can
34 be located at, and provide the necessary electricity for, the site
35 during a deenergization event. The electrical corporation shall
36 provide a mobile backup generator at the beginning of a
37 deenergization event if ~~the~~ *both of the following conditions are*
38 *met:*

39 (i) *The* community resource center is not otherwise equipped
40 with a backup generator.

1 (ii) *The electrical corporation determines that a deenergization*
2 *event is expected to result in loss of electricity at the community*
3 *resource center.*

4 (2) An electrical corporation shall site community resource
5 centers, to the maximum extent practicable, at existing facilities
6 that have adequate capacity to meet the community needs identified
7 by the applicable local~~—government.~~ *government, within the*
8 *guidelines as adopted by the commission.* A community resource
9 center shall be located within a reasonable distance of the
10 communities it is intended to serve.

11 (3) An electrical corporation shall enter into agreements with
12 the owners of those facilities identified as community resource
13 centers to ensure that community resource centers can be opened
14 upon initiation of a deenergization event in that jurisdiction.

15 (4) A community resource center shall be open and accessible
16 24 hours per~~day~~ *day, if the county emergency services officer*
17 *determines those hours are necessary. The community resource*
18 *center shall remain in operation on a daily basis* from the time a
19 deenergization event is initiated until service restoration is
20 completed in the jurisdiction, or at such time as a county emergency
21 services officer determines there is no further need for the
22 community resource center to remain in operation.

23 SEC. 3. Section 8386 of the Public Utilities Code is amended
24 to read:

25 8386. (a) Each electrical corporation shall construct, maintain,
26 and operate its electrical lines and equipment in a manner that will
27 minimize the risk of catastrophic wildfire posed by those electrical
28 lines and equipment.

29 (b) Each electrical corporation shall annually prepare and submit
30 a wildfire mitigation plan to the Wildfire Safety Division for review
31 and approval. In calendar year 2020, and thereafter, the plan shall
32 cover at least a three-year period. The division shall establish a
33 schedule for the submission of subsequent comprehensive wildfire
34 mitigation plans, which may allow for the staggering of compliance
35 periods for each electrical corporation. In its discretion, the division
36 may allow the annual submissions to be updates to the last
37 approved comprehensive wildfire mitigation plan; provided, that
38 each electrical corporation shall submit a comprehensive wildfire
39 mitigation plan at least once every three years.

(c) The wildfire mitigation plan shall include all of the following:

(1) An accounting of the responsibilities of persons responsible for executing the plan.

(2) The objectives of the plan.

(3) A description of the preventive strategies and programs to be adopted by the electrical corporation to minimize the risk of its electrical lines and equipment causing catastrophic wildfires, including consideration of dynamic climate change risks.

(4) A description of the metrics the electrical corporation plans to use to evaluate the plan's performance and the assumptions that underlie the use of those metrics.

(5) A discussion of how the application of previously identified metrics to previous plan performances has informed the plan.

(6) Protocols for disabling reclosers and deenergizing portions of the electrical distribution system that consider the associated impacts on public safety. As part of these protocols, each electrical corporation shall include protocols related to mitigating the public safety impacts of disabling reclosers and deenergizing portions of the electrical distribution system that consider the impacts on all of the following:

(A) Critical first responders.

(B) Health and communication infrastructure.

~~(C) Access and functional needs individuals as defined in subdivision (b) of Section 8593.3 of the Government Code, and customers~~(i) *Customers* who receive medical baseline allowances pursuant to subdivision (c) of Section 739. The electrical corporation may deploy backup electrical resources or provide financial assistance for backup electrical resources to ~~an access and functional needs individual~~ and a customer receiving a medical baseline allowance ~~when the individual or customer demonstrates financial need, including, but not limited to, enrollment in the California Alternative Rates for Energy program created pursuant to Section 739.1 and meets either~~ *for a customer who meets all of* the following requirements:

~~(i)~~

~~(I)~~ *The individual or customer relies on life support equipment that operates on electricity to sustain life.*

~~(ii) The individual or customer is a person with a disability or an access and functional need.~~

1 ~~(II) The customer demonstrates financial need, including~~
2 ~~through enrollment in the California Alternate Rates for Energy~~
3 ~~program created pursuant to Section 739.1.~~

4 ~~(III) The customer is not eligible for backup electrical resources~~
5 ~~provided through medical services, medical insurance, or~~
6 ~~community resources.~~

7 ~~(D) Subparagraph (C)~~

8 ~~(ii) Clause (i) shall not be construed as preventing an electrical~~
9 ~~corporation from deploying backup electrical resources or~~
10 ~~providing financial assistance for backup electrical resources under~~
11 ~~any other authority.~~

12 ~~(D) Access and functional needs individuals, as defined in~~
13 ~~subdivision (b) of Section 8593.3 of Government Code. The~~
14 ~~electrical corporation shall work with stakeholders and local~~
15 ~~governments to develop protocols which shall include, but not be~~
16 ~~limited to, improved outreach to individuals with access and~~
17 ~~functional needs in order to prepare for deenergization events,~~
18 ~~including information about available resources that may provide~~
19 ~~backup power or financial assistance for backup power; and~~
20 ~~information pertaining to the location of, access to, and services~~
21 ~~provided at, community resource centers, as defined in Section~~
22 ~~768.9.~~

23 (7) Appropriate and feasible procedures for notifying a customer
24 who may be impacted by the deenergizing of electrical lines,
25 including procedures for access and functional needs individuals
26 and customers and those customers receiving a medical baseline
27 allowance as described in paragraph (6). The procedures shall
28 direct notification to all public safety offices, critical first
29 responders, health care facilities, and operators of
30 telecommunications infrastructure with premises within the
31 footprint of potential deenergization for a given event.

32 (8) Plans for vegetation management.

33 (9) Plans for inspections of the electrical corporation's electrical
34 infrastructure.

35 (10) Protocols for the deenergization of the electrical
36 corporation's transmission infrastructure, for instances when the
37 deenergization may impact customers who, or entities that, are
38 dependent upon the infrastructure.

39 (11) A list that identifies, describes, and prioritizes all wildfire
40 risks, and drivers for those risks, throughout the electrical

1 corporation's service territory, including all relevant wildfire risk
2 and risk mitigation information that is part of the Safety Model
3 Assessment Proceeding and the Risk Assessment Mitigation Phase
4 filings. The list shall include, but not be limited to, both of the
5 following:

6 (A) Risks and risk drivers associated with design, construction,
7 operations, and maintenance of the electrical corporation's
8 equipment and facilities.

9 (B) Particular risks and risk drivers associated with topographic
10 and climatological risk factors throughout the different parts of
11 the electrical corporation's service territory.

12 (12) A description of how the plan accounts for the wildfire risk
13 identified in the electrical corporation's Risk Assessment
14 Mitigation Phase filing.

15 (13) A description of the actions the electrical corporation will
16 take to ensure its system will achieve the highest level of safety,
17 reliability, and resiliency, and to ensure that its system is prepared
18 for a major event, including hardening and modernizing its
19 infrastructure with improved engineering, system design, standards,
20 equipment, and facilities, such as undergrounding, insulation of
21 distribution wires, and pole replacement.

22 (14) A description of where and how the electrical corporation
23 considered undergrounding electrical distribution lines within those
24 areas of its service territory identified to have the highest wildfire
25 risk in a commission fire threat map.

26 (15) A showing that the electrical corporation has an adequately
27 sized and trained workforce to promptly restore service after a
28 major event, taking into account employees of other utilities
29 pursuant to mutual aid agreements and employees of entities that
30 have entered into contracts with the electrical corporation.

31 (16) Identification of any geographic area in the electrical
32 corporation's service territory that is a higher wildfire threat than
33 is currently identified in a commission fire threat map, and where
34 the commission should consider expanding the high fire threat
35 district based on new information or changes in the environment.

36 (17) A methodology for identifying and presenting
37 enterprisewide safety risk and wildfire-related risk that is consistent
38 with the methodology used by other electrical corporations unless
39 the commission determines otherwise.

1 (18) A description of how the plan is consistent with the
2 electrical corporation's disaster and emergency preparedness plan
3 prepared pursuant to Section 768.6, including both of the following:

4 (A) Plans to prepare for, and to restore service after, a wildfire,
5 including workforce mobilization and prepositioning equipment
6 and employees.

7 (B) Plans for community outreach and public awareness before,
8 during, and after a wildfire, including language notification in
9 English, Spanish, and the top three primary languages used in the
10 state other than English or Spanish, as determined by the
11 commission based on the United States Census data.

12 (19) A statement of how the electrical corporation will restore
13 service after a wildfire.

14 (20) Protocols for compliance with requirements adopted by
15 the commission regarding activities to support customers during
16 and after a wildfire, outage reporting, support for low-income
17 customers, billing adjustments, deposit waivers, extended payment
18 plans, suspension of disconnection and nonpayment fees, repair
19 processing and timing, access to electrical corporation
20 representatives, and emergency communications.

21 (21) A description of the processes and procedures the electrical
22 corporation will use to do all of the following:

23 (A) Monitor and audit the implementation of the plan.

24 (B) Identify any deficiencies in the plan or the plan's
25 implementation and correct those deficiencies.

26 (C) Monitor and audit the effectiveness of electrical line and
27 equipment inspections, including inspections performed by
28 contractors, carried out under the plan and other applicable statutes
29 and commission rules.

30 (22) Any other information that the Wildfire Safety Division
31 may require.

32 (d) The Wildfire Safety Division shall post all wildfire
33 mitigation plans and annual updates on the commission's internet
34 website for no less than two months before the division's decision
35 regarding approval of the plan. The division shall accept comments
36 on each plan from the public, other local and state agencies, and
37 interested parties, and verify that the plan complies with all
38 applicable rules, regulations, and standards, as appropriate.

39 SEC. 4. No reimbursement is required by this act pursuant to
40 Section 6 of Article XIII B of the California Constitution because

1 the only costs that may be incurred by a local agency or school
2 district will be incurred because this act creates a new crime or
3 infraction, eliminates a crime or infraction, or changes the penalty
4 for a crime or infraction, within the meaning of Section 17556 of
5 the Government Code, or changes the definition of a crime within
6 the meaning of Section 6 of Article XIII B of the California
7 Constitution.

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