



STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0124
(916) 319-2800

CHIEF ADMINISTRATIVE OFFICER
LIA LOPEZ

Assembly
California Legislature
Committee on Rules

JAMES RAMOS
CHAIR

Monday, September 11, 2023
10 minutes prior to Session
State Capitol, Room 126
(Please note time change)

CONSENT AGENDA

REQUESTS TO WAIVE JOINT RULE 61(A)(13)

1. SB 410 (Becker) Powering Up Californians Act
2. SB 555 (Wahab) Stable Affordable Housing Act of 2023

VICE CHAIR
WALDRON, MARIE

MEMBERS
ADDIS, DAWN
ESSAYLI, BILL
FLORA, HEATH
LOW, EVAN
LOWENTHAL, JOSH
ORTEGA, LIZ
PACHECO, BLANCA
REYES, ELOISE GÓMEZ
RUBIO, BLANCA E.
VALENCIA, AVELINO
WARD, CHRISTOPHER M.

CERVANTES, SABRINA (D-ALT)
ZBUR, RICK CHAVEZ (D-ALT)
DIXON, DIANE (R-ALT)

[Page 2](#)

[Page 16](#)



STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0124
(916) 319-2800
FAX (916) 319-2810

CHIEF ADMINISTRATIVE OFFICER
LIA LOPEZ

Assembly
California Legislature

Committee on Rules

JAMES C. RAMOS
CHAIR

VICE CHAIR
MARIE WALDRON

MEMBERS
DAWN ADDIS
BILL ESSAYLI
HEATH FLORA
EVAN LOW
JOSH LOWENTHAL
LIZ ORTEGA
BLANCA PACHECO
ELOISE GÓMEZ REYES
BLANCA E. RUBIO
AVELINO VALENCIA
CHRISTOPHER M. WARD

SABRINA CERVANTES (D-ALT.)
RICK CHAVEZ ZBUR (D-ALT.)
DIANE DIXON (R-ALT.)

September 11, 2023

Assembly Rules Committee
1021 O Street, Room 6250
Sacramento, CA 95814

Dear Members of the Committee on Rules:

I write to request that we approve a Joint Rule 61(a)(13) waiver for the following bills so that they may be amended on the Assembly Floor:

SB 410 (Becker)
SB 555 (Wahab)

Sincerely,

JAMES C. RAMOS
Chair, Committee on Rules

PROPOSED AMENDMENTS

RN 23 21645 03
09/08/23 01:44 PM
SUBSTANTIVE

PROPOSED AMENDMENTS TO SENATE BILL NO. 410

AMENDED IN ASSEMBLY SEPTEMBER 5, 2023

AMENDED IN ASSEMBLY AUGUST 14, 2023

AMENDED IN ASSEMBLY JUNE 19, 2023

AMENDED IN SENATE MAY 18, 2023

AMENDED IN SENATE MAY 2, 2023

AMENDED IN SENATE MARCH 14, 2023



RN2321645

SENATE BILL

No. 410

Introduced by Senator Becker

February 9, 2023

An act to add Article ~~14~~ 14.5 (commencing with Section 930) to Chapter 4 of Part 1 of Division 1 of, and to repeal Sections 937 and 938 of, the Public Utilities Code, relating to electricity.

| Amendment 1

LEGISLATIVE COUNSEL'S DIGEST

SB 410, as amended, Becker. Powering Up Californians Act.

Existing law vests the Public Utilities Commission (PUC) with regulatory authority over public utilities, including electrical corporations. Existing law authorizes the PUC to establish an expedited distribution grid interconnection dispute resolution process with the goal of resolving disputes over interconnection applications within the jurisdiction of the PUC in no more than 60 days from the time the dispute is formally brought to the PUC. Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission), in collaboration with the State Air Resources Board, the PUC, and other relevant stakeholders, to annually gather from state

93

PROPOSED AMENDMENTS

SB 410

— 2 —

RN 23 21645 03
09/08/23 01:44 PM
SUBSTANTIVE

agencies, as provided, specified entities' fleet data for on-road and off-road vehicles in the medium- and heavy-duty sectors and share that data with electrical corporations to help inform electrical grid planning efforts, as specified. Existing law requires electrical corporations, as part of their distribution planning processes, to consider that produced fleet data, and other available data, to facilitate the readiness of their distribution systems to support the state's anticipated level of electric vehicle charging, as specified.

This bill, the Powering Up Californians Act, would require the PUC to establish, on or before September 30, 2024, reasonable average and maximum target energization time periods, as defined, ~~certain reporting requirements so that electrical corporation performance can be tracked and improved,~~ and a procedure for customers to report energization delays to the PUC, as provided. The bill would require the PUC to require the electrical corporation to take remedial actions necessary to achieve the PUC's targets and would require all reports to be publicly available, among other reporting requirements.

The bill would require, as part of each ~~report~~ *report, including any updates*, and in each general rate case application, each electrical corporation to include a detailed analysis of its current qualified staffing level and future required qualified staffing level for each job classification, as specified, among other requirements related to staffing and apprentice training. The bill would, among other requirements placed on electrical corporations, require an electrical corporation to consider, in its annual distribution planning process, known load, and projections of load provided by the Energy Commission, in addition to certain standards, plans, regulations, policies, and requirements. The bill would, until January 1, 2027, require the PUC to ensure that ~~electrical corporations have~~ *each electrical corporation has* sufficient and timely recovery of costs, as specified. If requested by the electrical corporation, the bill would, until January 1, 2027, require the PUC to authorize, within ~~90~~ *180* days of the request, the use of a ~~one-way balancing account mechanism or other ratemaking~~ *mechanism* that, among other things, authorizes ~~electrical corporations~~ *the electrical corporation* to track costs for ~~emergent~~ *energization projects placed in service after January 1, 2024*, that exceed the costs included in the electrical corporation's annual authorized revenue requirement for energization, as specified. The bill would, until January 1, 2027, require ~~electrical corporations,~~ *an electrical corporation*, as part of ~~their~~ *its* request for a ~~one-way balancing account, ratemaking mechanism,~~ to

93

~~file~~ *include in its request* specified information, including, among other information, a detailed summary of energization costs authorized in ~~their~~ *its* current general rate case or any other proceeding. The bill would, until July 1, 2028, require an electrical corporation that requests the use of a ~~one-way balancing account mechanism or other~~ *ratemaking* mechanism to agree to retain an independent third-party auditor to review the electrical corporation’s business practices and procedures for energizing new customers and how the electrical corporation is planning for demand growth, prohibit the electrical corporation from recovering the costs of the third-party auditor from ratepayers, and require the third-party auditor to report to the PUC on a biannual basis, as specified. The bill would authorize the PUC to modify or adjust the ~~above-described bill’s~~ requirements for any electrical corporation with fewer than 100,000 service connections, as individual circumstances merit. *The bill would not apply to an electrical cooperative.*

Under existing law, a violation of the Public Utilities Act, or of an order, decision, rule, direction, demand, or requirement of the PUC is a crime. Because this bill would be a part of the act, and because a violation of a PUC action implementing its requirements would be a crime, the 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:

Page 3

1 ~~SECTION 1. Article 14 (commencing with Section 930) is~~
2 ~~added to Chapter 4 of Part 1 of Division 1 of the Public Utilities~~
3 ~~Code, to read:~~

4
5 ~~Article 14. Powering Up Californians~~

+
+ *SECTION 1. Article 14.5 (commencing with Section 930) is*
+ *added to Chapter 4 of Part 1 of Division 1 of the Public Utilities*
+ *Code, to read:*

Amendment 2

PROPOSED AMENDMENTS

**RN 23 21645 03
09/08/23 01:44 PM
SUBSTANTIVE**

SB 410

— 4 —

Article 14.5. Powering Up Californians

Page 3 7 930. This act shall be known, and may be cited, as the Powering
8 Up Californians Act.

9 931. For purposes of this article, the following definitions
10 apply:

11 (a) “Electrification” means any new, expanded, or change in
12 use of electricity related to the policies described in Section 933,
13 including, but not limited to, in the industrial, commercial,
14 agricultural, housing, or transportation sectors.

Page 4 1 ~~(b) “Energization” and “energize” mean connecting new~~
2 ~~customers to the electrical grid, establishing adequate electrical~~
3 ~~capacity to provide service for a new customer, or upgrading~~
4 ~~electrical capacity to provide upgraded service to an existing~~
5 ~~customer. “Energization” and “energize” do not include activities~~
6 ~~related to connecting electricity supply resources.~~

+ (b) “Energization” and “energize” mean connecting customers
+ to the electrical distribution grid and establishing adequate
+ electrical distribution capacity or upgrading electrical distribution
+ or transmission capacity to provide electrical service for a new
+ customer, or to provide upgraded electrical service to an existing
+ customer. The determination of adequate electrical distribution
+ capacity includes consideration of future load. “Energization”
+ and “energize” do not include activities related to connecting
+ electrical supply resources.

7 (c) “Energization time period” means the elapsed time beginning
8 when the electrical corporation receives a substantially complete
9 energization project application and ending when the electric
10 service is installed and energized.

11 932. (a) The Legislature finds and declares all of the following:

12 (a)

+ (1) It is the policy of the state to reach carbon neutrality no later
13 than 2045 and to maintain net negative emissions of greenhouse
14 gases after 2045. To meet these goals and federal, state, regional,
15 and local air quality and decarbonization standards, plans, and
16 regulations, projections from the commission and the Energy
17 Commission show the need for a large increase in both the quantity
18 of electricity used and the functions for which electricity will be
19 used.

20 (b)

Amendment 3

**Amendment 4
Amendment 5**

Amendment 6

PROPOSED AMENDMENTS

Page 4 + (2) To meet these decarbonization goals and federal, state,
21 regional, and local air quality and decarbonization standards, plans,
22 and regulations, the state’s electrical distribution systems must be
23 substantially upgraded, new customers must promptly connect to
24 the electrical distribution system, and existing customers must
25 have their service level promptly upgraded.

Amendment 7

26 (e)
+ (3) There are many reports of large housing developments that
27 are unable to be promptly energized. California has an urgent need
28 to increase its supply of housing, requiring both new electrical
29 distribution capacity and the prompt energization of new housing.

Amendment 8

30 (d)
+ (4) There are many reports of individual customers who are
31 unable to have their electrical service promptly upgraded or
32 energized and charging stations for light-duty, medium-duty, and
33 heavy-duty vehicles and off-road vehicles, vessels, trains, and
34 equipment that are unable to be promptly energized. These delays
35 may inhibit the state’s ability to meet its decarbonization goals
36 and federal, state, regional, and local air quality and
37 decarbonization standards, plans, and regulations.

Amendment 9

38 (e)
+ (5) To improve the speed at which energization and service
39 upgrades are performed, ~~electrical corporations that distribute each~~
40 *electrical corporation that distributes* electricity must improve
1 ~~their~~ *its* advance planning, engineering, and construction of
2 increased distribution and transmission system capacity.

**Amendment 10
Amendment 11**

Page 5

+ (6) *Paragraph (1) of subdivision (s) of Section 712.8 requires
+ the operator of the Diablo Canyon powerplant to submit annually
+ to the commission for its review the amount of compensation
+ earned under paragraph (5) of subdivision (f) of Section 712.8,
+ how it was spent, and a plan for prioritizing the uses of the
+ compensation the next year. Paragraph (1) of subdivision (s) of
+ Section 712.8 also provides that to the extent that it is not needed
+ for Diablo Canyon, that compensation shall be spent on critical
+ public purpose priorities, one of which is accelerating customer
+ and generator interconnections.*

Amendment 12

3 (f)
+ (7) Electrifying transportation and buildings may put downward
4 pressure on rates by spreading fixed costs over more kilowatthours
5 of usage.

Amendment 13

PROPOSED AMENDMENTS

**RN 23 21645 03
09/08/23 01:44 PM
SUBSTANTIVE**

SB 410

— 6 —

Page 5

6 (g)
+ (8) Delays in energization, including service upgrades, are costly
7 both to the customers awaiting service and to other customers
8 deprived of the downward pressure on rates.
9 (h)
+ (9) To carry out the planning, engineering, and construction of
10 electrical distribution systems needed to promptly serve customers,
11 ~~electrical corporations that distribute~~ *each electrical corporation*
12 *that distributes* electricity must recruit, train, and retain an
+ adequately sized, qualified workforce.
13 (i)
+ (10) The commission should establish target deadlines for
14 utilities that distribute electricity to energize new customers and
15 upgrade the service of existing customers.
16 (j)
+ (11) The commission should establish reporting requirements
17 ~~for electrical corporations that distribute~~ *requiring each electrical*
18 *corporation that distributes* electricity to report the extent to which
+ ~~they comply~~ *it complied* with the target deadlines and the reasons
19 for ~~their~~ *its* noncompliance.
+ (b) *Nothing in paragraph (6) of subdivision (a) changes the*
+ *requirements of Section 712.8.*
20 933. It is the policy of the state that ~~electrical corporations do~~
21 *each electrical corporation does* all of the following:
22 (a) Upgrade the state’s electrical distribution systems as needed
23 and in time to achieve the state’s decarbonization goals and
24 implement federal, state, regional, and local air quality and
25 decarbonization standards, plans, and regulations.
26 (b) Comply with ~~their~~ *its* obligation to serve, as provided in
27 Section 451, by conducting sufficient advance planning,
28 engineering, and construction of increased distribution system
29 capacity so that customers can be energized without substantial
+ delay.
30 (c) Promptly energize new customers, including by ensuring
31 that new housing, new businesses, *new electric equipment in*
32 *buildings*, and new charging for light-duty, medium-duty, and
33 heavy-duty vehicles and off-road vehicles, vessels, trains, and
34 equipment can be used without delay caused by a failure of the
+ ~~utility~~ *electrical corporation* to implement energization projects.
35 (d) Promptly upgrade service when needed by customers.

Amendment 14

Amendment 15

Amendment 16

Amendment 17

Amendments 18 & 19

Amendment 20

**Amendment 21
Amendment 22**

Amendment 23

Amendment 24

Amendment 25

Amendment 26

PROPOSED AMENDMENTS

Page 5 36 (e) Recruit, train, and retain an adequately sized and qualified
37 workforce to carry out the planning, engineering, and construction
38 of electrical distribution systems needed to promptly serve
39 customers seeking energization and service upgrades without
40 sacrificing other necessary activities of the workforce.

Page 6 1 934. (a) On or before September 30, 2024, the commission
2 shall do ~~all~~ *both* of the following:

| **Amendment 27**

3 (1) Establish reasonable average and maximum target
4 energization time periods. The targets shall ensure that work is
5 completed in a manner that minimizes delay in meeting the date
6 requested by the customer to the greatest extent possible and
7 prioritizes work in a manner consistent with Sections 932 and 933.
8 The targets may vary depending on the complexity and magnitude
9 of the work required and uncertainties regarding the readiness of
10 the customer project needing energization. The targets may also
11 recognize any factors beyond the electrical corporation’s control.

12 ~~(2) Establish requirements for an electrical corporation to report
13 to the commission, at least annually, so that electrical corporation
14 performance can be tracked and improved. Electrical corporation
15 reporting shall include the average, median, and standard deviation
16 time between receiving an application for energizing the electrical
17 service, explanations for energization time periods that exceed the
18 target maximum for energization projects, constraints and obstacles
19 to each type of energization such as funding limitations, qualified
20 staffing availability, or equipment availability, and any other
21 information required by the commission.~~

| **Amendment 28**

22 (3)
+ (2) Establish a procedure for customers to report energization
23 delays to the commission.

24 (b) If energization time periods exceed the commission’s target
25 averages or if the electrical corporation has a substantial number
26 of energization projects that exceed the commission’s target
27 maximums, the electrical corporation shall include in its *annual*
28 report ~~pursuant to paragraph (2) of subdivision (a)~~ a strategy for
29 meeting the targets in the future. The commission may request
30 modification of the electrical corporation’s strategy to ensure the
31 electrical corporation meets targets promptly and consistent with
32 the policies set forth in Section 933.

| **Amendment 29
Amendment 30**

33 (c) ~~Electrical corporations~~ *Each electrical corporation* shall
34 report anonymized or averaged data to the extent necessary to

| **Amendment 31**

PROPOSED AMENDMENTS

**RN 23 21645 03
09/08/23 01:44 PM
SUBSTANTIVE**

SB 410

— 8 —

Page 6 35 prevent identifying individual customers. The commission shall
36 require all reports to be publicly available.

37 (d) The commission shall require the electrical corporation to
38 take remedial actions necessary to achieve the ~~commission's~~
39 ~~targets~~. *targets established pursuant to paragraph (1) of*
+ *subdivision (a).*

+ (e) *The commission shall periodically update the energization*
+ *time periods established in paragraph (1) of subdivision (a) and*
+ *the electrical corporation's annual reporting requirements to*
+ *reflect changed circumstances, new information, and experience.*

Page 7 1 935. (a) As part of each report required pursuant to paragraph
2 (2) of subdivision (a) of Section 934, *annual report, including any*
+ *updates pursuant to subdivision (e) of Section 934,* and in each
3 general rate case application, each electrical corporation shall
4 include a detailed analysis of its current qualified staffing level
5 and future required qualified staffing level for each job
6 classification needed to be consistent with the findings and achieve
7 the policies and requirements of this article.

8 (b) The commission shall require each electrical corporation to
9 have adequate qualified staffing needed to be consistent with the
10 findings and achieve the policies and requirements of this article.

11 (c) For job classifications that have apprentice training
12 requirements, the commission shall require each electrical
13 corporation to maintain a pipeline of apprentices sufficient to meet
14 future qualified staffing needs, subject to any limitations based on
15 safe staffing ratios.

16 936. (a) In addition to the requirements of Section 740.21, the
17 commission shall require an electrical corporation to do both of
18 the following:

19 (1) Consider, in its annual distribution planning process, all of
20 the following:

21 (A) Federal, state, regional, and local air quality and
22 decarbonization standards, plans, and regulations.

23 (B) The transportation and building electrification policies of
24 state law.

25 (C) State agency, local agency, and local government plans and
26 requirements related to housing, economic development, critical
27 facilities, transportation, and building electrification.

28 (D) Known load, and projections of load provided by the Energy
29 Commission.

Amendment 32

Amendment 33

PROPOSED AMENDMENTS

Page 7 30 (E) Projections of load that exceed forecasts provided by the
31 Energy Commission.

32 (2) Adopt and implement plans to satisfy the policies set forth
33 in Section ~~933~~ 933, to support achieving the requirements listed
+ in subparagraphs (A) to (C), inclusive, of paragraph (1), and to
34 meet the energization time periods established pursuant to
+ paragraph (1) of subdivision (a) of Section ~~934~~. 934, including
+ any updates pursuant to subdivision (e) of Section 934.

35 (b) For purposes of subparagraph (E) of paragraph (1) of
36 subdivision (a), an electrical corporation may only use a projection
37 of load that exceeds forecasts provided by the Energy Commission
38 if the electrical corporation provides to the commission detailed
39 information on how the forecasts are developed and what state or

Page 8 1 local policies or customer requests necessitated the alternative
2 forecast.

3 937. (a) The commission shall ensure that ~~electrical~~
4 ~~corporations have~~ each electrical corporation has sufficient and
5 timely recovery of costs to be consistent with the findings and
6 achieve the policies and requirements of this article, including for
7 ~~emergent electrification~~ energization projects.

8 (b) If requested by the electrical corporation, the commission
9 shall authorize, within ~~90~~ 180 days of the request, the use of a
10 ~~one-way balancing account mechanism or other ratemaking~~
11 mechanism that does all of the following:

12 (1) Authorizes ~~electrical corporations~~ the electrical corporation
13 to track costs for ~~emergent~~ energization projects placed in service
+ after January 1, 2024, that exceed the costs included in the
14 electrical corporation’s annual authorized revenue requirement for
15 energization, as established in the electrical corporation’s general
16 rate case or any other proceeding.

17 (2) Requires the commission to establish an up-front annual cap
18 on the amount that each electrical corporation can recover within
19 the ~~account~~ mechanism. Before establishing the cap, the
20 commission shall review all information submitted by the electrical
21 corporation pursuant to subdivision (c).

22 (3) Requires the commission to authorize the recovery of costs
23 tracked within the ~~account~~ mechanism through an annual rate
24 adjustment ~~if~~ until it determines whether the costs are just and
25 reasonable. The commission may authorize the recovery of costs
26 subject to refund after the commission reviews the reasonableness

Amendment 34

Amendment 35

Amendment 36

Amendment 37

Amendments 38 & 39

Amendments 40 & 41

Amendment 42

Amendment 43

Amendments 44 & 45

Amendment 46

PROPOSED AMENDMENTS

**RN 23 21645 03
09/08/23 01:44 PM
SUBSTANTIVE**

SB 410

— 10 —

Page 8 27 of the costs in the general rate case or another proceeding.
+ reasonable in the electrical corporation’s next general rate case.
+ The commission shall require the electrical corporation to include
+ in its next general rate case application a demonstration that the
+ costs incurred were just and reasonable. Any costs that the
+ commission finds were not just and reasonable shall be subject to
+ refund.

28 (4) Requires only costs associated with energization to be
29 included in the ~~account~~ mechanism and requires costs to be
+ tracked using the same cost categories as used by the electrical
+ corporation in its general rate case application.

30 (5) Prevents the electrical corporation from recovering any costs
31 through the ~~account~~ mechanism in any year until its documented
32 revenue requirement recorded spending for energization projects
33 exceeds its annualized revenue requirements for energization
34 projects as established in the electrical corporation’s general rate
+ case.

35 (c) ~~Electrical corporations~~, An electrical corporation, as part of
36 their its request for a one-way balancing account ratemaking
+ mechanism pursuant to subdivision (b), shall ~~file~~ include in its
37 request all of the following:

38 (1) A detailed summary of energization costs authorized in their
39 its current general rate case or any other proceeding.

Page 9 1 (2) Requested energization costs in their its pending general
2 rate case. case, if it has a pending case.

3 (3) Costs authorized for other purposes in their its current
4 general rate case or any other proceeding but used for energization.

5 (4) The number of anticipated energization projects per year
6 that are expected to be started or completed.

+ (5) If the electrical corporation is an operator, as defined in
+ Section 25548.1 of the Public Resources Code, the amount of the
+ compensation identified in paragraph (1) of subdivision (s) of
+ Section 712.8 that it has forecasted it will spend on energization.

7 (d) The commission shall ensure that ~~electrical corporations~~
8 improve each electrical corporation improves upon energization
9 planning, consistent with the requirements of Section 936, when
10 requesting an authorized revenue requirement during the electrical
11 corporation’s general rate case, in order to minimize the need for
12 any ~~account~~ ratemaking mechanism authorized pursuant to this
+ section.

Amendment 47

Amendments 48 & 49

**Amendments 50, 51 & 52
Amendment 53**

Amendment 54

**Amendment 55
Amendment 56
Amendment 57**

Amendment 58

Amendment 59

Amendment 60

Page 9

13 (e) This section shall be repealed on January 1, 2027.
14 938. (a) The commission shall require an electrical corporation
15 that requests the use of a ~~one-way balancing account mechanism,~~
16 ~~or other~~ *ratemaking* mechanism, pursuant to Section 937, as a
17 condition of authorizing the use of the mechanism, to satisfy all
18 of the following requirements:

19 (1) The electrical corporation shall agree to retain an
20 independent third-party auditor, which shall be selected by the
21 commission based on nonbinding recommendations from the
22 electrical corporation, to review the electrical corporation’s
23 business practices and procedures for energizing new customers
24 and how the electrical corporation is planning for demand growth,
25 including new customer energizations.

26 (2) The electrical corporation shall not recover the costs of the
27 third-party auditor from ratepayers.

28 (3) The third-party auditor shall review all of the following:

29 (A) The electrical corporation’s customer energization requests
30 for the previous three years.

31 (B) The electrical corporation’s projections of customer demand
32 growth included in the electrical corporation’s distribution plan,
33 including growth in new customers and growth in demand from
34 existing customers.

35 (C) The electrical corporation’s qualified staffing levels and
36 future anticipated staffing needs to meet projections for customer
37 demand growth, including the ability of the electrical corporation
38 to sufficiently build its workforce.

39 (D) Funding requested by the electrical corporation to support
40 energization requests for the previous three years in the general
1 rate case or any other proceeding, and the efficacy of those previous
2 requests in meeting customer demand.

Page 10

3 (E) Commission authorized funding for the electrical corporation
4 to support energization for the previous three years, future
5 authorized funding, and authorized changes to the electrical
6 corporation’s business practices or structures to improve its ability
7 to respond to changing customer demand.

8 (F) The electrical corporation’s performance in meeting
9 energization time periods established by the commission pursuant
10 to this article.

Amendment 61

PROPOSED AMENDMENTS

**RN 23 21645 03
09/08/23 01:44 PM
SUBSTANTIVE**

SB 410

— 12 —

Page 10 11 (G) The electrical corporation’s performance in meeting its
12 internally established energization time periods over the prior 10
13 years or longer, as necessary.

14 (H) Any other metrics deemed relevant by the commission or
15 third-party auditor to support a thorough evaluation of the electrical
16 corporation’s energization performance, including to identify and
17 correct past flaws and to identify future best practices.

18 (4) The third-party auditor shall evaluate the electrical
19 corporation’s current and future energization performance and
20 make recommendations as to whether the electrical corporation is
21 adequately meeting and anticipating customer demand, adequately
22 training and retaining an adequate workforce, and is funded at
23 sufficient levels to meet forecasted demand growth.

24 (5) The third-party auditor shall report to the commission on a
25 biannual basis. The reports of the auditor shall be posted on the
26 commission’s internet website and reported to the appropriate
27 policy committees of the Legislature.

+ (b) *The electrical corporation shall retain an independent
+ third-party auditor as provided in paragraph (1) of subdivision
+ (a) before the commission authorizes use of the ratemaking
+ mechanism pursuant to Section 937. The work of the auditor
+ described in paragraphs (3), (4), and (5) of subdivision (a) may
+ occur after the electrical corporation requests authorization for
+ the ratemaking mechanism but shall occur before July 1, 2028.
+ The commission’s 180-day deadline for authorizing the mechanism
+ provided in paragraph (b) of Section 937 shall not be affected by
+ whether the auditor has completed the work described in
+ paragraphs (3), (4), and (5) of subdivision (a).*

28 ~~(b)~~
+ (c) This section shall become inoperative on July 1, 2028, and,
29 as of January 1, 2029, is repealed.

31 939. The commission may modify or adjust the requirements
32 of this article for any electrical corporation with fewer than 100,000
33 service connections, as individual circumstances merit.

+ 939.5. *This article shall not apply to an electrical cooperative,
+ as defined in Section 2776.*

34 SEC. 2. No reimbursement is required by this act pursuant to
35 Section 6 of Article XIIB of the California Constitution because
36 the only costs that may be incurred by a local agency or school
37 district will be incurred because this act creates a new crime or

Amendment 62

Amendment 63

Amendment 64

PROPOSED AMENDMENTS

**RN 23 21645 03
09/08/23 01:44 PM
SUBSTANTIVE**

Page 10 38 infraction, eliminates a crime or infraction, or changes the penalty
39 for a crime or infraction, within the meaning of Section 17556 of
40 the Government Code, or changes the definition of a crime within
Page 11 1 the meaning of Section 6 of Article XIII B of the California
2 Constitution.

PROPOSED
AMENDMENTS

O

PROPOSED AMENDMENTS

**RN 23 21731 09
09/10/23 02:50 PM
SUBSTANTIVE**

PROPOSED AMENDMENTS TO SENATE BILL NO. 555

AMENDED IN SENATE MAY 22, 2023

AMENDED IN SENATE APRIL 17, 2023

SENATE BILL

No. 555

Introduced by Senator Wahab

February 15, 2023



RN2321731

An act to add Chapter 5.6 (commencing with Section 50610) to Part 2 of Division 31 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 555, as amended, Wahab. Stable Affordable Housing Act of 2023.

Existing law establishes the Department of Housing and Community Development and sets forth its powers and duties. Existing law establishes various programs providing assistance for, among other things, emergency housing, multifamily housing, farmworker housing, homeownership for very low and low-income households, and downpayment assistance for first-time homebuyers. *Existing law requires the department to, on or before December 31 of each year, submit an annual report to the Governor and both houses of the Legislature on the operations and accomplishments during the previous fiscal year of the housing programs administered by the department, as prescribed.*

This bill, the Stable Affordable Housing Act of 2023, would declare a 10-year goal of creating 1.2 million units of social housing through a mix of acquisition and new production and a 5-year goal of creating 600,000 units of social housing through a mix of acquisition and new production, of which no less than 200,000 units are affordable to extremely low and very low income households, as defined. This bill

PROPOSED AMENDMENTS

**RN 23 21731 09
09/10/23 02:50 PM
SUBSTANTIVE**

SB 555

— 2 —

~~would require the department, no later than January 1, 2025, December 31, 2026, to develop, adopt, and submit to the Legislature complete a California Social Housing Plan for achieving the aforementioned goals, as specified. The bill would make related findings and declarations. Study consisting of a comprehensive analysis of the opportunities, resources, obstacles, and recommendations for the creation of housing that is affordable, as defined, and social housing, as defined, at scale, to assist in meeting the need identified in the statewide projections for below market rate housing affordable to households with extremely low, very low, low, and moderate incomes in the 6th Regional Housing Needs Assessment cycle. The bill would require the study to include, among other things, an analysis of the funding, public lands, and other resources and opportunities that are, or can be made, available to achieve certain goals of the state related to housing supply. The bill would require the department to include the study in the annual report to the Governor and the Legislature described above.~~

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

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

Page 2

1 SECTION 1. Chapter 5.6 (commencing with Section 50610)
2 is added to Part 2 of Division 31 of the Health and Safety Code,
3 to read:

4
5 CHAPTER 5.6. STABLE AFFORDABLE HOUSING ACT OF 2023

+
7 50610. This chapter shall be known, and may be cited, as the
8 Stable Affordable Housing Act of 2023.

9 50611. (a) The Legislature finds and declares all of the
10 following:

11 (1) The private housing market has failed to meet the needs of
12 the vast majority of California residents, who are unable to afford
13 market rents. Increasingly, housing speculation and financialization
14 in the rental market is driving rents higher, even as new market-rate
15 housing is produced. Today, more than one-quarter of California
16 renters are severely rent burdened, meaning they spend over
17 one-half of their income on rent alone, and the unaffordability of
18 rents is a major driver of homelessness.

PROPOSED AMENDMENTS

Amendment 1

+ (2) *It is the goal of the state, as reflected in its Regional Housing
+ Need Determination for the sixth Regional Housing Needs
+ Assessment (RHNA) cycle, to create 2,500,000 new housing units,
+ of which at least 1,000,000 must be affordable to households with
+ low, very low, and extremely low incomes and of which an
+ additional 400,000 must be affordable to households of moderate
+ incomes. Together, housing affordable to lower and moderate
+ households accounts for 58 percent of the overall projected housing
+ need.*

Page 2 19 (2)

Amendment 2

+ (3) Affordable housing produced through the federal
20 Low-Income Housing Tax Credit program is an essential part of
21 California’s housing stock, but is not sufficient to meet the need
22 for housing affordable to those who cannot afford market rents.
23 Moreover, the expiration of affordability covenants each year
24 threatens to revert affordable units to market rents.

25 (3)

Amendment 3

+ (4) The solution to the intertwined crises of rental unaffordability
26 and homelessness must include a robust sector of social housing;
27 housing that offers below-market rents affordable to households
28 of all income levels who are unable to afford market rents and that
29 is permanently shielded from the speculative market. *This work
+ can be accomplished only through a robust partnership between
+ the state and the federal government, including a significant
+ infusion of federal funding resources and policy reforms at both
+ the state and federal levels.*

Amendment 4

30 (4)

Amendment 5

+ (5) California has a growing social housing sector, comprised
31 of housing acquired, produced, and managed by public entities,
32 public housing authorities, community land trusts, community
33 development corporations, and nonprofit affordable housing
34 developers. This bill will set California on a course to scale up its
35 nascent social housing sector to meet the scale of the need, now
36 and for future generations.

Amendment 6

37 (b) It is the intent of the Legislature in enacting this chapter to
38 define social housing, to ~~set an ambitious goal for~~ *identify tools to
+ help achieve the state’s goals for lower and moderate-income
1 housing by creating social housing through both new production
2 and preservation of existing units, units and to establish the means
+ for achieving that goal. evaluate potential future legislation based*

Page 3 1

Amendment 7

Amendments 8 & 9

PROPOSED AMENDMENTS

SB 555

— 4 —

**RN 23 21731 09
09/10/23 02:50 PM
SUBSTANTIVE**

Page 3

+ on a comprehensive study of resources, constraints, and opportunities for creating below market rate housing that includes both affordable and social housing options.

3 50612. (a) The state hereby declares a 10-year goal of creating 4 1.2 million units of social housing through a mix of acquisition 5 and new production.

6 (b) The state declares a five-year goal of creating 600,000 units 7 of social housing through a mix of acquisition and new production, 8 of which no less than 200,000 units are affordable to extremely 9 low and very low income households.

10 50613.—

+ 50612. For purposes of this chapter, the following definitions 11 apply: chapter:

12 (a) “Afford” and “affordable” mean that a household pays no 13 more than 30 percent of its household income on rent. A household 14 is unable to afford market rent if median rents in the area exceed 15 30 percent of its income.

+ (b) “Affordable rent” has the same meaning as defined in 16 Section 50675.2.

+ (c) “Department” means the Department of Housing and 17 Community Development.

16 (b)

17 (d) “Extremely low income” has the same meaning as the term 18 “extremely low income households” is defined in Section 50106.

19 (e)

+ (e) “Limited-equity housing cooperative” has the same meaning 20 as the term is defined in Section 817 of the Civil Code.

21 (d)

22 (f) “Low-income” has the same meaning as the term “lower 23 income households” is defined in Section 50079.5.

24 (e)

+ (g) “Mission-driven nonprofit entity” includes both of the 25 following:

26 (1) “Eligible nonprofit corporation” as defined in subparagraph 27 (D) of paragraph (3) of subdivision (a) of Section 2924m of the 28 Civil Code.

29 (2) “Community land trust” as defined in Section 402.1 of the 30 Revenue and Taxation Code.

31 (f)

Amendment 10

Amendment 11

Amendment 12

Amendment 13

Amendment 14

Amendment 15

Amendment 16

Amendment 17

PROPOSED AMENDMENTS

Page 3 + (h) “Moderate income” has the same meaning as the term
32 “persons and families of moderate income” is defined in Section
33 50093.

34 (g)

+ (i) “Public agency” means the state, any county, city, city and
35 county, district, redevelopment agency, housing authority, or any
36 other political subdivision of the state.

37 (h)

+ (j) “Social housing” means housing that meets all of the
38 following requirements:

39 (1) The housing units are owned and managed by a public
40 agency, a local authority, a limited-equity housing cooperative, or
Page 4 1 a mission-driven nonprofit entity solely for the benefit of residents
2 and households unable to afford market rent.

3 (2) Each social housing development contains housing units
4 that accommodate a mix of household income ranges, including
5 extremely low, very low, low-, and moderate-income households
6 unable to afford market rent, and all housing units are permanently
7 ~~deed-restricted affordable to households at each of those income~~
8 ~~levels.~~ *rent.*

9 (3) Residents of the housing units enjoy full protection against
10 termination without just cause or for any discriminatory, retaliatory,
11 or other arbitrary reason, and shall be afforded due process prior
12 to being subject to eviction procedures.

13 (4) The housing units are protected for the duration of their
14 useful life, and the land associated with the housing units is
15 protected permanently, from being sold or transferred to any private
16 person or for-profit entity or a public-private partnership.

17 (5) Residents have the right to participate directly and
18 meaningfully in decisionmaking affecting the operation and
19 management of the housing units in which they reside.

20 (i)

+ (k) “Social housing development” includes both newly
21 constructed units of social housing and market units or other
22 housing units preserved or rehabilitated as social housing.

+ (l) “Study” means the California Social Housing Study required
+ by Section 50613.

23 (j)

24 (m) “Very low income” has the same meaning as the term “very
25 low income households” is defined in Section 50105.

Amendment 18

Amendment 19

Amendment 20

Amendment 21

Amendment 22

Amendment 23

PROPOSED AMENDMENTS

SB 555

— 6 —

**RN 23 21731 09
09/10/23 02:50 PM**

**SUBSTANTIVE
Amendments 24 & 25**

Page 4 26 ~~50614.~~
+ 50613. (a) No later than ~~January 1, 2025,~~ *December 31, 2026,*
27 the department shall ~~develop, adopt, and submit to the Legislature~~
28 *complete* a California Social Housing ~~Plan for achieving the goals~~
+ ~~set forth in Section 50612.~~ *Study. The study shall consist of a*
+ *comprehensive analysis of the opportunities, resources, obstacles,*
+ *and recommendations for the creation of affordable and social*
+ *housing at scale, to assist in meeting the need identified in the*
+ *statewide projections for below market rate housing affordable to*
+ *households with extremely low, very low, low, and moderate*
+ *incomes in the sixth Regional Housing Needs Assessment cycle.*
29 The department shall ~~enlist in the development of the study~~ broad
30 participation of residents unable to afford market rents and public
31 agencies and mission-driven nonprofit ~~entities with the capacity~~
32 ~~to provide social housing in the development of the plan.~~ *entities.*
33 The ~~plan~~ *study* shall include ~~all~~ *both* of the following:
34 (1) An analysis of all of the following:
35 (A) Funding, public lands, and other resources and opportunities
36 that are, or can be made, available to achieve the goals.
37 (B) The capacity and capacity building needs of public agencies
38 and mission-driven nonprofit entities to achieve the goals.
39 (C) Constraints and obstacles to achieving the goals, including
40 capital financing and long-term operations and maintenance needs.
Page 5 1 (D) The range of models for creating social housing that are
2 currently in practice, or that public agencies or mission-driven
3 nonprofit entities plan to ~~put into practice,~~ *in implement both inside*
4 *and outside* California, including the opportunities, needs, and
5 potential for creating social housing at various income levels
+ specific to each model.
+ (E) *Tenant protections consistent with each model analyzed*
+ *pursuant to subparagraph (D) that provide long-term stability,*
+ *including the most protective provisions feasible.*
6 ~~(E)~~
+ (F) ~~The benefits to~~ *impacts on* job creation and local economies
7 that could be achieved by using locally based, union-represented
8 workforces for construction and maintenance of social housing.
+ (G) *Federal funding, resources, and policy initiatives required*
+ *to meet the housing needs projected by the sixth Regional Housing*
+ *Needs Assessment cycle.*

**Amendment 26
Amendment 27**

Amendment 28

**Amendment 29
Amendments 30 & 31**

Amendment 32

Amendment 33

Amendments 34 & 35

Amendment 36

PROPOSED AMENDMENTS

— 7 —

SB 555

RN 23 21731 09
09/10/23 02:50 PM
SUBSTANTIVE

Page 5

+ (H) Any other subjects the department identifies through the
+ course of preparing this study that would contribute to meeting
+ the housing needs projected by the sixth Regional Housing Needs
+ Assessment cycle.

9 (2) ~~A plan~~ Recommendations to the state based on the study for
+ all of the following:

10 (A) Utilizing the funding, public lands, and other resources and
11 opportunities to achieve the goals, meet the housing needs projected
+ by the sixth Regional Housing Needs Assessment cycle, to create
+ housing affordable to households with moderate, low, very low,
+ and extremely low incomes, including social housing, in
12 collaboration between public agencies and mission-driven nonprofit
13 entities, with a portion of the goal allocated to each model for
14 creating social housing analyzed pursuant to subparagraph (D) of
+ paragraph (1).

15 (B) Removing constraints and obstacles to achieving the goals,
16 including constraints on the use of public land and public funding
17 that do not require legislative action.

18 ~~(3) Recommendations to the Legislature for all of the following:~~

19 ~~(A)~~

+ (C) Making additional resources available, including potential
20 revenue sources for a social housing fund, including federal
+ funding sources that are necessary.

21 ~~(B)~~

+ (D) Removing constraints and obstacles to the goals.

22 ~~(C)~~

+ (E) Creating new housing development and property
23 management capacity at the state level, including a state Social
24 Housing Authority.

25 ~~(4) A schedule of specific implementing actions and programs~~
26 ~~to achieve the goals, including actions needed to prevent the~~
27 ~~expiration of affordability covenants attached to existing affordable~~
28 ~~housing.~~

29 ~~(b) (1) Notwithstanding Section 10231.5 of the Government~~
30 ~~Code, the department shall submit an annual report to the Governor~~
31 ~~and the Legislature, beginning January 1, 2026, on the state's~~
32 ~~progress toward achieving the goals of this chapter, the~~
33 ~~implementation status and outcomes of all programs and actions,~~
34 ~~and recommendations for executive and legislative action.~~

Amendment 37

Amendment 38

Amendment 39

Amendment 40

Amendment 41

Amendment 42

Amendment 43

97

PROPOSED AMENDMENTS

SB 555

— 8 —

**RN 23 21731 09
09/10/23 02:50 PM
SUBSTANTIVE**

Page 5 35 ~~(2) A report to be submitted pursuant to this subdivision shall~~
36 ~~be submitted in compliance with Section 9795 of the Government~~
37 ~~Code.~~
+ (b) *The department shall include the study completed pursuant*
+ *to this section in the annual report for the 2027 calendar year*
+ *required by Section 50408.*

O

97