

GENERAL PROVISIONS

- (1) Increases to rates and charges, including any reduction in the CARE discount, shall be reasonable and subject to a reasonable phase-in schedule relative to the rates and charges in effect prior to enactment of rate reform legislation.

FIXED CHARGES

- (1) The CPUC may not adopt any new or expanded fixed customer charges unless it determines that any charges:
 - a. Would not unreasonably impair incentives for conservation and energy efficiency.
 - b. Would not unreasonably burden low-to-moderate income customers.
 - c. Accurately reflect for small customers the costs of serving the smallest customers, and for large customers accurately reflect the differences between the costs of serving small and large customers.
 - d. Accurately reflect differences between the costs of serving customers in single family homes vs. multi-family buildings
- (2) The CPUC may authorize a fixed customer charge for the purpose of collecting a reasonable portion of the direct costs of interconnecting, billing and providing related customer services to residential customers. While the Commission may consider whether other specific cost categories are appropriate for inclusion in any fixed charge, none of the following cost categories may be included:
 - a. Public Purpose Programs
 - b. Energy efficiency and R&D expenditures
 - c. CARE discounts
 - d. Nuclear Decommissioning
 - e. Generation-related costs including any distribution expenditures specifically intended to enable demand response, reduce generation

costs or generation losses.

- f. Transmission and subtransmission
 - g. Demand response programs including, but not limited to, air conditioning cycling and interruptible rate discounts.
 - h. Dynamic pricing programs
 - i. Incentive payments for solar or self-generation
 - j. CPUC fees
 - k. Distribution substations and feeder lines
 - l. Service lines and line transformers
 - m. Customer retention or economic development programs
 - n. DWR bonds
- (3) The CPUC may consider whether minimum bills are appropriate as a substitute for fixed charges.
- (4) Any fixed charges assessed on CARE customers shall be discounted by at least 50%.

BASELINE

- (1) CPUC may re-examine baseline zones and has authority to create additional zones if warranted.
- (2) The CPUC may consider modifying the seasonal and the applicable average use calculations for some or all baseline zones in a utility's service territory to better reflect seasonal usage patterns.

NON-CARE RATES

- (1) Eliminate existing restrictions in §739.9(a) and (b).
- (2) The CPUC shall approve default non-CARE rates with at least 3 tiers separated by a fixed ratio between the upper tier and the lower tier rates.

CARE RATES

- (1) Repeal restrictions on Tier 1, 2, and 3 CARE rates in §739.1(b)(2), (b)(3), (b)(4), and (b)(5), except as provided in (3) below.
- (2) In establishing CARE discounts for the three largest electric utilities in California, the Commission shall ensure that:
 - a. The average CARE discount for any IOU may be no less than 30%
 - b. By 2022, no utility may have an average CARE discount that is 5% above the average care discount by any other utility.
 - c. Notwithstanding any other provision, no utility may reduce its average low income discount rate (CARE or its successor) by more than 3% per year
- (3) The entire discount shall be provided in the form of a reduction in the overall bill for the eligible CARE customer. The Commission may authorize additional benefits for CARE customers in the form of services or equipment.
- (4) Eligibility for one-person CARE households shall be based on two-person income guidelines.
- (5) CARE income eligibility shall be set at no less than 200% of the federal poverty level.
- (6) The Family Electric Rate Assistance Program shall be continued, with current eligibility criteria, and the CPUC shall approve the level of the discount based on the level of need as determined in the low-income needs assessment conducted pursuant to §382(d) and consistent with the method used to determine the CARE discount.
- (7) Preserve the following current statutory requirements:
 - a. Ensuring that low-income ratepayers are not jeopardized or

- overburdened by monthly energy expenditures (§739.1(b)(3)(A), §382(b))
- b. The level of the CARE discount shall correctly reflect the level of need as determined by the low-income needs assessment conducted pursuant to §382(d) and §739.1(b)(3)(B))
 - c. Varying levels of assistance may be provided to low-income customers with different household incomes or levels of need. (§739.1(b)(1), §382(b), §382(c))
- (8) Modify §382(d) to require that an assessment be conducted no less frequently than every three years to assess affordability and energy burdens for low-income customers.

TIME VARIANT PRICING

- (1) The Commission shall not establish a mandatory or default time variant pricing tariff for any residential customer except as provided in (2). Time variant pricing tariffs shall be available on an opt-in basis.
- (2) The Commission may establish default Time of Use rate schedules for residential customers beginning in 2020 subject to the following conditions:
 - a. All customers shall retain the ability to opt out of TOU in favor of a tiered rate structure.
 - b. Medical baseline, third-party notification customers and customers protected from remote disconnections due to a serious illness or condition (as detailed in D.12-03-054, Order 2.b.) shall not be placed on any Time of Use schedule without their affirmative consent.
 - c. The Commission shall ensure that the establishment of a default Time of Use rate schedule does not cause unreasonable hardship for senior citizens or economically vulnerable customers in hot climate zones.
 - d. The Commission shall ensure that the TOU periods are appropriate for at least the following five years.
- (3) Notwithstanding (2), the Commission may establish the following prior to 2020:
 - a. Default or mandatory Time of Use rates for customers with electric

vehicles.

b. Incentives or rebates for the reduction of peak period usage.

- (4) Each electric utility shall provide each residential customer, no less than once per year, using the delivery method of the customer's choosing, a summary of available tariff options with a calculation of expected annual bill impacts under each available tariff. The reasonable costs of providing this service shall be recovered in rates.