



Senator Scott Wiener, 11th Senate District

Senate Bill 378 – Limiting Planned Blackouts

SUMMARY

Senate Bill 378 will put in place reasonable, commonsense mechanisms to ensure that utilities are pursuing planned blackouts with adequate prudence, as well as minimize the negative consequences of blackouts on local communities. Over the long term, SB 378 will also help incentivize utilities to upgrade critical infrastructure by taking away the “blank check” to pursue planned blackouts indefinitely.

BACKGROUND/EXISTING LAW

In an age of increasing wildfire risk, utilities are beginning to authorize increased numbers of planned blackouts in rural, suburban, and even urban communities in order to eliminate the risk that the utility’s power lines and other equipment will ignite a fire. These planned blackouts (also known as “de-energization events” and “Public Safety Power Shutoffs,” or PSPS) usually occur during a period of elevated fire risk – such as when wind speeds are unusually high – and can last for days on end. Used judiciously, these blackouts can be a valuable tool in preventing catastrophic wildfires.

Unfortunately, while this arrangement allows the utility to avoid liability for any wildfires that faulty equipment would have otherwise caused, and may reduce fire risk in some circumstances, it also creates safety risks for those who rely on a regular supply of electricity. Small businesses that store refrigerated food, people that rely on rechargeable oxygen tanks and other medical equipment, and infants and seniors trying to survive the summer heat – to name just a few – all need a steady supply of electricity to survive and prosper. To make matters worse, the brief notification period (often as short as 24 hours) before a planned blackout can prove inadequate to fully prepare.

PROBLEM

Under current law, utilities have a significant incentive to avoid liability by shutting off power lines during periods of perceived fire risk, even if the risk

is minimal. There is no incentive, however, to keep the lights on when that risk is minimal, to avoid the immense disruption that even a brief planned blackout can cause. As a result, utilities have become increasingly over-zealous in announcing planned blackouts. Compounding matters, key entities such as the Wildfire Safety Division and local governments often lack details on the state of utility infrastructure and potential ramifications of a planned blackout. As the number of planned blackouts continues to increase, reform is needed to make sure that lack of electricity does not further impact California’s economy and way of life.

SOLUTION

SB 378 will put in place reasonable reforms to both help prevent and mitigate the impact of planned blackouts moving forward. Specifically, this measure will:

- Require that the California Public Utilities Commission create a process by which businesses, individuals, and local governments can recover costs accrued during a planned blackout (for example, by damaging equipment turned off too quickly) from the utility within a set timeframe.
- Promote better collection of data on utility equipment in order to assess risk level beforehand, as well as require reporting on the consequences of planned blackouts after the fact.
- Level hourly fees on utility shareholders during planned blackouts (\$250,000 per 50,000 customers affected per hour) that are found by the CPUC to be neither reasonable nor prudent, and ensure that customers cannot be billed for transmission, distribution, and other costs during a planned blackout, in addition to a stipulation that a utility cannot profit from a planned blackout (through changing electricity prices, for example) if the CPUC determines that the blackout was unreasonable or imprudent.

SB 378 will help push the utilities toward prioritizing infrastructure upgrades and safety measures over simply turning off the lights when convenient. Together, these reforms will guarantee that planned blackouts are judicious, targeted, and rare.

SUPPORT

- City of San Jose (Sponsor)
- California Association of Food Banks
- City of Berkeley
- City of Dublin
- City of Livermore
- City of Oakland
- City of Pleasanton
- City of San Ramon
- County of Alameda
- Food Bank of Contra Costa & Solano Counties
- Mayor London Breed, City & County of San Francisco
- San Francisco Public Utilities Commission
- Town of Danville

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