

## Attachment 3

On April 7th, the California Public Utilities Commission (CPUC) issued a long-awaited Proposed Decision (<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M376/K042/376042477.PDF>) modifying many elements of the Rule 20 program. The Rule 20A program funds the undergrounding of overhead power lines, and was originally created to address the aesthetic impacts of the power lines. Local projects are completed through ratepayer-funded work credits that are allocated to communities based on the number of meters in that jurisdiction. The Rule 20B program funds a portion of undergrounding project costs for non-aesthetic purposes while the Rule 20C program requires the project applicant to pay for the full cost of undergrounding. Rule 20D only applies to San Diego Gas and Electric and allows undergrounding for wildfire mitigation, although no projects have yet been initiated under that program.

The Rule 20A program has been criticized because most of the projects have benefited denser urban areas. In general, it can take an extremely long time to accumulate sufficient work credits to fund a project, it is more difficult to undertake projects in rural and mountainous areas, and there are dozens of communities that have not completed any projects in over 16 years.

While CPUC staff suggested ending the Rule 20A program and transitioning to Rule 20B and 20C type programs, the Proposed Decision stops short of such a drastic change. In brief, the Proposed Decision:

- Expands the types of projects covered by the Rule 20A program to include undergrounding where overhead power lines limit or impede wheelchair access or pass through areas of cultural or historic interest.
- Discontinues allocation of new Rule 20A work credits after December 31, 2022.
- Prohibits local agencies from borrowing work credits from future allocations beyond 2022.
- Prohibits local governments from selling or trading work credits in the secondary market; however, exceptions will be made for intra-county donations from counties to cities and towns within the county and among two or more adjoining municipalities.
- Imposes significant new accounting and reporting obligations on utilities to improve transparency and prevent the use of those funds by utilities for non-Rule 20A projects.
- Requires utilities to work with specified entities, including the Rural County Representatives of California, to draft an updated Rule 20 Guidebook detailing costs, responsibilities, and contacts for Rule 20 projects.

While the CPUC was contemplating expanding the Rule 20A program to mitigate wildfire risk from overhead lines, the Proposed Decision defers action on that issue to an upcoming Phase 2 of the proceeding. Phase 2 will also consider: 1) Whether to modify the Rule 20A program to support projects in underserved and disadvantaged communities; 2) Whether to take other steps to support completion of active Rule 20A projects; and 3) Whether to modify or discontinue the Rule 20D program.

For more information, please contact John Kennedy, RCRC Legislative Advocate, by email (<mailto:jkennedy@rcrcnet.org>?subject=Re%3A%20CPUC%20Proposed%20Decision%20Rule%202020) or call (916) 447-4806.

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