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TABLE B-1: RECENT ELECTRIC INDUSTRY REGULATORY DECISIONS AND BACKGROUND INFORMATION

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| <u>Regulatory Action</u>  | <u>Date</u>                                     | <u>Description</u>   |
|---|---|--|
| Public Utility Regulatory Policies Act (PURPA)  | 1978  | Initiated limited competition in the electric industry. Designed to create a market for innovative electric technologies including either renewable or more efficient systems. Conservation and rising costs were the basis of PURPA's enactment. Intended to reduce the demand for traditional fossil fuels.  |
| Federal Energy Policy Act (EPAcT)   | 1992  | Goal was to promote greater competition in bulk power markets and to expand FERC's authority under the Federal Power Act to approve applications for transmission services and other related power services. EPAcT encourages implementation by state and local governments.   |
| CPUC issued report titled <i>California's Electric Services Industry: Prospectives on the Past, Strategies of the Future</i>          | April 1992                                      | Concluded that current regulation is no longer compatible with circumstances facing the electric industry. Recommended four strategies for reform, including restructuring of the regulated electric industry.   |
| CPUC Rulemaking and Investigation (R.94-04-031/I.94-04-032)   | April 20, 1994                                  | The CPUC's vision for restructuring, identified in the Rulemaking, supports the following: <ul style="list-style-type: none"> <li>• consumers should enjoy the benefits of a competitive electric industry;</li> <li>• California consumers should enjoy direct access to an efficient environmentally sound industry;</li> <li>• competitive electric services should contribute significantly to growth, productivity, competitiveness and job creation for the state's economy; and,</li> <li>• California consumers should enjoy access to a basic and affordable package of electric services.</li> </ul> |
| Assembly Concurrent Resolution (ACR) 143  | August 31, 1994                                 | Established the joint Oversight Committee on Lowering the Cost of Electric Services and overseeing electric restructuring policy proposals. The Committee is responsible for ensuring reliable supply of electricity.  |
| CPUC Preferred Policy Decision (95-12-063, as modified by 96-01-009)  | December 20, 1995, modified on January 10, 1996 | Identified the CPUC's preferred policy as consisting of a Power Exchange (PX), Independent System Operator (ISO), phased-in direct access; and other elements.   |
| CPUC Roadmap Decision   | March 13, 1996                                  | Procedural Plan for achieving transition to a restructured electric service industry serving California consumers. The decision focused on tasks that must be accomplished to meet the implementation goal of no later than January 1, 1998.   |
| FERC Order 888 <i>Promoting Wholesale Competition Through Open Access Nondiscriminatory Transmission Services by Public Utilities</i> | May 1996  | Established: <ul style="list-style-type: none"> <li>• recovery of stranded costs;</li> <li>• defines mechanisms of achieving transmission access and specifies that any transmission utility must provide transmission services to others upon request;</li> <li>• defines Independent System Operator (ISO);</li> <li>• stated functional unbundling of transmission services should proceed.</li> </ul>  |
| Assembly Bill (AB) 1890   | September 1996                                  | Enacted electric utility restructuring much in-line with D.95-12-063 and removed the restructuring policy from CPUC review under the California Environmental Quality Act (CEQA).  |
| CPUC Decision 96-12-075   | December 1996                                   | Halted preparation of Environmental Impact Report (EIR) for the electric industry restructuring.   |