
**SENATE COMMITTEE ON ENERGY, UTILITIES AND
COMMUNICATIONS**

**Senator Josh Becker, Chair
2025 - 2026 Regular**

Bill No:	SB 593	Hearing Date:	4/7/2025
Author:	Hurtado		
Version:	2/20/2025	Introduced	
Urgency:	Yes	Fiscal:	Yes
Consultant:	Nidia Bautista		

SUBJECT: Power surges: ratepayer notice

DIGEST: This bill requires electric utilities, as defined, to provide customer notifications, compliance, and reporting related to electric utility power surges that can result in damage to customer property.

ANALYSIS:

Existing law:

- 1) Establishes the California Public Utilities Commission (CPUC) with regulatory authority over public utilities, including electrical corporations. (Article XII of the California Constitution)
- 2) Requires every public utility to furnish and maintain adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public. (Public Utilities Code §451)
- 3) Establishes the policy of the state that each electrical corporation is required to continue operate its electric distribution grid in its service territory and to do so in a safe, reliable, efficient, and cost-effective manner. (Public Utilities Code §399.2(a))
- 4) Authorizes the CPUC to supervise and regulate every public utility in the state and to do all things necessary and convenient in the exercise of such power and jurisdiction. (Public Utilities Code §701)

This bill:

- 1) Makes specified findings and declarations related to power surges.

- 2) Defines “utility” to mean a community choice aggregator (CCA), an electrical corporation, and a local publicly owned electric utility (POU).
- 3) Requires a utility to develop and implement a system to notify a ratepayer of a power surge on the electrical distribution grid.
- 4) Requires the notification to be transmitted within five minutes of detecting a power surge and to include specified information, including guidance on recommended actions a ratepayer may take to minimize or prevent damage to their property.
- 5) Requires a preemptive warning of a power surge within 24 hours if maintenance activities or environmental conditions increase the likelihood of a power surge.
- 6) Requires a utility to install and maintain equipment capable of detecting power surges and to submit quarterly reports to the CPUC regarding power surges with specified information.
- 7) Requires a utility to compensate a ratepayer for damages to electrical systems, appliances, or devices caused by a power surge if the power surge resulted from utility equipment failure or negligence, to process claims for compensation within 30 days of receipt, and to offer financial incentives or rebates for the installation of whole-house surge protection systems by ratepayers.
- 8) Requires the CPUC to adopt rules and regulations to implement these requirements and monitor compliance and authorizes the CPUC to impose penalties for the failure to comply by utilities.
- 9) Requires the CPUC to submit a report to the Legislature by January 1st of each year regarding the implementation and effectiveness of power surge notifications and the impact of these requirements on reducing damages from power surges.
- 10) Requires each utility to submit an implementation plan to the CPUC within six months of the effective date of this bill and to fully implement these requirements within 18 months of the effective date, and authorizes a utility to apply to the CPUC for approval to recover reasonable costs associated with complying with these requirements through rate adjustments.
- 11) Imposes a state mandated program by imposing new duties on local publicly owned electric utilities.

- 12) Declares this bill is to take effect immediately as an urgency statute in order to ensure customers of electrical utilities receive the protection from, and compensation for, damages due to power surges.

Background

Electrical power surges. A power surge is generally defined as a sudden, temporary (sometimes split second) increase in electrical voltage (usually exceeding the normal operating levels). Power surges can be caused by many factors, including power outages, faulty wiring, sudden damage to electrical infrastructure (such as from a car colliding into an electrical pole, a natural disaster, or lightning strike), and other factors. Electric power surges can damage and destroy electronic devices connected to electrical outlets, including electric appliances. While it's unclear exactly how pervasive damaging power surges occur, there have been surge events reported by the media, including a power surge in Lincoln, California in 2021 that affected multiple customers when a utility crew was upgrading a transformer,¹ and another in Long Beach in 2023.² In both these media stories, customers relayed frustrations with the extent of the damages caused by power surges and the challenges with the respective utility's claims procedures in attempting to replace their damaged appliances and equipment.

Surge protections. Customers can install surge protectors to help reduce the risks with power surges damaging their appliances and devices. These are available for individual outlets (e.g. surge protector power strips) or for whole house/building surge protectors. During lightning events, residents are often encouraged to disconnect devices that may not be needed to prevent a lightning strike or power outage from damaging sensitive devices. When damages occur from power surges, customers can file claims with their utility. However, the utility may not pay for replacement costs but fair market value, and can deny the claims if the utility believes the surge event was caused by events beyond their control. Depending on a customer's homeowner's or commercial insurance coverage, a customer may be able to file a claim through their insurance provider.

Current protections. Under existing CPUC-approved electric tariff rules, investor-owned utilities must supply electricity service at the point of delivery to the customer under the applicable distribution and transmission voltages.³ These requirements contain minimum and maximum deviations in secondary voltages of

¹ <https://www.kcra.com/article/pgande-power-surge-leaves-lincoln-residents-damaged-appliances/38072486>

² <https://www.cbsnews.com/losangeles/news/on-your-side-several-long-beach-small-businesses-deal-with-outages/>

³ https://www.pge.com/tariffs/assets/pdf/tariffbook/ELEC_RULES_2.pdf

up to five percent that a customer can experience. This means a customer receiving 120-volt service through a normal two-wire service can experience no less than 114 volts and no more than 126 volts at the point of delivery. However, the rules note exemptions, including for causes beyond the control of the utility. The rules further stipulate that for customers who require stable voltage regulation beyond these operating limits, the customer is responsible for installing their own equipment on the customer side of service delivery point.

Comments

Need for this bill. The author's office has stated there have been ongoing issues in parts of their district with power surge events affecting customers in small rural areas and resulting in damages to their appliances. The office notes that many of these customers are of limited income and also may have limited English fluency and understanding of the utility claims processes. The loss of appliances, including refrigerators and air conditioning units, can be particularly challenging for these customers.

Flooding in Allensworth. Both Pacific Gas & Electric (PG&E) and Southern California Edison (SCE) have informed this committee they are aware of customer claims about power surges in Allensworth over the last two years in both utility areas. However, PG&E has found that various momentary outages in the community were linked to the abnormal configuration of the PG&E circuit due to the Tulare Lake Flood event of 2023. The area experienced significant flooding caused by winter storms. In order to serve the area, PG&E relocated significant electrical equipment and re-routed power to feed the community of Allensworth. According to PG&E, under the abnormal arrangement, the circuit experienced several momentary outages while under peak load when the circuit exceeded its available capacity with the additional temporary load. The impacted circuit was placed back in normal configuration as soon as possible in September 2024 and PG&E has not identified any abnormalities since. PG&E contends they received only one claim from a customer for damages, which was resolved in less than 30 days.

Costs to ratepayers. This bill prescribes numerous requirements on electric utilities (both investor-owned utility (IOU) and POU, as well as, CCAs), including requiring advanced notifications to customers of power surges and installation of sensor technology to detect surges. These requirements may not be feasible given surges often occur abruptly and the costs of installing the sensors could compete with other safety priorities and additional concerns about affordability of electric utility bills. San Diego Gas & Electric (SDG&E) notes that they recently underwent a Customer Information System Replacement Program, which was

approved by the CPUC in 2018, with total costs of \$245.9 million. They contend that the costs imposed by this bill, given the thousands of miles of distribution lines in their service territory, would be exponentially greater than that program.

Amendments needed. In order to minimize costs to customers and ensure the feasibility of the intended protections, the author and committee may wish to amend this bill to:

- *Recast this bill to require the CPUC, in a new or existing proceeding, by July 1, 2026, to consider whether additional consumer protections are necessary to better address power surge events affecting customers of electric IOUs.*
- *Require the governing boards of electric POUs' to adopt policies to address power surge events and post this information on their respective websites.*
- *Delete reference CCAs who do not manage distribution infrastructure.*
- *Remove all requirements related to advance notifications or technology installations.*

Dual Referral. Should this bill be approved by this committee, it will be re-referred to the Senate Judiciary Committee.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

SUPPORT:

None received

OPPOSITION:

Pacific Gas and Electric Company
San Diego Gas and Electric Company
Southern California Edison

ARGUMENTS IN SUPPORT: According to the author:

California ratepayers deserve transparency, accountability, and protection when it comes to power surges that can cause significant financial burdens. Too often, families and businesses are left unaware when a surge occurs, only discovering the damage when their appliances, electronics, and electrical systems stop working. These unexpected costs add financial stress to already high monthly expenses, leaving ratepayers with little recourse or support from utilities. Currently, no statewide requirement ensures that utilities notify customers of power surges, track incidents, or provide compensation when infrastructure

failures cause damage. Without real-time alerts or preventive measures, ratepayers remain vulnerable to costly and avoidable losses. Meanwhile, utilities face no mandatory accountability for failing to prevent or respond to these events.

SB 593 changes this by requiring utilities to notify customers within five minutes of detecting a power surge, giving them the chance to take immediate protective action. The bill also mandates the installation of surge detection equipment, regular reporting on incidents, and financial compensation for customers when surges result from utility negligence or equipment failure. By holding utilities accountable and ensuring real-time communication, SB 593 will provide much-needed consumer protection and peace of mind to millions of Californians.

ARGUMENTS IN OPPOSITION: The three electric IOUs opposed to this bill raise concerns about the feasibility of this bill's requirements and the increased costs to implement these requirements, including changes to the claims processes and installation of sensors across their distribution system.

San Diego Gas & Electric states:

San Diego Gas & Electric Company (SDG&E) must respectfully oppose SB 593 (Hurtado), due to significant concerns regarding its operational feasibility, disproportionate cost impacts, and conflicts with existing grid modernization priorities. While we share the author's goal to enhance grid reliability and customer protections, the bill's prescriptive mandates would exacerbate affordability challenges and divert critical resources from high-priority safety investments.

-- END --