THE PRESS DEMOCRAT

Here's what California officials and experts are considering to limit soaring energy bills

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Main entrance of the California Public Utilities Commission headquarters building in San Francisco, California. (rarrarorro / Shutterstock)

In case you couldn't take two full days out of your week to watch the California Public Utilities Commission (CPUC) hearings on how to get soaring energy bills under control, I've got you covered.

In marathon sessions Monday and Tuesday, the CPUC convened energy providers, policy experts, consumer advocates and environmental justice groups to consider roughly two dozen ideas to make investor-owned energy utility costs more manageable for residential customers.

Proposals were technical and complex and sometimes questionably viable, but the problem they aimed to resolve couldn't be more urgent.

"The discussions we will have over the next two days have real life consequences for millions of people across the state," said Abigail Solis, manager of sustainable energy solutions at Self-Help Enterprises, a community development organization, at the opening of the hearings.

I don't need to tell anyone reading this that utility bills have been painful lately. California, and the San Francisco region specifically, has some of the highest gas and electric costs in the country.

And that pain is especially acute for some of the state's lowest income residents, like the three-quarters of a million California households—who are disproportionately Black and brown—who on average put more than 30 percent of their income toward energy costs in 32 counties.

The central question of the two-day affair came down to how to lower energy rates in the face of the astronomical costs of preventing and fighting the growing threat of climate-fueled wildfires and the enormous task of transitioning the state to a clean energy future.

That's because while rates are set based on a number of factors, like inflation and the price of natural gas, customers are also funding a significant share of wildfire mitigation and electrification efforts through their bills, as well as, controversially, some of investor-owned utilities' liability.

One area of common ground between the diverse stakeholders was an interest in the state taking on more of the burden for programs with broad societal benefits. That could mean reducing the customer responsibility for building out alternative energy infrastructure or undergrounding power lines or, as one PG&E representative suggested, perpetual costs affecting all Californians like vegetation management.

Of course, securing more funding from the state budget or through taxes requires legislative and voter buy-in which comes with its own challenges.

"It's much easier to raise rates than to raise taxes, and it's a perhaps less visible although no less real and certainly more regressive form of raising revenue for public objectives," said one panelist, Michael Wara, director of the Climate and Energy Policy Program at Stanford University.

Still, Gov. Gavin Newsom recently announced an almost $45.7 billion budget surplus this fiscal year. There's also billions of federal dollars on the table from the American Rescue Act and the Infrastructure Investment and Jobs Act. Moreover, in late January, Newsom outlined a $10 billion package to make the state's auto industry all-electric.

Many very expensive challenges are competing for California's attention, but many of the workshop's participants see a perfect opportunity to shift some of the burden off ratepayers.

Government funding was far from the only option for relief under consideration. Lowering the rate of return for investors, income-graduated fixed charges or turning to point of sale revenue (charging a fee on home or car purchases to fund electrification to avoid ratepayer and taxpayer costs) are just a few of the alternatives that were weighed.

Overall, the two-day hearings made very clear that a clean energy transition that overburdens utility customers could be devastating, especially for low-income communities.

For instance, CPUC Commissioner Clifford Rechtschaffen pointed out that as we shift to electric, there will be fewer gas customers, predominantly the low and moderate income communities less able to invest in electrification, and "these last remaining ratepayers will be left to shoulder the cost of maintaining and operating the system," he noted.

"Without careful and thoughtful planning, this transition has the potential to present very serious affordability issues not so far down the road starting very very soon."

This same example also shows prioritizing equity and affordability could actually accelerate the energy, since lower electric costs (if paired with access to the proper infrastructure) could incentivize people to switch to electric.

"If we're really serious about climate change, we have to put a limit to spending ratepayer money on it and find money from other sources, but also figure out a way to cut the cost of electricity," Mark Toney, executive director of The Utility Reform Network, a consumer advocacy group, tells me.

"That's the game changer. Don't spend more ratepayer money on climate change because it's so important. Spend less."

In thinking about how to better protect the most vulnerable customers in particular, experts discussed lowering barriers to enrollment in low-income aid programs. For instance, limiting some of the paperwork requirements that enable more undocumented people to join.

Better coordination with community-based organizations or using auto-enrollment could improve outreach to the significant share of eligible customers that remain unaware of the help that exists.

To expanding aid, proposals included using area median income instead of the federal poverty level as a measure of eligibility for support given the state's high cost of living. Percentage of Income Payment Plan (PIPP) programs, which allow customers to cap utility bills at a percentage of their monthly income, also got a shout out. (In October, the CPUC ordered investor-owned utilities to launch PIPP pilot projects.)

Time will tell if all this talk turns into action. This workshop was the next step in a process that was kicked off in February 2021.

"There has been some concrete progress that the PUC does deserve credit for," Toney tells me. "At the same time, there have been massive rate increases approved, and there are massive rate increases on the table now."

Weigh in on upcoming PG&E rate hike proposals

The CPUC is currently considering a significant PG&E rate hike proposal. The public can weigh in at upcoming hearings.

When: March 10 and 22, 2 p.m. and 6 p.m.

Where: live broadcast available at www.adminmonitor.com/ca/cpuc.

To comment: Call 800-857-1917 (Passcode: 6032788# for English or 3799627# for Spanish) or submit written comment at: https://apps.cpuc.ca.gov/c/A2106021

You can dive deeper into the hearings' many proposals by accessing the meeting agenda, recordings and presentations at https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/affordability.

Whatever your position, consumer and community advocates emphasize to me that making public comment at hearings (which can often be done by calling or writing) and putting pressure on legislators can have a real impact.

"What it's really going to take is just the political will. This is the 21st century. We can deliver energy to people in a way that is clean and safe. We have the tools, we have the resources, we have the knowledge," Alexis Sutterman of the California Environmental Justice Alliance tells me.

"It's just that we have to shift the way that actual power, and then, of course, political power is concentrated right now."