

Igor Tregub
Councilmember District 4
Cecilia Lunaparra
Councilmember District 7

REVISED AGENDA MATERIAL for Supplemental Packet 2

Meeting Date: February 11, 2025

Item Number: 6

Item Description: Resolution in Support of the Commissioning of a California Feasibility Study to Implement “Golden State Energy,” a Not-for-Profit Public Utility Model

Submitted by: Councilmember Tregub and Councilmember Lunaparra

Supplemental Summary of Changes:

This supplemental report clarifies that should State legislation be introduced whose intent is substantially similar to the content of this item, it is the intent of the resolution to empower the City of Berkeley to register its support for the legislation.

It also corrects typographical errors.



Igor Tregub
Councilmember, District 4

Cecilia Lunaparra
Councilmember, District 7

CONSENT CALENDAR

FEBRUARY 11, 2025

To: Honorable Mayor and Members of the City Council

From: Councilmembers Igor Tregub (Author) and Cecilia Lunaparra (Co-Author)

Subject: Resolution in Support of the Commissioning of a California Feasibility Study to Implement “Golden State Energy,” a Not-for-Profit Public Utility Model

RECOMMENDATION

Adopt a resolution in support of the allocation of state fiscal and staff resources to commission a feasibility study that compares various not-for-profit utility models prioritizing public benefits in energy generation, distribution, and transmission; the development of an equitable implementation plan that establishes a statewide successor entity known as “Golden State Energy” as a successor to investor-owned utilities such as Pacific Gas and Electric; and transmittal of the Council’s support of such a resolution to Governor Gavin Newsom, Senator Jesse Arreguín (SD7) and Assemblymember Buffy Wicks (AD14). Should state legislation be introduced, whose intent is substantially similar to the content of the aforementioned resolution, it is the intent of this item to empower the City of Berkeley to register its support for the legislation.

CURRENT SITUATION AND ITS EFFECTS

Three investor-owned utilities (IOUs) in California have monopolistic control of the state’s energy transmission and distribution system.¹ As one particular example, Pacific

¹<https://information.auditor.ca.gov/reports/2022-115/index.html#:~:text=Background,primarily%20in%20SCE's%20service%20area.>

Gas and Electric Company (PG&E) is one of the two largest IOUs in California and one of the largest utility companies in the United States.² Its coverage area, which includes most of Northern and Central California, covers 70,000 square miles and serves 16 million people across the state but has consistently failed to meet safety, reliability, affordability, and climate justice standards.

The consequences of PG&E's failures have been dire:

- **Wildfire Liability & Disasters:** PG&E infrastructure has been directly linked to some of the deadliest and most destructive wildfires in California history, including the 2018 Camp Fire, which destroyed over 18,000 structures³.
- **Public Safety Power Shutoffs (PSPS):** PG&E has increasingly relied on mass power shutoffs to mitigate wildfire risks, leaving millions of residents and businesses without electricity for days at a time, with disproportionate harm to vulnerable populations.⁴
- **Escalating Rates & Affordability Crisis:** PG&E's residential rates have increased by over 118% since 2014, and future rate hikes are expected as the company seeks to recover wildfire-related liabilities and infrastructure costs.⁵ By comparison, publicly owned utilities in California offer electricity at rates that are more than 50%% lower on average than those of IOUs.⁶
- **Grid Connection Delays:** Municipalities and developers are experiencing significant delays in connecting new buildings and businesses to the power grid. In Berkeley alone, these delays are significant contributors to unrealized projects, which stifles economic growth and electrification efforts.⁷

The failures of PG&E and the broader investor-owned utility model demonstrate the urgent need for alternatives that prioritize public interest over shareholder profits. The Golden State Energy Act (SB 350, 2020)⁸ was a critical first step in planning to replace IOUs such as PG&E with a more affordable, sustainable, and public-serving model. This legislation established Golden State Energy, a nonprofit public benefit corporation

² <https://www.eia.gov/todayinenergy/detail.php?id=40913#:~:text=The%20two%20largest%20IOUs%20are,%2C%20and%20municipal%2Drun%20utilities.>

³ <https://www.nytimes.com/interactive/2019/03/18/business/pge-california-wildfires.html>

⁴ <https://iejusa.org/wp-content/uploads/2020/10/V3.3-Policy-Brief-CA-Shutoffs-Data-Brief.pdf>

⁵ <https://www.publicadvocates.cpuc.ca.gov/-/media/cal-advocates-website/files/press-room/reports-and-analyses/241205-public-advocates-office-q3-2024-rates-report.pdf>

⁶ <https://lao.ca.gov/Publications/Report/4950>

⁷ <https://emp.lbl.gov/news/grid-connection-backlog-grows-30-2023-dominated-requests-solar-wind-and-energy-storage>

⁸ https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB350

designed to take over PG&E's assets in the event of another bankruptcy or operational collapse. The law aims to:

- Reduce energy cost burdens on residents
- Increase grid resilience and reliability
- Expand equitable access to clean energy infrastructure

BACKGROUND

Across California and the nation, publicly owned and cooperative utilities have demonstrated superior outcomes in cost, reliability, and clean energy deployment:

- **Community Choice Aggregators (CCAs):** CCAs such as Ava Community Energy (formerly East Bay Community Energy)⁹ serve customers in Alameda County and the upper San Joaquin Valley, delivering cleaner electricity at competitive rates. Unlike IOUs, CCAs reinvest surplus revenues into local energy programs, such as building electrification incentives, energy efficiency upgrades, local solar-plus-storage projects and customer rebates.¹⁰
- **Municipal Utilities:** Public utilities, including the Sacramento Municipal Utility District (SMUD) and the Los Angeles Department of Water and Power (LADWP), offer lower rates and more aggressive clean energy programs than IOUs. SMUD, for instance, has committed to achieving net-zero emissions by 2030, significantly outpacing state targets.¹¹
- **Rural Electric Cooperatives & Tribal Utilities:** These entities successfully provide electricity to rural and underserved communities while maintaining local control over rates and infrastructure investments.

These models prove the success of publicly owned utilities (cooperative mutual benefit corporations, public utilities, and nonprofit public benefit corporations), and they could be scaled up to a statewide level.

⁹ https://avaenergy.org/about-ava/?gad_source=1&gclid=EAlaIqObChMplIWTx6rsigMVoNXCBB1qWSLiEAAYASAAEgKowvD_BwE

¹⁰ <https://avaenergy.org/news/press-release-ava-community-energy-kicks-off-the-new-year-by-issuing-22mm-in-bill-credits-to-its-customers/>

¹¹ <https://www.smud.org/Corporate/About-us/News-and-Media/2024/2024/SMUD-joins-landmark-global-coalition-for-sustainable-energy-future#:~:text=Key%20actions%20in%20SMUD's%202030,California%20and%20international%20energy%20agencies.>

Internal

Given PG&E's track record and the increasing urgency of the climate crisis, Berkeley and other cities should actively advocate for alternative energy models that reduce dependence on IOUs.

The City of Richmond and the City and County of San Francisco have both passed similar resolutions.

RATIONALE FOR RECOMMENDATION

The continued failures of IOUs such as PG&E, as detailed above, underscore the risks of a monopoly-driven energy system that prioritizes shareholder returns over public well-being. As California accelerates its transition to a clean energy future, it is imperative that the state moves beyond IOUs toward a more democratic and resilient energy model. Berkeley and other municipalities have a unique opportunity to drive this transition by advocating for structural reforms, and ensuring that all residents have access to safe, affordable, and clean electricity.

FINANCIAL IMPLICATIONS

Negligible (staff time associated with transmittal of resolution).

ENVIRONMENTAL SUSTAINABILITY

The recommended action fully aligns with Berkeley's climate action goals by accelerating the reduction of greenhouse gas emissions and advancing local resilience efforts. Berkeley advocacy and influence on the State level will continue its commitment to be on the cutting edge of investing in energy efficiency, electrification, and grid innovation and contributing to a more sustainable and equitable energy future for the City of Berkeley and State of California.

CONTACT PERSON

Igor Tregub, Councilmember District 4

Olga Bolotina, Chief of Staff, Council District 4

Phone: 510-981-7140

Email: ITregub@Berkeleyca.gov

OBolotina@Berkeleyca.gov

ATTACHMENTS:

1. Resolution
2. Letter of support
3. The Case for Golden State Energy Report

ATTACHMENT #1

RESOLUTION # XX-XX

RESOLUTION OF THE COUNCIL OF THE CITY OF BERKELEY IN SUPPORT OF THE ALLOCATION OF STATE FISCAL AND STAFF RESOURCES TO COMMISSION A FEASIBILITY STUDY THAT COMPARES VARIOUS NOT-FOR-PROFIT UTILITY MODELS PRIORITIZING PUBLIC BENEFITS IN ENERGY GENERATION, DISTRIBUTION, AND TRANSMISSION; THE DEVELOPMENT AN EQUITABLE IMPLEMENTATION PLAN THAT ESTABLISHES A STATEWIDE SUCCESSOR ENTITY KNOWN AS “GOLDEN STATE ENERGY” AS A SUCCESSOR TO INVESTOR-OWNED UTILITIES SUCH AS PACIFIC GAS AND ELECTRIC

WHEREAS, investor-owned utilities (IOUs) in California, including Pacific Gas and Electric Company (PG&E), operate as monopolies prioritizing shareholder profits over the public interest, leading to dire consequences causing grievous harm to California residents and its environment by causing catastrophic wildfires, smoke, shutoffs, excessive and escalating utility rates and debts, environmental injustice and climate disruption, including:

- After the latest rate hikes on December 19th, the fifth and sixth granted in the 2024 calendar year¹², Pacific Gas and Electric Company’s rates are now the highest in California, which has the second highest electric rates in the nation¹³. In 2024 alone, Pacific Gas and Electric Company increased rates by over 12 percent and in the last 10 years, averaged bundled residential rates more than doubled. Pacific Gas and Electric’s rates are increasing nearly four times faster than the national average.¹⁴ These substantial and excessive rate hikes disproportionately impact low-income communities, Indigenous People, migrant communities and communities of color. We recognize lack of sufficient income is a strong

¹² https://ia.cpuc.ca.gov/agendadocs/3556_results.pdf

¹³ [California electricity prices now second-highest in U.S.: ‘Everyone is getting squeezed’](#)

¹⁴ [California electric bills have essentially doubled over the past decade](#)

determinant of health outcomes. Poverty¹⁵ in Berkeley is higher than the regional average. Thus, PG&E's rate hikes have a disproportionate impact on Berkeley residents.

- PG&E-caused wildfires, due to negligence in maintaining their transmission and distribution infrastructure, and lack of transparency regarding safety checks in part for the purpose of maximizing profits and bonuses for their shareholders and executives¹⁶, generate a range of adverse outcomes for communities across California, such as the loss of human lives (PG&E has been found and admitted guilt for having killed at least 117 people since 2010¹⁷), destruction of over 1.5 million acres of land and over 24,000 structures¹⁸, respiratory harms from smoke, mental health impacts and economic impacts. Considering the cumulative impacts of smoke exposure on Berkeley residents, especially for Black, Latine, Asian, and Native communities, preventing PG&E-caused wildfires is a significant priority for improving public health and safety for Berkeley.
- Utility shut-offs, which cause significant and disproportionate health, safety, and economic impacts on low-income people, disabled people, children, babies, and elderly people due to perishable food going bad and refrigerated medications expiring when the power is out for extended periods; endangerment of life and significant health impacts on people dependent on power to live through medical devices such as ventilators and electric wheelchairs, and health risks from heat stroke or heat exhaustion from loss of air conditioning during extreme heat days, and safety risks from breakdown of telecommunications¹⁹; and

WHEREAS, recognizing the long-term unsustainability of the incumbent system and the likelihood of its eventual failure, as a first step, in 2020 the state created the not-for-profit public benefit corporation, Golden State Energy, through passing SB350²⁰, the Golden State Energy Act. Golden State Energy is legally designated as a receiver for PG&E's assets for the purpose of owning, controlling, operating, or managing electrical and gas services for its ratepayers should PG&E fail; and

WHEREAS, a technical feasibility study would enable the state to determine if the best ownership structure for ratepayers and for the state for such a successor entity to PG&E should be a public utility, mutual benefit corporation (cooperative), or not-for-profit public benefit corporation (as is currently written in law); and

¹⁵ [Poverty - Vital Signs - SF Bay Area](#)

¹⁶ [How PG&E Ignored Fire Risks in Favor of Profits](#)

¹⁷ [PG&E disasters killed 117 people last decade.](#)

¹⁸ [Many Californians still 'trapped' years after PG&E fires. Has the company improved safety? | PBS News](#)

¹⁹ <https://supreme.courts.ca.gov/sites/default/files/supremecourt/default/documents/2-20-s273340-records-rec%27d-022822.pdf>

²⁰ [Bill Text - SB-350 The Golden State Energy Act.](#)

WHEREAS, the City of Berkeley understands the principle that energy is a human right and should not be sold to generate profit for anyone, and is committed to support all of our residents to access safe, renewable, clean, affordable and reliable energy; and

WHEREAS, Berkeley faces significant interconnection delays on building infrastructure and developing clean energy projects. Operationalization and permitting of buildings' electrical systems, and installation of solar and battery projects depends on PG&E; and

WHEREAS, the City of Berkeley's electrical and gas infrastructure faces unique risks of inundation or limited access to energy facilities or infrastructure due to flooding and sea level rise; and

WHEREAS, Berkeley residents experience the adverse effects of receiving electric power and gas utilizing the infrastructure of PG&E, an investor-owned utility (IOU), including:

- The recognition that rates are higher in IOU service territories across California – including in PG&E's service territory – than in not-for-profit utilities (including municipal utilities, rural electric cooperatives, and tribal utilities), which has resulted in working class and low-income people paying higher rates.
 - Sacramento Municipal Utility District's (SMUD) rates are 57.8% cheaper than PG&E's.²¹
 - Alameda Municipal Power's rates are 48% cheaper than PG&E's.²²
 - Anza Electric Cooperative's rates are 59% cheaper than PG&E's.²³
 - According to the Legislative Analyst's Office, on average, California IOU electricity rates are more than 50 percent higher than rates charged by publicly owned utilities.²⁴
- The recognition that PG&E is incentivized to make expensive, inefficient and unnecessary infrastructure investments that prioritize the maximization of shareholder profits over health, safety, economic, and environmental benefits for ratepayers.²⁵

NOW THEREFORE BE IT RESOLVED, that the City of Berkeley supports the allocation of state fiscal and staff resources to commission a feasibility study that compares various not-for-profit utility models prioritizing public benefits in energy generation, distribution, and transmission; and the development an equitable implementation plan that establishes a statewide

²¹ <https://www.smud.org/Rate-Information/Compare-rates>

²² <https://www.alamedamp.com/DocumentCenter/View/482/Alameda-Municipal-Power-Fact-Sheet-PDF>

²³ <https://www.anzaelectric.org/sites/default/files/Rate%20Sheet%20-%20Rate%201%20Residential%20OCT%202024.pdf>

²⁴ <https://lao.ca.gov/Publications/Report/4950>

²⁵ [Here's the Real Reason PG&E Rates Are Skyrocketing in California - The Santa Barbara Independent](#)

successor entity known as “Golden State Energy” as a successor to investor-owned utilities such as Pacific Gas and Electric; and

BE IT FURTHER RESOLVED that the City of Berkeley declares that it is in the best interest of its residents for California to support a worker- and community-led just transition away from for-profit utility models and toward publicly owned, cooperative, and nonprofit energy service models; and

BE IT FURTHER RESOLVED that the City of Berkeley will send a letter to the Governor and the Legislature urging them to:

- **Invest in a feasibility study** to assess the viability of transitioning PG&E to a not-for-profit successor entity, evaluating the merits of a public benefit corporation, public utility, or cooperative mutual benefit corporation.
- **Co-design Golden State Energy with frontline communities** including wildfire survivors, labor unions, people with disabilities, Indigenous leaders, and environmental justice organizations to ensure that the new utility is democratically governed and accountable to the public rather than state agencies, the Governor’s office, or investor interests.
- **Develop a justice-centered implementation plan** that includes a clear transition timeline, outlines agency responsibilities, and ensures that burdens and benefits are equitably distributed among California residents.
- **Enable a worker- and community-led transition** by revoking PG&E’s business license and transferring its assets to Golden State Energy, ensuring continuity of service and prioritizing affordability, reliability, and resilience in California’s energy system.

BE IT FURTHER RESOLVED that should state legislation be introduced whose intent is substantially similar to the content of the aforementioned resolution, it is the intent of this item to empower the City of Berkeley to register its support for the legislation.

BE IT FURTHER RESOLVED that the City of Berkeley recognizes that moving beyond investor-owned utilities is essential for achieving energy justice, affordability, and climate resilience, and commits to advocating for state action to replace PG&E and other IOUs with a more equitable and sustainable model.

ATTACHMENT #2

City of Berkeley
2180 Milvia St
Berkeley, CA 94704

Date

TO: Governor Gavin Newsom, Senator Jesse Arreguin and Assemblymember Buffy Wicks

FROM: Berkeley Mayor Ishi and City Councilmembers

RE: The City of Berkeley Supports state investment in building a new not-for-profit utility for community benefit to replace PG&E

Dear Governor Newsom, and Honorable Members of the California State Assembly and State Senate,

On **[DATE]**, City of Berkeley City Council Members voted to adopt the attached Resolution of the Council of the City of Berkeley in support of State investment in building a new not-for-profit utility for community benefit to replace PG&E

The unanimous passage of this resolution demonstrates the Berkeley City Council's understanding that PG&E's systemic failures have made it unsafe, unaffordable, and unsustainable to remain as Northern California's electric utility monopoly. A viable and superior alternative is needed. The unexpected failure of PG&E would have catastrophic impacts on Berkeley residents, businesses and public services. PG&E's historic and current practices adversely impact a wide array of municipal services, such as, but not exclusive to the interconnection and permitting of new traffic signals; the development of new affordable housing units and the decarbonization of both affordable and market-rate existing housing units; the development, interconnection and permitting of wastewater treatment facilities; the development and decarbonization upgrades of libraries; and more. This is due to PG&E's consistent practice of delaying and overcharging for permits to connect new construction and electrical upgrades to PG&E's electrical transmission and distribution grid. For all of these reasons and more, the City of Berkeley declares it is in the best interest of our residents that California makes a Just Transition²⁶ away from all for-profit utility service models to not-for-profit utility service models, such as Golden State Energy (GSE).²⁷

In June 2020, SB-350, the Golden State Energy Act, was enacted into law creating a framework for establishing Golden State Energy (GSE) to receive PG&E's assets and authorized GSE to take the basic actions necessary to ensure continuity of critical electrical and gas service in Northern California. However, SB350's design is skeletal, and GSE remains unstaffed and unfunded, creating significant uncertainty in the state's ability to act quickly in the event of PG&E's unexpected failure. With the increasing severity and unpredictability of our climate crisis, it is

²⁶ [Putting California on the High Road: A Jobs and Climate Action Plan for 2030](#)

²⁷ Link to SFPUC & SF LAFCO Report & Recommendations on GSE, until ROP's GSE Report Vol I is released for distribution.

critical that we prepare for that eventuality in a way that prepares GSE to meet Californians' modern energy needs.

Our communities deserve safe, reliable, affordable, clean and equitable energy provisions and the eventual implementation of GSE depends on legislative leadership. Therefore, the City of Berkeley urges the Governor and the California State Legislature to:

- Invest resources to study Golden State Energy - a not-for-profit successor alternative to PG&E, either as a not-for-profit public benefit corporation, a public utility, or a cooperative mutual benefit corporation - in order to identify a recommended model, assess the feasibility of transitioning PG&E to a successor entity, and identify priority just design features for the successor entity, with the goal of serving the public interest and necessity of the people and ecologies of California.
- Co-design Golden State Energy with frontline community²⁸ representatives, including but not limited to wildfire survivors, labor unions, people with disabilities, Indigenous leaders and Tribes, people harmed by PG&E's negligence, and economic, racial, and environmental justice organizations, the aforementioned groups to be a deeply democratic utility that is structurally accountable to the public – particularly frontline communities – with meaningful and equitable community engagement practices, rather than to the investor-owned utilities, the California Public Utilities Commission, the Governor's office or its departments
- Implement Golden State Energy using a justice-centered implementation plan which outlines a timeline and transition process to the successor entity, including recommendations for which branches of government or agencies should be responsible and in coordination with which portions of the public, to ensure the transition fairly minimizes burdens and unintended consequences and fairly maximizes benefits in service of the public interest and necessity.
- Enable a worker- and community-led just transition²⁹ by revoking PG&E's business license and transferring its assets to the not-for-profit successor utility Golden State Energy as the Provider of Last Resort for PG&E's territory.

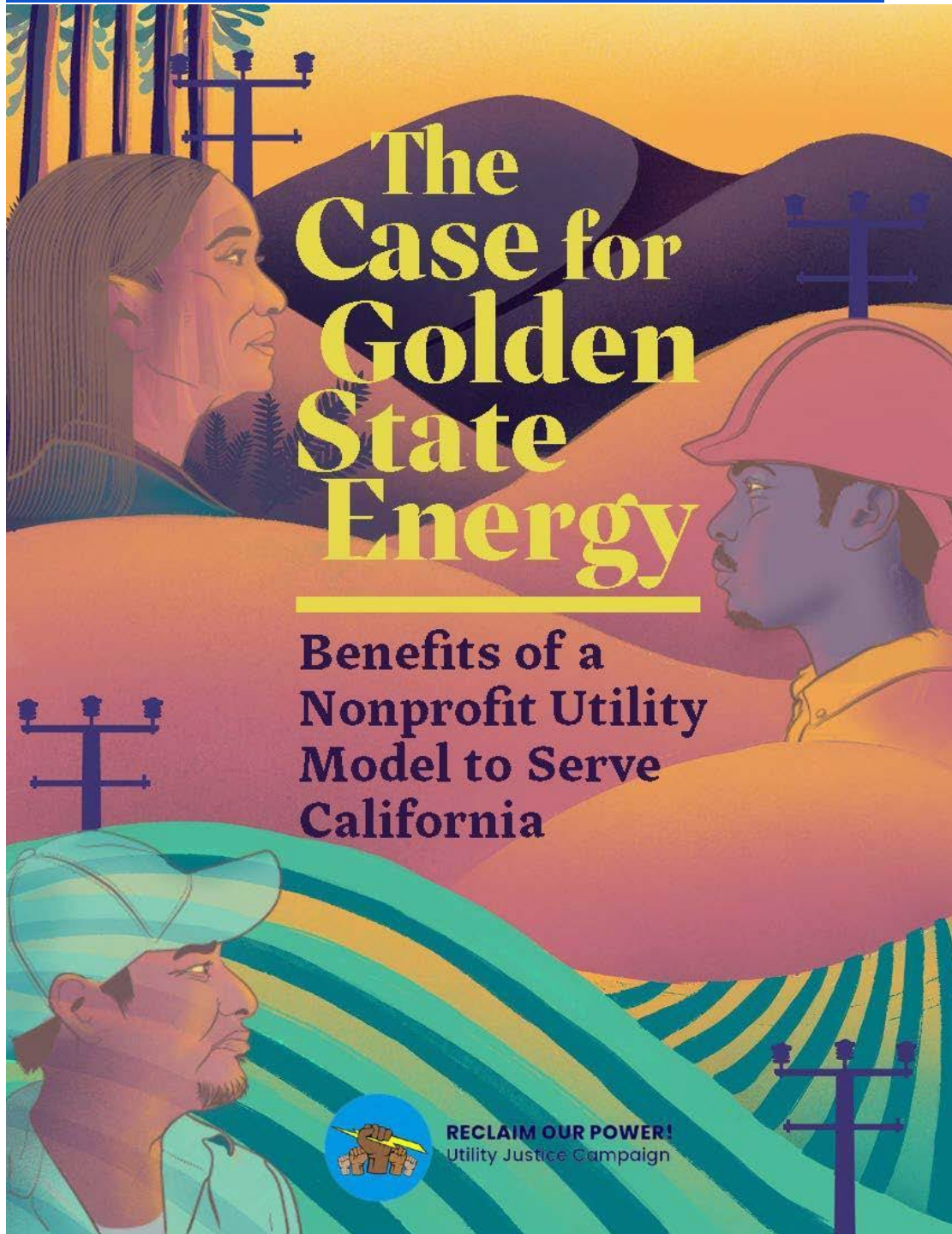
We strongly urge you to take leadership as representatives of the people of California, towards legislative action to implement Golden State Energy.

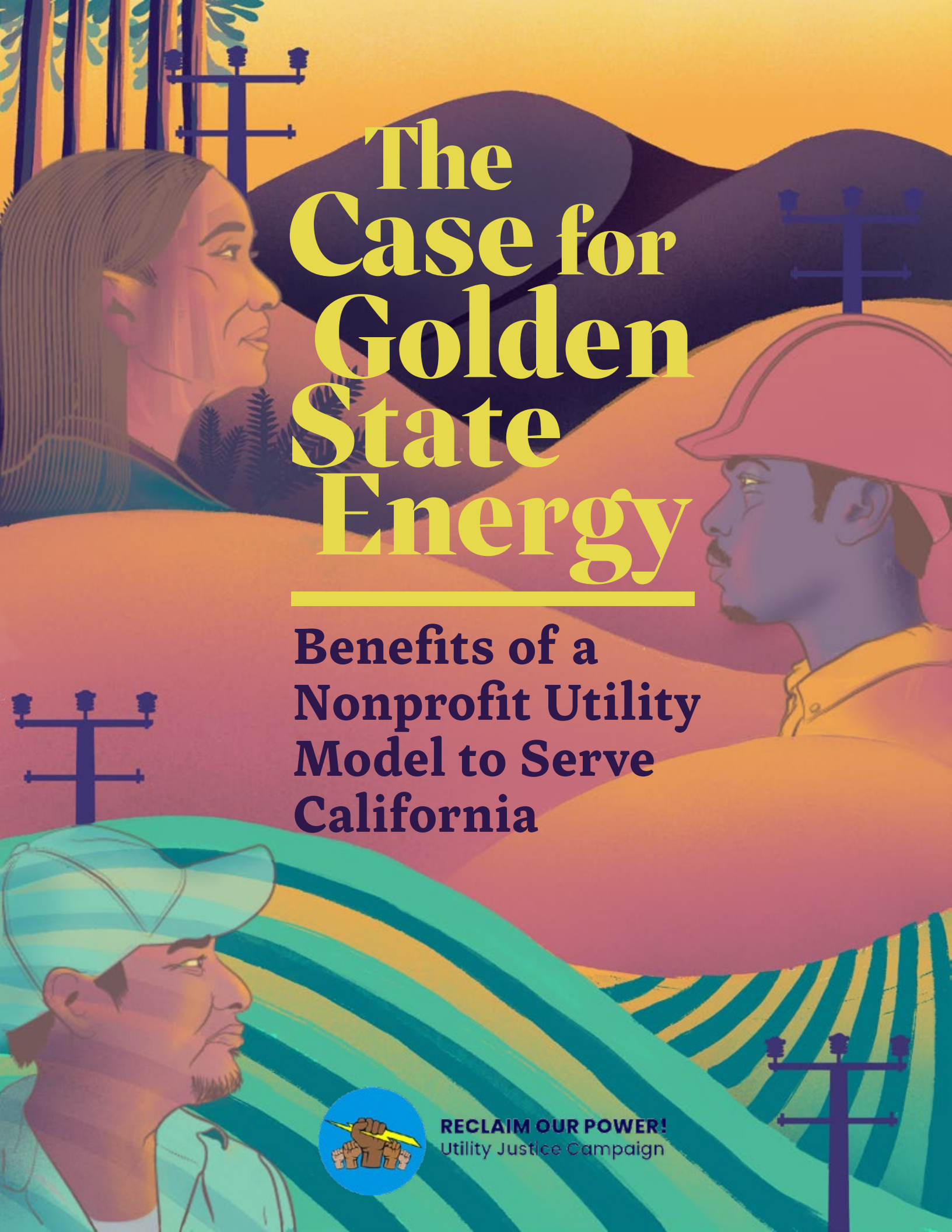
Sincerely,

²⁸ "Frontline communities are those who are most *vulnerable* to a particular burden or impact. They are also most *sensitive* to its effects, and have less *adaptive capacity* to mitigate the harm they are experiencing. Low-income and BIPOC residents of EJ neighborhoods are also frontline and most vulnerable to climate impacts: they are most exposed, more sensitive to, and have lower adaptive capacity to adapt to the impacts of climate change. As low-income residents of EJ communities are least responsible for causing the climate crisis in the first place, climate change ends up being an 'injustice multiplier.'" (Oakland General Plan Update 2045, Racial Equity Impact Assessment | Environmental Justice & Safety Elements, Marybelle Nzegwu Tobias & Colin Miller, Environmental / Justice Solutions, p. 5, 2023, available online at [RACIAL EQUITY IMPACT ASSESSMENT](#))

²⁹ [Putting California on the High Road: A Jobs and Climate Action Plan for 2030](#)

ATTACHMENT #3: <https://reclaimourpowerca.org/wp-content/uploads/2024/06/TheCaseForGoldenStateEnergyReport.pdf>



A stylized illustration featuring three people in profile. On the left, a woman with long dark hair looks towards the right. In the center, a man wearing a red hard hat and a yellow shirt looks towards the left. On the right, a man wearing a green cap and a green shirt looks towards the left. The background consists of rolling hills in shades of purple, pink, and orange, with several utility poles and power lines. The overall style is graphic and colorful.

The Case for Golden State Energy

**Benefits of a
Nonprofit Utility
Model to Serve
California**



RECLAIM OUR POWER!
Utility Justice Campaign



The Case for Golden State Energy

**Benefits of a
Nonprofit Utility
Model to Serve
California**



RECLAIM OUR POWER!
Utility Justice Campaign



Lead research and author:

Shaina Nanavati, RECLAIM OUR POWER

Supporting research and authors:

Maria Stamas, INDEPENDENT CONSULTANT FOR RECLAIM OUR POWER

Travis Gibrael, RECLAIM OUR POWER

Ana Boyd, UNIVERSITY OF MICHIGAN

Jaya Uppal, UNIVERSITY OF MICHIGAN

Katie Militello, UNIVERSITY OF MICHIGAN

Rebecca Beilinson, UNIVERSITY OF MICHIGAN

Seth Bartos, UNIVERSITY OF MICHIGAN

Interviews:

Anonymous Municipal Utility (California)

Appalachian Voices (North Carolina, Tennessee, Virginia, Kentucky, West Virginia)

Communities for a Better Environment (California)

Marin Clean Energy (California)

Michigan Environmental Justice Coalition (Michigan)

New York Energy Democracy Alliance (New York)

Our Power Campaign (Maine)

The Utility Reform Network (California)

Anonymous

Anonymous

Anonymous

Holmes Hummel, CLEAN ENERGY WORKS

Lorenzo Kristov, INDEPENDENT POWER SYSTEM TRANSITION CONSULTANT

Roger Lin, CENTER FOR BIOLOGICAL DIVERSITY

Sandeep Vaheesan, OPEN MARKETS INSTITUTE

Acknowledgements:

Caitlin Odom, INDEPENDENT CONSULTANT

Jackson Koeppel, INDEPENDENT CONSULTANT

Justin Schott, ENERGY EQUITY PROJECT

Additional reviewers:

Avni Jamdar & Sonia Kikeri, EMERALD CITIES COLLABORATIVE

Pete Woiwode, RECLAIM OUR POWER STRATEGIC ADVISOR

Roger Lin, CENTER FOR BIOLOGICAL DIVERSITY

Sylvia Chi, JUST SOLUTIONS

Design:

Erin Zipper





Table of Contents

Executive Summary.....	1
-------------------------------	----------

Introduction.....	2
--------------------------	----------

Purpose	2
----------------------	----------

Research Methods.....	4
------------------------------	----------

Guiding Policy Priorities for Justice40	4
--	----------

Report Authors	5
-----------------------------	----------

Guiding Policy Priorities for Justice40	5
--	----------

On the Frontlines of PG&E's Failures 7	
---	--

Not Just a Bad Apple: The Investor-Owned Utility Business Model.....	8
---	----------

Energy Justice Impacts of IOU Structure	10
--	-----------

Power Shutoffs.....	10
----------------------------	-----------

Climate Disasters and Impacts.....	12
---	-----------

Barriers to Clean Energy Transition.....	13
---	-----------

Benefits of a Non-profit Utility Model for PG&E's territory.....	16
---	-----------

Decreasing Energy Burden.....	17
--------------------------------------	-----------

Reduced Transmission Costs	17
---	-----------

Financial Assistance Programs	18
--	-----------

Increasing Equitable Access to Capital	21
---	-----------

Increasing Energy Democracy.....	22
---	-----------

Conclusion	24
-------------------------	-----------

Next Steps.....	24
------------------------	-----------

Transition and Governance.....	24
---------------------------------------	-----------

Impacts on Ratepayers	25
------------------------------------	-----------





Executive Summary

PG&E CONTINUES TO PRIORITIZE shareholder profits over the provision of safe, reliable, affordable and clean energy. High energy burdens drive displacement in low income communities of color. Power shut-offs in wildfire threatened areas disproportionately impact disabled and rural households. Shut-offs due to nonpayment are on the rise, while executive and shareholder profits are at historic highs. Grid maintenance in the aftermath of climate disasters is also contributing to snowballing rates; PG&E continues to invest in high cost infrastructure investments over lower cost, local investments that would increase resilience in the face of storms. Instead, the utility directs its lobbying efforts toward obstructing rooftop, community solar and microgrid development rather than addressing interconnection delays.

The investor-owned utility model is impacting Californian's ability to access energy, a basic human right. The Golden State Energy Act, passed after PG&E's 2019 bankruptcy filing, created Golden State Energy, a non-profit public benefit corporation, to serve as a receiver of PG&E's assets. The benefits of a non-profit utility to serve PG&E's territory are many. Any solution to the PG&E problem must directly address the needs of those most directly impacted by the incumbent utility's past crimes and continual failures, particularly rural and tribal communities.

Through research rooted in the experiences of frontline and environmental justice communities, the Reclaim Our Power Utility Justice Campaign has identified a number of benefits to transitioning PG&E into Golden State Energy. This report uses the Justice40 Guiding Policy Priorities as a framework to assess these benefits, utilizing a shared set of values that have been defined by advocates and adopted by federal agencies. Golden State Energy can serve as a vehicle for:

1. Decreasing energy burden
2. Increasing energy resilience, clean energy benefits and jobs
3. Increasing equitable access to capital
4. Increasing energy democracy

Golden State Energy, if designed and implemented to prioritize these goals, can transform the role of an electric utility to bring forth energy justice solutions. A non-profit utility alone cannot guarantee just outcomes, but this vision allows for the possibility of intentionally crafting a new regulatory framework for the role of electric utilities. Golden State Energy for PG&E's territory in California provides an opportunity for advocates across the country to clearly delineate the regulatory changes that are necessary for regaining public trust and prioritizing public benefit.

Additional research is necessary to address the complex legal and financial implications of the transition to Golden State Energy. This report serves as a call to action for the communities most impacted, including workers who are critical to maintaining a safe and reliable grid, to come together to contribute to crafting a solution for Northern California's energy problems that will not sacrifice anyone. ■





Introduction

Purpose

This report is meant for community organizers, advocates, decision makers, and elected officials who want to understand and implement solutions to the negative impacts of investor-owned utilities (IOUs), particularly Pacific Gas and Electric (PG&E), on frontline communities in Northern California and across the country. The report is based on research conducted by the Reclaim Our Power Utility Justice Campaign that describes energy justice impacts of the failures of PG&E due to the corporation's prioritization of exponential profits over provision of safe, reliable, affordable, and clean energy services. From the health impacts of wildfires and power shut-offs to failing infrastructure and barriers to increasing clean energy, the IOU model is failing to meet the needs of the people of California, particularly harming historically disadvantaged communities on the frontlines of climate change. This report makes a case for transitioning PG&E into a non-profit utility that serves the public benefit, called Golden State Energy.

Energy justice refers to the goal of achieving equity in both the social and economic participation in the energy system, while also remediating social, economic, and health burdens on those historically harmed by the energy system ("frontline communities"). Energy

justice explicitly centers the concerns of marginalized communities and aims to make energy more accessible, affordable, clean, and democratically managed for all communities.¹

Investor-owned utilities are privately-owned electric companies whose stocks are publicly traded. Electricity rates paid by residential, industrial, and commercial customers of IOUs are regulated to allow them to earn a specific rate of return, or profit.² In California, IOU rates are approved by the California Public Utilities Commission (CPUC), the state regulatory agency. IOUs serve 72% of electricity customers in the United States.³

PG&E is one of the largest IOUs in the country. Serving 16 million people with electric and gas service, PG&E's footprint spans 70,000 square miles across California.⁴ PG&E employs approximately 26,000

From the health impacts of wildfires and power shut-offs to failing infrastructure and barriers to increasing clean energy, the IOU model is failing to meet the needs of the people of California

1 <https://iejusa.org/section-1-defining-energy-justice/>

2 [https://www.eia.gov/tools/glossary/index.php?id=Investor-owned%20utility%20\(IOU\)](https://www.eia.gov/tools/glossary/index.php?id=Investor-owned%20utility%20(IOU))

3 <https://www.eia.gov/todayinenergy/detail.php?id=40913>

4 <https://www.pge.com/en/about/company-information/company-profile.html>





Energy justice explicitly centers the concerns of marginalized communities and aims to make energy more accessible, affordable, clean, and democratically managed for all communities.



workers and 15,000 contract workers to manage its transmission and distribution systems across the state.⁵

Further research and publications will provide additional legal and financial recommendations for the implementation of Golden State Energy that will allow for the changes needed to bring investments and upgrades to the communities that need it the most. It will also expand upon the possibilities for increased democratic governance and financial accountability for a non-profit utility like Golden State Energy.

Research Methods

Interviews were conducted with eight ratepayer advocacy, environmental justice, and energy democracy organizations from California and other states across the country to (1) understand the potential benefits of a non-profit utility model for PG&E's territory in Northern California for the communities most severely impacted by the incumbent utility's failings;

and (2) inform recommendations for the structure and role of a non-profit utility model through the experiences of those engaging in direct organizing with frontline ratepayers and consumers, particularly low income, rural, and communities of color.

Supplemental interviews were conducted with seven lawyers, practitioners, and technical experts in the energy and utility sector. These interviews helped shape recommendations around the mechanics to achieve the vision and values expressed by frontline energy advocates.

All fifteen interviews provided rich data about the material realities of energy injustice, including issues of cost, reliability, and resilience related to natural disasters. The interviews also gathered information about potential solutions to the issues described, including existing policies and programs that frontline energy practitioners are implementing to increase distributed energy generation, energy resilience, and reducing energy burdens.

In each interview, **Guiding Policy Priorities for Justice40 Benefits** were discussed and centered in the conversation.⁶

⁵ <https://abc7news.com/pge-employees-wildfire-season-reducing-workforce/12579571/>

⁶ <https://www.energy.gov/justice/justice40-initiative>



Report Authors

Reclaim Our Power

The **Reclaim Our Power Utility Justice Campaign** began in 2019 as a response to PG&E's bankruptcy filing over billions of dollars in wildfire liabilities from the corporation's decades of negligence. The campaign centers the experiences, voices, and solutions of frontline communities who bear direct impacts of the failings of the investor-owned utility's profit-seeking. Over the past four years, Reclaim Our Power has been building the movement against PG&E's bailout by the state of California. The campaign has succeeded at calling attention to PG&E's crimes and the inability of the existing regulatory agencies to reign in ballooning costs of wildfire mitigation and executive compensation. The campaign is led by environmental justice, climate justice, and frontline groups organizing locally to build a vision for an alternative utility model to replace PG&E.⁷

⁷ <https://reclaimourpowerca.org/>

University of Michigan's SEAS and EEP

Reclaim Our Power partnered with student researchers from the graduate level Energy Justice class at University of Michigan School of Environment and Sustainability (SEAS), which explores the intersection of energy and equity issues to understand current trends in framing, policy, and research on the topic of environmental justice.⁸ A team of five graduate students partnered with Reclaim Our Power to conduct interviews and present recommendations and findings from the interviews, with support from the Energy Equity Project, housed at the University of Michigan.⁹ ■

⁸ <https://seas.umich.edu/academics/courses/energy-justice>

⁹ <https://energyequityproject.com/>



Guiding Policy Priorities for Justice40

THE JUSTICE40 INITIATIVE is a federal initiative that directs 40% of the overall benefits of certain federal investments – including investments in clean energy and energy efficiency; clean transit; affordable and sustainable housing; training and workforce development; the remediation and reduction of legacy pollution; and the development of clean water infrastructure – to flow to **disadvantaged communities**.¹⁰

A set of eight guiding policy priorities have been named by the **Department of Energy**, adapted from the work of long time energy justice advocates at the Initiative for Energy Justice, a policy research initiative rooted in communities working for a **just transition** that centers equity and inclusion of voices of frontline communities in policy solutions.¹¹

These Priorities are a framework for addressing legacies of racially motivated, top-down policy decisions that continue to deprioritize infrastructure and economic investments that support livable, thriving and healthy communities. For over 150 years, Black, Indigenous, low income-refugee, and immigrant lives have been negatively impacted by these decisions at rates disproportionate to

The Justice40 Guiding Policy Priorities:

1. **Decrease energy burden in disadvantaged communities**
2. **Decrease environmental exposure and burdens for disadvantaged communities**
3. **Increase parity in clean energy technology (e.g., solar, storage) access and adoption in disadvantaged communities**
4. **Increase access to low-cost capital in disadvantaged communities**
5. **Increase clean energy enterprise creation and contracting in disadvantaged communities**
6. **Increase clean energy jobs, job pipeline, and job training for individuals from disadvantaged communities**
7. **Increase energy resiliency in disadvantaged communities**
8. **Increase energy democracy in disadvantaged communities**

¹⁰ <https://www.energy.gov/justice/justice40-initiative>

¹¹ <https://iejusa.org/about/>





wealthier and whiter neighborhoods, cities, and counties. Multiple frameworks have been created to define and address these harms through decades of research, advocacy and organizing by environmental justice advocates and the communities they represent. Justice40 builds on this work to bridge those most impacted with federal funding needed for structural changes to support communities in building sustainable, resilient solutions in the face of compounding climate, income inequality, and public health crises.

Environmental justice organizations have been at the forefront of interventions against energy injustices that continue to affect communities' abilities to build and rebuild in the aftermath of disasters, both natural and manmade. This report makes the connection between the investor-owned utility model and these Policy Priorities. Current state and federal funding programs are focused on funneling money into existing institutions, including both for-profit and not-for-profit energy utilities. This report identifies how a non-profit utility model can help meet the Justice40 Guiding Policy Priorities in a way that IOUs are not incentivized to do. This lens makes the case for decision makers who are attempting to implement these Policy Priorities to support Golden State Energy as a vehicle for enabling these outcomes in PG&E's territory in California.

These Justice40 Guiding Policy Priorities are used here to uplift a set of values that can be used to determine the impact of Golden State Energy, rather than

While federal investment funding is necessary for grid upgrades across California, local and state priorities should drive where those investments are made.



to support the federal government's rollout of the Justice40 program. While federal investment funding is necessary for grid upgrades across California, local and state priorities should drive where those investments are made. Far more than 40% of program benefits and funding are required for disadvantaged communities to achieve parity in grid modernization, with race being a key factor to determine level of need. These Priorities are used to acknowledge goals that have been emphasized by energy justice practitioners, as one example of centering the needs of frontline communities in setting policy agendas. ■





On the Frontlines of PG&E's Failures

THE CRIMES OF PG&E are well documented. From 2014 to 2017, PG&E's power lines and hardware sparked over 1,500 fires. The IOU has been held responsible for some of California's most destructive wildfires including the 2015 Butte Fire, multiple 2017 wildfires, the 2018 Camp Fire, the 2019 Kincade Fire, the 2020 Zogg Fire, the 2021 Dixie Fire, and the 2022 Mosquito Fire.¹² The 2018 Camp Fire killed 84 people and destroyed the town of Paradise. As a result of these catastrophic wildfires, PG&E was held liable for over \$30 billion in damages and charged with 85 felonies. The company filed for bankruptcy in January 2019.¹³ Through the passing of AB 1054 that same year, all wildfire mitigation costs are directly passed on to ratepayer bills.

Before the years of wildfires, PG&E faced felony charges for a gas pipeline explosion in 2010, which killed 8 people and destroyed a neighborhood in San Bruno. The utility also filed for bankruptcy once before in 2001, during the California energy crisis. PG&E is also well known for illegal dumping of toxic

chromium-6 into drinking water in the 1950s and 1960s in Hinkley, California, which has since become a ghost town.¹⁴ The IOU continues to own and operate a number of polluting and risky fossil fuel power plants that directly impact the communities surrounding them through point source emissions.

The cost impacts of these disasters are not equally faced by all Californians. In addition to having one of the highest electricity rates in the country,¹⁵ California also has some of the highest costs of other basic needs like housing, food and water.

Despite being the wealthiest state in the country and the fifth largest economy in the world, California has one of the largest gaps between high- and low-income families. Since 2019, the lowest earning 10% have seen a decline in their incomes, while the highest earning 10% have seen their incomes rising. For low-income families, the majority of income goes toward meeting basic needs, which includes paying energy bills. The racial divide is also stark. Almost half of all families in California are Black, Latine, or Indigenous, and they earn 50-60 cents for every \$1 that white Cali-

All wildfire mitigation costs are directly passed on to ratepayer bills.



¹² <https://wildfiretoday.com/2021/04/06/a-list-of-some-of-the-fires-attributed-to-pge-powerline-equipment/>

¹³ <https://www.abc10.com/article/news/the-events-that-contributed-to-pges-growth-to-a-near-monopoly/103-b7badd6e-8eea-4ae3-a935-8628ba98b87e>

¹⁴ https://www.sbsun.com/2015/03/18/hinkley-continues-to-shrink-desert-town-set-to-lose-only-market-gas-station-post-office/?source=most_viewed

¹⁵ https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_6_a



fornian families earn.^{16 17} There is also a geographic divide, with inland and rural wealth falling far below coastal cities.¹⁸ With increasing heat and drought due to climate change, the wildfires and high energy burdens disproportionately impact low-income communities of color who have been displaced to rural Northern California and the Central Valley as a result of unaffordable housing in urban areas, as well as tribal communities who continue to bear the harshest impacts of colonial legacies. ■

With increasing heat and drought due to climate change, the wildfires and high energy burdens disproportionately impact low income communities of color who have been displaced to rural Northern California and the Central Valley.

16 <https://www.census.gov/quickfacts/fact/table/CA/PST045223>

17 <https://www.ppic.org/publication/income-inequality-in-california/>

18 <https://lao.ca.gov/reports/2019/4093/ca-geography-wealth-090519.pdf>

Not Just a Bad Apple: The Investor-Owned Utility Business Model

IN THE FIRST AND SECOND QUARTER of 2023, PG&E announced a rise in profits, earning \$623 million in the first quarter and \$406 million in the second quarter, significant jumps from the same periods in the previous year.^{19 20} Despite this leap in profits, at the end of 2023, the California Public Utilities Commission voted to approve a \$13.5 billion revenue requirement for PG&E, allowing them to pass costs directly on to ratepayers via a 13% increase in customers' bills.²¹

The IOU's **monopoly** grants it political and economic power to lobby for rate hikes indiscriminately, leaving customers with no option but to pay for service from the sole provider available to them. Attempts have been made to reduce the utilities' monopoly power in the past, to various levels of success. Restructuring of California's electricity markets in the 1990s led to market competition in wholesale electricity generation. The **California Independent System Operator**

19 https://www.actionnewsnow.com/news/local/pg-e-reports-steep-profit-spike-despite-customer-bills-increasing/article_302a4478-eaf0-11ed-b773-af64fcc12fb9.html

20 <https://www.mercurynews.com/2023/07/27/pge-oakland-profit-loss-electric-gas-fire-economy-green-energy-utility/>

21 <https://www.reuters.com/markets/commodities/california-regulator-decide-pge-base-rate-hike-request-2023-11-16/>





(CAISO) was created to operate power markets as a way to bring down costs and remove conflicts of interest so utilities that owned generation plants could not prioritize access of their own power into transmission infrastructure they also owned.

Despite the intention to prioritize renewable energy and lowering rates for customers, California's deregulation experiment did not save the state's ratepayers and taxpayers from bearing the brunt of the impacts when Wall Street owned generating corporations like Enron began to use **arbitrage** to rake in millions in shareholder profits. Enron withheld electricity from the state during times of high demand, and sold it back on the market at exorbitant rates. In April 2001, PG&E filed for bankruptcy for the first time.²² Though many factors contributed to the ensuing energy crisis of the early 2000s, market manipulation by investor-owned generating companies was identified as a key cause of ballooning electricity costs and mass blackouts across the state.

When investors and hedge funds are responsible for providing services of basic necessity like electricity, there will inevitably be a conflict of interest. Investor-owned utilities in California continue to own and control distribution and transmission infrastructure as monopolies, which means the for-profit corporations make decisions about investments with very few checks and balances. There is no incentive for them to prioritize the public benefit when building or upgrading their assets. CEOs are responsible for maintaining high stock prices, and decisions that impact the safety and reliability of energy service come second to ensuring shareholder profits are maximized.

22 https://www.ppic.org/wp-content/uploads/content/pubs/report/R_103CWR.pdf

PG&E is not just one bad apple; IOUs across the country have sacrificed community needs and benefits for the sake of shareholder profits.



The Climate Justice Alliance's Principles for Energy Democracy offer an alternative conception of **energy as a commons**, required for achieving human rights to life, health, food and water.²³ In order to provide safe, affordable, reliable, and clean electricity service to California's frontline communities, the misalignment between for-profit interests and public interests must be addressed. PG&E is not just one bad apple; IOUs across the country have sacrificed community needs and benefits for the sake of shareholder profits. The following section will further outline the energy justice impacts of the IOU structure using examples from across California and the country, providing evidence that energy utilities such as PG&E should not exist for profit. The Justice40 Guiding Policy Priorities can be better met by a not-for-profit utility that is aligned with the public benefit, making the case for Golden State Energy to step in where PG&E has failed. ■

23 https://climatejusticealliance.org/wp-content/uploads/2023/07/CJA_EnergyDemPrinciples1_4pg_bleeds_F.pdf



Energy Justice Impacts of IOU Structure

THE SOCIAL, ECONOMIC, AND HEALTH BURDENS of decisions made by IOUs to prioritize shareholder profits are disproportionately borne by disadvantaged and disinvested communities. When IOUs make decisions to cut costs, they often come at the expense of safety investments, grid upgrades, and clean energy development. Energy injustices are direct impacts of these decisions, which the Justice40 Guiding Policy Priorities aim to address. **Energy burden**, or the rate of income that is spent on energy costs, is three times higher for low-income households than others.²⁴ Investments in clean energy technologies, business development, and employment are often limited for low-income communities of color due to lack of qualifying credit, home ownership, and access to loans. Polluting power plants and other environmentally degrading infrastructure is often placed in communities that do not have access to legal support or capacity to engage within government processes. In the face of climate-related disasters, these economic barriers amplify the impacts of decades of neglect. These barriers are systemic, combining legacies of racism with insufficient corporate regulation. Like all for-profit entities, IOUs are structured to earn money on every dollar they spend. The more

money they spend, the more they earn. The method for determining how much profit PG&E and other IOUs earn is through rate of return regulation. In its 2023-2026 **General Rate Case**, the California Public Utilities Commission adopted a 7.32% rate of return for PG&E.²⁵ While all energy utilities are allowed to pass the costs of providing energy services on to customers' bills, the IOU business model ensures that increasing profits are built into the utility's priorities. Audits of PG&E have found that the company diverted hundreds of millions of dollars that were intended for safety upgrades towards executive bonuses and shareholder profits. An independent assessment of PG&E's safety culture found that the IOU's safety "efforts have been somewhat reactionary — driven by immediate needs and an understandable sense of urgency."²⁶

Power Shutoffs

In 2019, in order to avoid further liabilities for their negligence, PG&E began to implement a Public Safety Power Shutoff program, turning off electricity to customers for up to weeks at a time during high wind and drought conditions. These pre-planned power outages shut off electricity service for high-fire threat areas in suburban and rural communities across the state. A class action lawsuit estimated that the cost to Californians in medical emergencies, spoiled food,

²⁴ <https://www.energy.gov/scep/slsc/low-income-community-energy-solutions>

²⁵ <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M498/K526/498526018.PDF>

²⁶ <https://www.cpuc.ca.gov/-/media/cpuc-website/industries-and-topics/documents/pge/safety-culture/pge-final-safety-report-5-8-17-northstar-consulting.pdf>



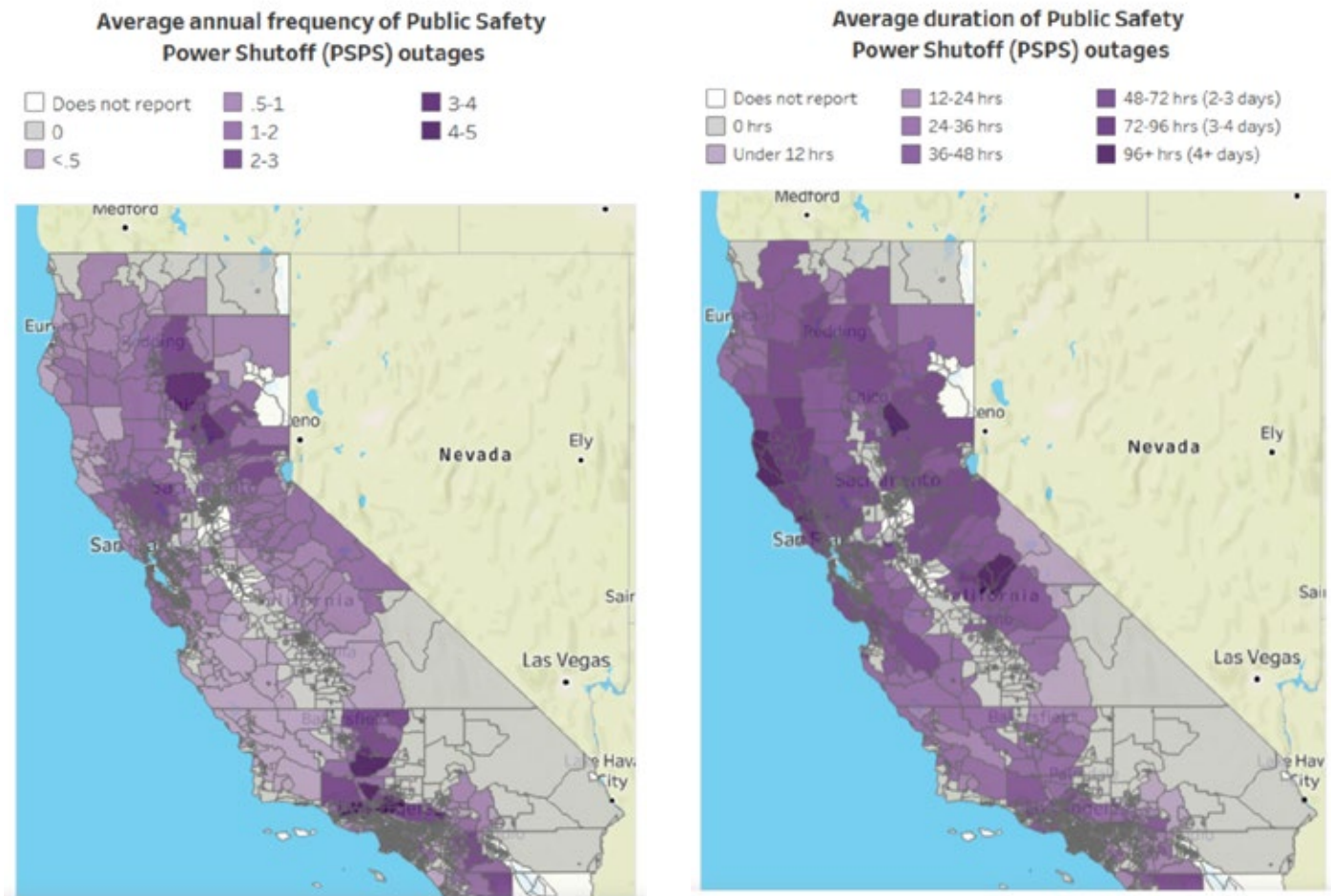


Image Source: PSE Healthy Energy²⁷

spoiled medicines, and lost income from these PSPS events is \$2.5 billion.²⁸

Shutting off basic energy services is not a new phenomenon, but is a growing crisis. Utilities have been disconnecting power for their customers for nonpayment at soaring rates since 2020. Some of the other largest IOUs in the country conducted nearly 5.7 mil-

lion electricity shutoffs from January 2020 to October 2022 alone. The twelve IOUs who were responsible for enacting 86% of these shutoffs were also found to have a disproportionate rate of rewarding executives and shareholders.

These IOUs each paid on average \$4 billion in shareholder dividends from 2019-2021, and \$1.2 billion in total to 70 top executives. According to a report by the Center for Biological Diversity that provided this

²⁷ <https://www.psehealthyenergy.org/work/california-public-safety-power-shutoff-interactive-map/#frequency>

²⁸ <https://www.courts.ca.gov/opinions/documents/S273340.PDF>



When investors and hedge funds are responsible for providing services of basic necessity like electricity, there will inevitably be a conflict of interest.

analysis, every power shutoff could have been paid for with only 1% of the amount given to shareholders.²⁹

In California, utility debt for customers is nearly \$3 billion and continues to rise.³⁰ According to an interview with The Utility Reform Network (TURN), a consumer advocacy organization, there is no data being collected or publicly shared on the economic or racial impacts of who is being disconnected for nonpayment. The impacts of electricity shutoffs on elderly and disabled customers are also particularly high. Many rely on medicines that need to be refrigerated or assistive technology like oxygenators that require electricity. Across the country, IOUs are systematically unable to provide the essential service they are required to, yet continue to payout their owners billions of dollars.

Climate Disasters and Impacts

Utility infrastructure is particularly vulnerable to climate disasters. The winters of 2021-2022 and 2022-2023 brought historic snow and rain storms to

PG&E's territory in Northern California. Some of the same communities that were most impacted by the wildfires of 2017-2021 were then faced with flooding and weeks without power due to downed power lines. In times of catastrophe, resources are often focused on evacuation and immediate restoration of service. In the aftermath of these increasingly recurrent disasters, local, state and federal institutions come together to rebuild. Utilities share responsibility for emergency communications and planning with government agencies, but when IOUs are in charge of grid upgrades and maintenance in the aftermath of climate disasters, accountability and transparency in decision making is often lacking.

In California, PG&E's wildfire mitigation plans have continued to be approved by the state's Office of Energy Infrastructure Safety (OEIS) and the CPUC despite the agencies finding many critical issues and areas for improvement in the plans.³¹ Costs related to these plans are directly passed on to customers. In PG&E's most recent General Rate Case, the IOU received approval from the CPUC to pass \$13.5 billion onto ratepayers bills from 2023, an 11% increase in returns from the previous year. This will amount to an average of 12.8% increase in bills for residential customers, or about \$32 per month. The rate increase

29 https://www.biologicaldiversity.org/programs/energy-justice/pdfs/Powerless-in-the-US_Report.pdf?_gl=1*3f94e2*gcl_au*MTA5MDM0ODM4Ny4xNzExNDk5MDc1

30 <https://greenlining.org/2023/california-is-enduring-energy-debt-crisis/>

31 <https://energysafety.ca.gov/news/2023/12/29/energy-safety-approves-pges-2023-2025-wildfire-mitigation-plan/>



is intended to pay for undergrounding, hardening and covering power lines, as well as trimming and cutting down trees. It is also meant to support upgrading the grid for growing electrification and interconnection of clean energy technologies.³²

However, PG&E's track record is grim and their historical actions often contradict the corporation's promises. Like many IOUs across the country, PG&E is struggling to keep up with the speed of advancement needed for the grid to continue to meet the needs of frontline communities. Rural and tribal communities are severely impacted by a lack of grid investments. In Northern California, the Hoopa Valley, Yurok, and Karuk Tribes are all served by one of the least reliable circuits in PG&E's entire system. The circuit has nearly zero capacity for adding additional load, locking the Indigenous communities out of opportunities for electrification and economic development. The Tribes also reside in a high fire threat area, experiencing Public Safety Power Shutoffs at a disproportionate rate.³³ When IOUs are making

investment decisions that are tied to maximizing returns, rural communities such as Northern California Tribes are left out of resilience upgrades. Higher cost capital investments are prioritized over local distribution level upgrades or preventative maintenance.

Barriers to Clean Energy Transition

Despite falling costs of solar and wind, IOUs across the country continue to build infrastructure to maintain fossil fuel extraction. Communities for a Better Environment (CBE), a community based organization with a base in PG&E territory, is focusing on retiring all gas-fired power plants in California's disadvantaged communities by 2030. In doing so, low income communities of color will have the chance to transition toward electrification, decreasing the amount of pollutants their residents are exposed to. Cities such as Richmond, California, where CBE organizes, are faced with losing a massive employer if polluters such as the Chevron refinery shut down. As electrification increases across the state, utilities have the opportunity to increase the amount of electric load they serve. Electrification is also expected to be a large provider of jobs for retrofitting and upgrading buildings and infrastructure.

32 <https://www.cpuc.ca.gov/news-and-updates/all-news/cpuc-prioritizes-safety-reliability-and-affordability-in-pge-rate-case-2023>

33 <https://www.energy.ca.gov/proceedings/business-meetings/business-meeting-presentations/march-2-2023-ccc-and-cpuc-en-banc>

In Northern California, the Hoopa Valley, Yurok, and Karuk Tribes are all served by one of the least reliable circuits in PG&E's entire system.



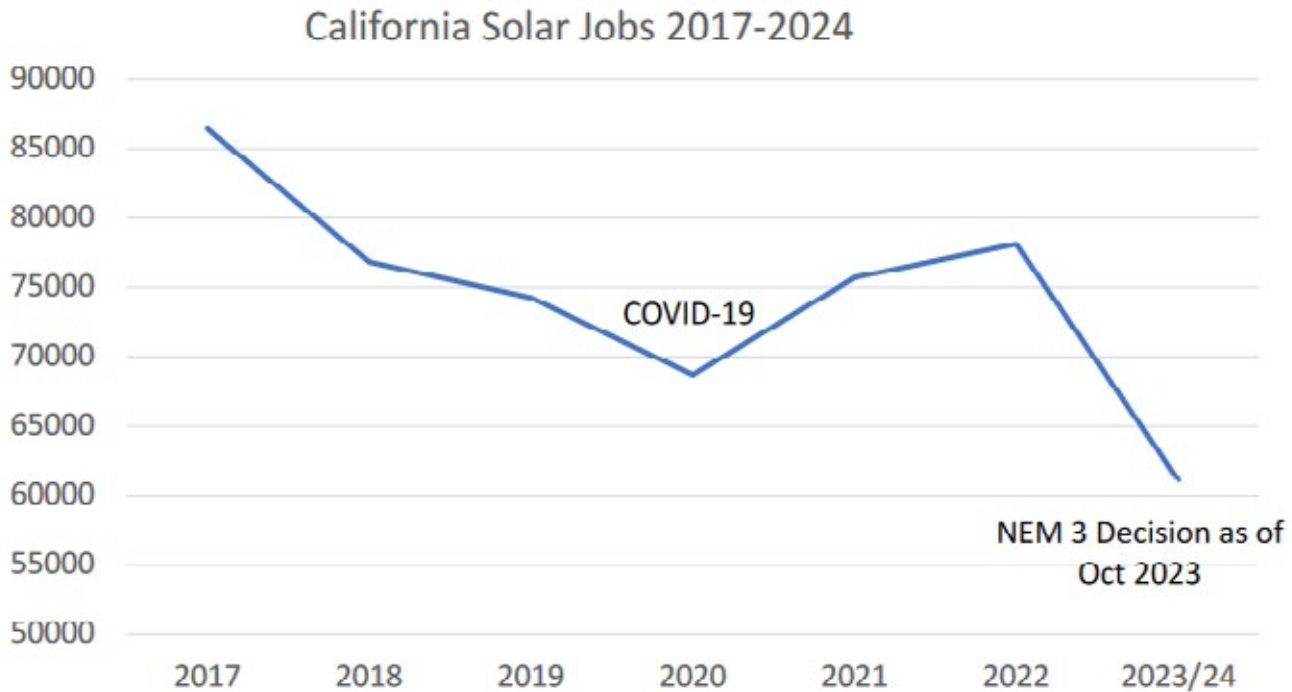


Image Source: Canary Media, CALSSA³⁴

However, communities desperate for jobs and clean energy growth are facing years of delays for clean energy projects to be interconnected into PG&E's grid. According to an interview with CBE, many distributed solar and battery projects are expected to wait up to five years to become operational. Municipal services such as hospitals, affordable housing,³⁵ and public benefit solar projects developed by **community choice aggregators** (CCAs) like Marin Clean Energy are facing delays. Cities such as San Francisco and San Jose, two of PG&E's largest urban customer bases, are attempting to form municipal utilities to be able to address the interconnection issues.

Rather than prioritizing addressing the interconnection delays, PG&E and other IOUs in the state have directed their lobbying toward obstructionist policies. In 2022, the CPUC approved a reduction in rooftop solar **net energy metering** rates following the recommendations of PG&E and California's two other large IOUs, San Diego Gas & Electric (SDG&E) and Southern California Edison (SCE). In the following year, the distributed solar industry reported a loss of 17,000 jobs, representing 22% of solar jobs in California. This mirrors IOU lobbying that has also led to regulators cutting distributed solar tariffs in Arizona, Hawaii, Nevada, and Utah.

Although California has a 100% renewable energy goal that it has met at times, the state's reliance on natural gas for baseload power is still significant.³⁶

³⁴ <https://www.canarymedia.com/articles/solar/californias-rooftop-solar-policy-is-killing-its-rooftop-solar-industry>

³⁵ <https://www.kqed.org/news/11943157/how-pge-adds-months-long-delays-costs-to-new-housing>

³⁶ <https://www.npr.org/2022/05/07/1097376890/for-a-brief-moment-calif-fully-powered-itself-with-renewable-energy>



In 2023, on the day of peak demand, nearly 60% of the state's electricity needs were met via natural gas or imports from out of state, which are often from unknown fuel sources.³⁷ PG&E has attempted to sell off the majority of its generation units³⁸, putting an emphasis on its ownership of transmission and distribution grids.

In other states, utilities are continuing to invest in fossil fuel generation. Many gas-fired power plants have historically been sited in disadvantaged communities, and for gas plants proposed to be built by 2030 across the country, 60% of the health burdens are slated to fall on low-income communities and communities of color.³⁹ The IOU business model incentivizes these dirty investments through rate of return regulation, where investments into large projects bring in more profit than investing in **distributed energy resources** (DERs).

But the IOUs' ownership of the grid determines what type of generation can be interconnected and when. By creating years-long delays for local renewable energy projects and lobbying for slashing tariffs for community and household solar, PG&E and IOUs across the state are unwilling to allow for projects that will enhance resilience and local economic growth to proliferate. The impacts are felt broadly; utility workers and solar industry workers alike stand to benefit from growth in renewable energy. A just transition to clean energy means workers from the

fossil fuel industry need to be able to access and receive training for these jobs, both within utilities and within the solar industry. ■

Benefits of a Non-profit Utility Model for PG&E's territory

FOR FEDERAL, STATE, OR LOCAL decision makers committed to enacting the Justice40 Guiding Policy Priorities, IOUs stand as a significant barrier to implementation. A utility whose goal is to ensure growing profits for executives and shareholders will make strategic decisions that disproportionately harm communities facing falling incomes, increasing climate disasters, and structural racism. These profits, as well as customer funding, have been channeled into formidable lobbying power that directly obstructs progress via legislative and executive channels. Removing the profit motive from the decision making of a utility has far-reaching consequences for those on the frontlines of climate change, removing hurdles to justice as well as realigning incentives for a just transition.

A statewide non-profit utility can address energy injustices and prioritize public benefits in generation, distribution and transmission grid level investments. Across the country, municipal utilities, community choice aggregates, rural electric cooperatives, and tribal utilities already serve local electric loads without a profit motive. Non-profit utilities, including **publicly owned utilities**, are able to consider the long-term impacts of an investment and weigh the long-term benefit to customers against short-term costs, without needing to prioritize immediate profits.

37 <http://www.caiso.com/Documents/2023Statistics.pdf>

38 <https://www.publicpower.org/periodical/article/pge-talks-sell-minority-stake-generation-subsidiary-kkr>

39 <https://rmi.org/hidden-health-costs-of-gas-fired-power-plants/>



Interviews with existing non-profit electric service providers, including Marin Clean Energy and an anonymous municipal utility in Northern California, emphasized the prioritization of public benefits in their decision making. **Non-energy benefits** are a consideration that non-profit utilities are also uniquely positioned to incorporate into their planning. These can include local air and water quality, local economic development, resiliency, and avoided harms.

For PG&E's territory in California, Golden State Energy, a non-profit public benefit corporation, already exists via legislation. In the aftermath of PG&E's 2019 bankruptcy filing, the California legislature passed **The Golden State Energy Act, SB 350**. This bill authorized the Governor of California to incorporate Golden State Energy as a **non-profit public benefit corporation** for the purpose of owning, controlling, operating, or managing electrical and gas services for its ratepayers and for the benefit of all Californians. The bill authorized the CPUC and the courts to appoint a receiver to assume possession of PG&E's property and to operate its electrical and gas systems, in the case that the terms of the company's reorganization to avoid bankruptcy were not met.⁴⁰ Although PG&E has not been held accountable

despite starting numerous fires that met criteria for Enhanced Oversight and Enforcement,⁴¹ Golden State Energy still exists and remains a possible solution to PG&E's failures.

The Justice40 Guiding Policy Priorities are critical interventions that require institutional support to ensure an equitable and just transition away from fossil fuels. Golden State Energy, if designed and implemented to prioritize these goals, can transform the role of an electric utility to bring forth energy justice solutions. A non-profit utility alone cannot guarantee just outcomes, but this opportunity provides a historic possibility to intentionally craft a new regulatory framework for the role of electric utilities. Golden State Energy for PG&E's territory in California provides an opportunity for advocates across the country to clearly delineate the regulatory changes that are necessary for regaining public trust and prioritizing public benefit.. Rather than accepting the co-option of the Justice40 Priorities by federal agencies who are unwilling to question the ownership model of the IOU, advocates can strengthen their calls for justice by standing behind a transformation of the utility business model and regulatory paradigm.

A non-profit utility alone cannot guarantee just outcomes, but this opportunity provides a historic possibility to intentionally craft a new regulatory framework for the role of electric utilities.

40 https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB350

41 <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M338/K816/338816365.PDF>



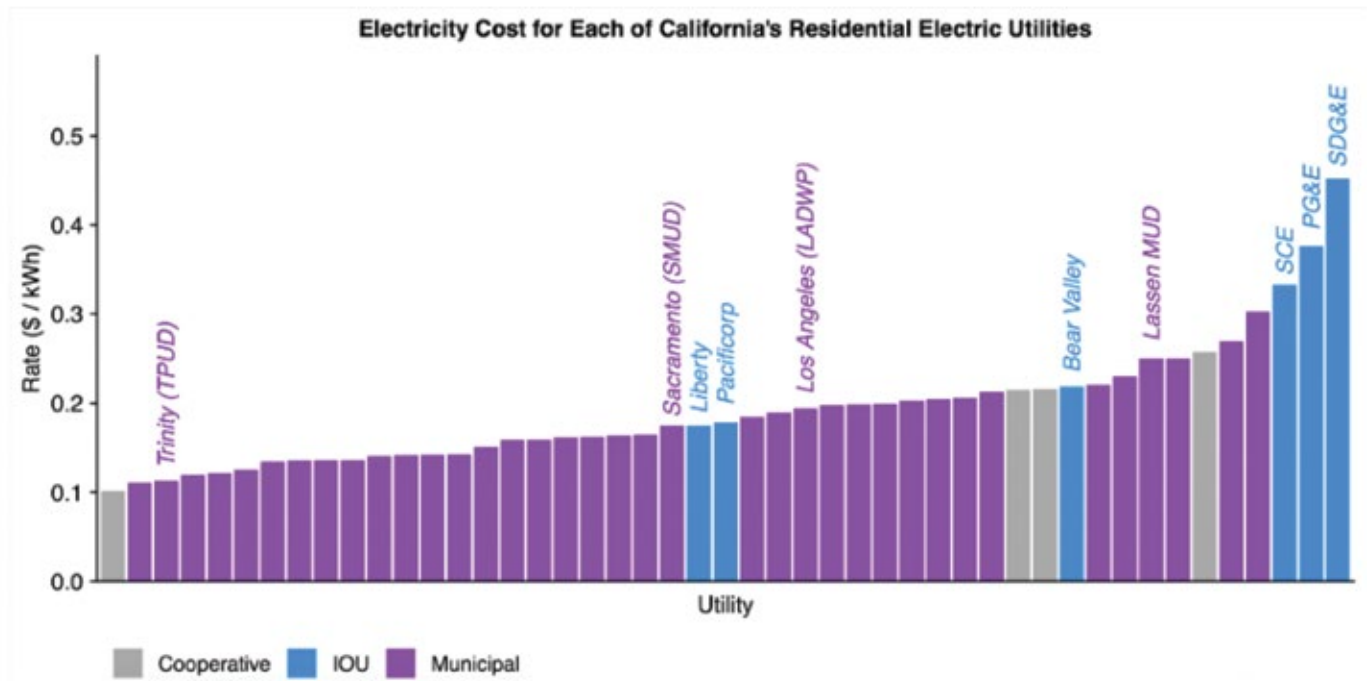


Image Source: Energy Institute Blog, UC Berkeley⁴²

The following sections address the potential for a non-profit utility to meet specific Justice40 Guiding Policy Priorities.

in an interview, “There’s no dual decision-making of earning an investor return. All of our investments are to try to reduce costs for customers.”

Decreasing Energy Burden

Lower rates are structural to non-profit utility models because the utilities do not need to generate profits for shareholders, and they are exempt from taxes. Non-profit utilities set rates based on **cost of service** and customer needs. A comparison of rates for all of California’s residential electric utilities shows that the three largest IOUs have significantly higher per kWh electricity rates than non-profit utilities in the state. As a representative from a municipal utility said

Reduced Transmission Costs

Even taking into consideration the difference in size for IOUs and municipal utilities does not reduce the significance of the difference in rates. In California, the three large IOUs - PG&E, SCE, and SDG&E - own most of the transmission facilities. The total cost of construction, maintenance, and operation, including taxes and the **return on investment**, determines the IOUs’ transmission **revenue requirement**. A revenue requirement is the total amount of money a utility must collect from customers to pay all its costs, including its return on investment. These revenue requirements are charged to electric customers as a

⁴² <https://energyathaas.wordpress.com/2023/07/10/not-all-of-californias-electricity-prices-are-high/>



If the non-profit Golden State Energy were to become the owner of PG&E's existing transmission infrastructure, rates would immediately fall to account for the lack of profit seeking.

Transmission Access Charge.⁴³ Removing the profit guarantee for transmission owners will reduce these charges and will disincentivize an overbuilding of transmission infrastructure.

In December 2023, the **Federal Energy Regulatory Commission** (FERC), the agency that regulates transmission rates, partially rejected PG&E's request for a 12.37% return on transmission investments. The agency called for a hearing on whether PG&E's request for cost recovery "may be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful."⁴⁴ Repeatedly, PG&E has shown that it places profits over safety, reliability, and affordability. If the non-profit Golden State Energy were to become the owner of PG&E's existing transmission infrastructure, rates would immediately fall to account for the lack of profit seeking.

43 <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/electric-transmission-rates-and-ferc-proceedings>

44 <https://www.pge.com/assets/pge/docs/regulation/wholesale-transmission-service/FERC-ORDER-20231229-2012-ER24-96-000.pdf>

Financial Assistance Programs

Non-profit utilities are also often able to offer tailored financial assistance programs more nimbly than investor-owned utilities. Marin Clean Energy launched its MCE Cares program at the start of the COVID-19 pandemic; the program offered direct bill credits to customers who were struggling to pay their bills. Along with lower baseline rates, programs like this one contribute to reduced energy burden for customers of non-profit utilities. One Northern California municipal utility offers fixed discounted rates to households under a certain income level, as well as free energy efficiency consultations and free EV charger installation for low-income households.

Bill discount programs for low income families, **CARE** and **FERA**, do exist for IOU customers.⁴⁵ However, rate increases approved by the CPUC also impact customers who receive this discount. In 2023, PG&E's customers who received the CARE discount faced an 18% increase in their rates.⁴⁶

It is important to recognize that not all non-profit utilities prioritize reducing energy burdens and avoiding disconnections for nonpayment. Most notably, the **Tennessee Valley Authority (TVA)** is a federally owned utility that serves portions of seven states across the South. Appalachian Voices, an environmental organization that advocates for transparency in ratemaking at TVA, emphasized in an interview the importance of having an independent

45 <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/care-fera-program>

46 <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/pao/pphs/2022/fact-sheet-pge-grc-as-of-dec-9-2022-final.pdf>



regulatory body to provide oversight for utility rate-making and planning. Legally, publicly owned utilities do not have their rates or other decisions regulated by a state utilities commission; decisions are made by an appointed or elected board of directors. Rural electric cooperatives are private utilities that are also accountable to their own board of directors, elected by member-owners. Electric cooperatives across the South also lack the democratic governance structures to allow for the interests of low-income, and often Black and brown, member-owners to be represented.⁴⁷

For utilities to be held responsible for providing meaningful financial assistance to low income households, additional oversight is necessary to ensure democratic and transparent decision making. According to SB 350, Golden State Energy is still legally accountable to the CPUC for submitting an annual General Rate Case. When it begins operating as a utility, Golden State Energy also will have an initial 9-member board of directors that is accountable to the public via appointments and member elections.⁴⁸ An independent decision making body for a non-profit utility can also consider policies to entirely avoid shutoffs for nonpayment.

⁴⁷ <https://energydemocracyall.org/scorecards/>

⁴⁸ [SB 350, The Golden State Energy Act](#)

Increasing Energy Resilience, Clean Energy Benefits and Jobs

In the face of increasing climate disasters, communities need the ability to make decisions with flexibility to respond to disasters while balancing priorities in order to keep the lights on, costs low, and ensure equitable access to distributed generation and energy efficiency services. Rural and urban areas, particularly disadvantaged and underresourced communities, have different energy resilience needs and should be able to implement and fund solutions that work best for local needs. A statewide non-profit like Golden State Energy can serve as a provider of last resort to ensure reliability for the whole of its territory. Many of the barriers posed by PG&E that stop local jurisdictions from being able to build and operate their own energy resilience projects can be removed, facilitating a spur in local jobs and investments. Through CCAs and municipalization, local priorities can be managed at a local level, without compromising overall grid stability or reliability. As a provider of last resort, Golden State Energy can facilitate rather than stymie regional clean energy growth via opening up access to distribution system and substation level data to city and county **level load serving entities (LSEs)**.

Barriers to frontline community energy resilience extend to institutions beyond PG&E. Current state programs mandating IOU investments into community resilience are underfunded relative to the need. Delays often don't allow resources to be moved into communities that need them most. Cities are unable to set their own rules or run their own distribution grids to keep rates low, make necessary repairs, or al-



Within the first few years of operation, Golden State Energy can be mobilized to build community microgrids, install DERs, and expand energy efficiency retrofits in frontline communities across Northern California in order to fill the backlog created by PG&E.

low for more distributed generation. Payback periods and upfront investment requirements for single-customer solar and storage leave low income households out of the energy transition. Multi-customer microgrids are gatekept by the IOUs, so neighborhoods suffer from regular power outages.

Local microgrids are able to decide when to disconnect, what load is served, what backup generation is called on, and when demand reduction is needed, to ensure power reliably stays on across the system. The Microgrid Incentive Program, a CPUC program to fund multi-customer microgrids in vulnerable communities, was designed to give \$200 million to the three large IOUs in the state.⁴⁹ One of the only multi-customer microgrids that currently exists in a frontline community in California is the Blue Lake Rancheria community microgrid in Humboldt County. Funded through a California Energy Commission (CEC) EPIC grant, the Blue Lake Rancheria microgrid keeps the power on in key tribal buildings, providing

resilience for residents during PG&E blackouts.⁵⁰ Despite over 10 years of advocacy for funding and policy support for multi-customer microgrids, scaling the technology in communities that need it the most has faced many roadblocks from the IOUs and the CPUC.

As another example of a public benefit program implemented by a non-profit energy provider, Marin Clean Energy has distributed 200 portable batteries to medically vulnerable individuals who live in areas with high-fire threat and rely on electricity for medically necessary equipment, medication refrigeration, or mobility devices. The batteries ensure that these individuals can stay in their home with uninterrupted medical services during power outages. This has been particularly important during the COVID-19 pandemic, when these medically vulnerable individuals might have otherwise needed to stay in facilities with high risk of exposure to COVID-19.

A non-profit utility with a mandate for a just transition can prioritize energy resilience projects and

49 <https://www.pgecurrents.com/articles/3849-pg-e-launches-microgrid-incentive-program-79-million-project-funding>

50 <https://www.energy.ca.gov/publications/2019/demonstrating-secure-reliable-low-carbon-community-microgrid-blue-lake-rancheria>



reduce interconnection times for distributed generation. Within the first few years of operation, Golden State Energy can be mobilized to build community microgrids, install DERs, and expand energy efficiency retrofits in frontline communities across Northern California in order to fill the backlog created by PG&E. There is significant potential for expanding the workforce opportunities in disadvantaged communities through these local infrastructure projects. The tens of thousands of existing utility workers and contractors can be first to access these jobs. By utilizing partnerships with local agencies and public colleges, Golden State Energy can lead the way in training a diverse new generation of the utility industry workforce. Utility workers' current pay, pension, and positions can be safeguarded via a managed transition by the state, which is unlikely in the event of a market sale of PG&E's assets in case of a future bankruptcy.

Increasing Equitable Access to Capital

Even with rates no longer funding shareholder profits under a non-profit utility model, additional funding sources beyond rates may be necessary to upgrade aging infrastructure and improve access to clean energy technologies and energy efficiency programs. Rate revenue oftentimes cannot sufficiently cover needed infrastructure improvements and clean energy development without threatening affordability, as all utility rates are currently structured in a regressive manner. Smaller non-profit utilities such as rural electric cooperatives and municipal utilities have been using

on-bill financing and other forms of inclusive utility financing to overcome barriers to lending that keep many low-income households from benefiting from retrofits and DER adoption.⁵¹

In order to keep rates affordable—especially for low-income customers—it will be important for Golden State Energy to capitalize on other revenue sources. For example, TURN has been advocating for external funding sources like the general fund in California to cover costs that are traditionally rate based. Federal funding is another important source to cover the gap. One of the benefits of a non-profit electric utility is access to **Inflation Reduction Act (IRA)** funding and direct pay programs,⁵² as well as low-interest loans like revenue or municipal bonds. Rather than seeking projects with the highest possibility for profit, non-profit utilities are able to prioritize communities or areas that require investments with low-interest loans or other funding.

Despite a large influx of federal funding intended to support energy justice since 2020, there is a bottleneck between that funding and the impacted people it is meant to reach. Factors include barriers for community organizations to apply to grants, a lack of financial institutions to support community organizations, and a shortage of licensed contractors and workforce development for energy efficiency upgrades. The IRA creates opportunities for local and state municipal governments to receive tax credits as direct transfers from the Internal Revenue Service to

51 <https://www.cleanenergyworks.org/2023/01/01/introduction-to-inclusive-utility-investments/>

52 <https://www.publicenterprise.org/reports/financial-model-for-elective-pay>



Energy democracy is a climate solution strategy that gives local communities the power to decide how environmental, economic, and social justice needs are met.

develop clean energy projects themselves. By removing the barriers to interconnection that exist under PG&E, these benefits can be utilized quickly to address the need for clean energy project development in frontline communities.

Larger non-profit utilities such as TVA and rural electric cooperatives are funded through a combination of rate recovery, government loans and grants, and private financing. Non-profits receive lower terms on loans, further reducing the revenue requirement passed on to customers' bills. The Department of Agriculture's Rural Utilities Service has been a primary source of financing for rural electrification since 1935. The IRA's Empowering Rural America program is one example of a series of loan programs that finance electric cooperatives across the country. The National Rural Utilities Cooperative Finance Corporation is a cooperative of electric cooperatives that provides lending for infrastructure at more favorable rates than traditional for-profit lenders, hedge funds and investors.⁵³

⁵³ <https://www.electric.coop/issues-and-policy/tax-and-financing>

In California, the **California Infrastructure and Economic Development Bank (I-Bank)** leverages public funds to fund infrastructure projects for the public benefit. The I-Bank is currently authorized to finance energy and project costs on behalf of Golden State Energy. The I-Bank is able to issue bonds and loan the proceeds to Golden State Energy, without creating a debt or liability for the state⁵⁴ Many options for cheaper financing of utility infrastructure exist, and Golden State Energy can be a creditworthy public benefit corporation designed to serve its members.

Increasing Energy Democracy

According to the Energy Democracy Project, a national collaboration of organizations implementing a just transition in their communities, the struggle to democratize energy is one of defining an alternative energy future where energy is not simply a commodity, but a shared economic resource for equity and empowerment. Energy democracy is a climate solution strategy that gives local communities the power to decide how environmental, economic, and social justice needs are met.⁵⁵

The vision for Golden State Energy, as a vehicle to shift resources into communities facing increasing climate crises exacerbated by historical disinvestment, is being shaped by energy justice advocates and practitioners from Northern California, where fires and floods are already impacting energy reliability and affordability. Decades of advocacy have created meaningful regulatory change and environmental

⁵⁴ [SB 350, The Golden State Energy Act](#)

⁵⁵ <https://energydemocracy.us/>



protections for California's people, land, and natural resources. Non-profit ownership of the state's largest distribution and transmission networks is a key requirement to facilitate the growth of clean energy jobs and benefits in the state. However, there exist many examples of non-profit utilities who do not expand their mission to include the public benefit. The process of shaping Golden State Energy must be democratic, ensuring appropriate representation from impacted communities and stakeholders in order to create a utility that is significantly more transparent, trustworthy, and just than PG&E.

Elected governing boards for utilities may not always be sufficient to ensure a just and equitable energy transition. Having accountability mechanisms in the system can be far more important than even the foundational governing structure. Enforceable regulations and accountability beyond the utility's own governance structure are necessary. During the start of the COVID-19 pandemic, Tennessee was one of many states to introduce a shutoff moratorium. However, the moratorium only applied to a few small investor-owned utilities that were subject to PUC regulation. On the other hand, rural electric cooperatives—which cover most of the state's service territory under the Tennessee Valley Authority—were not subject to

the moratorium regulation, and many of the cooperatives chose not to comply.

State policies must enable and support democratic governance of non-profit utilities. The CPUC, which often releases decisions that side with IOU priorities, is an important institution that provides a mechanism for consumer advocates and other key stakeholders to negotiate outcomes. Additional rulemaking for requiring transparency is also critical. Financial data, including accurate costs of infrastructure, is needed for public accountability. Access to customer data is also essential to allow CCAs and other partners to make informed decisions that affect customer rates and infrastructure investments. If Golden State Energy becomes a key player at the CPUC, it would have a strong ability to break through the institutional inertia to further the needs of impacted communities. Through community advisory committees or partnerships with community based organizations, Golden State Energy's leadership and technical staff can learn from a variety of stakeholders to strengthen its governance and accountability structures, ensuring that meaningful engagement in long term and short term resource planning is built into planning processes. ■

Through community advisory committees or partnerships with community based organizations, Golden State Energy's leadership and technical staff can learn from a variety of stakeholders.



Transitioning power away from PG&E requires political will, and the movement must center frontline communities.

Conclusion

GOLDEN STATE ENERGY, as a non-profit public benefit corporation, has the potential to regain public trust as well as spark a shift in utility culture toward prioritizing social, health, and economic benefits for a far greater public benefit impact. Instead of centering shareholder profit as the key decision-making metric, Golden State Energy can lead on climate equity, safety, reliability, affordability, and sustainability. A regulatory framework can be defined to allow for a smooth transition of PG&E, ensuring that costs are not passed onto ratepayers. The existing utility workforce is intrinsic to maintaining uninterrupted grid operations and informing the process.

Transitioning power away from PG&E requires political will, and the movement must center frontline communities in order to meaningfully transform hundred year old institutions that are not able to shift with the urgency required for this moment. Cities, counties, schools, labor unions, and community based organizations together can call on the state of California to enable Golden State Energy to become California's largest just utility.

Next Steps

Additional research and planning is needed to identify the legal, financial, and governance mechanisms of the transition of PG&E to Golden State Energy. Below are listed needs for further study to ensure a just transition that will address the needs of those most impacted by the incumbent utility's failures.

Transition and Governance

- Analyzing pathways to transition PG&E's assets into receivership under SB-350, The Golden State Energy Act, estimating costs and timelines for each path
- Conducting an analysis of the regulatory and governance frameworks that apply to Golden State Energy, including:
 - Role and structure of the board, including the election and nomination process that maximizes democratic and equitable practices
 - Responsibilities of the California Public Utilities Commission for regulating Golden State Energy's rates, programs, and financial decisions



- Additional federal, state and local agencies' jurisdiction over Golden State Energy
- Strengthened role of independent and third party compliance and monitoring entities, including enforcement of performance that aligns with Justice40 Guiding Policy Priorities
- Laying out the process to ensure all unionized employees and contractors maintain existing benefits, pensions and job security
- Identifying unnecessary and neglected infrastructure that should be excluded from the ownership transition and creating a process for its decommissioning
- Delineating responsibilities of shareholders to cover legal costs of the transition, including prior or wildfire liabilities
- Framing amendments to AB 1054, the Safety Certificate process, and the Fire Victims Trust to decouple wildfire survivor payouts from Golden State Energy's ability to access capital
- Assessing mechanisms for ending electric service shutoffs for nonpayment, including cancellation of customer debt

Financing and Funding

Impacts on Ratepayers

- Assessing executive compensation practices that are in line with non-profit utility management across the country
- Quantifying the impact that transferring PG&E's existing liabilities would have on ratepayers, taxpayers, and PG&E shareholders under the transition to Golden State Energy
- Identifying the steps that will be required for Golden State Energy to earn a credit rating sufficient to access public funding and favorable financing terms as a non-profit
- Understanding the impact a change in the utility's tax status would have on the state's revenues and budget
- Determining the role of the California Infrastructure Bank (I-Bank) in financing the transition and continuous maintenance and upgrades of the grid; and identifying additional public funding mechanisms at the federal, state and local level to incentivize local development of clean energy, resilience, and distribution grid level projects. ■



info@reclaimourpower.org

  @UtilityJustice



RECLAIM OUR POWER!
Utility Justice Campaign