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RE: Request to repeal “Utility Tax” provision now before it increases utility bills on millions of working and middle class families and undermines conservation efforts across California

To: California State Legislature and Gov. Gavin Newsom

We, the undersigned elected officials, are writing in strong opposition to a provision embedded into Budget Trailer Bill [AB 205](#) (2022) enabling a high fixed charge on Californian utility bills, considered by many a “Utility Tax.” We object to the un-democratic and opaque way in which the **Utility Tax was enacted, passed in three days without any public hearings or discussion.** The people of California deserve a voice in any major policy change with such wide-ranging consequences. The state legislature needs to immediately **repeal Public Utilities Code Section 739.9**, through a current Budget Trailer or other bill.

Section 739.9 requires the California Public Utilities Commission (CPUC) to add a fixed charge to electricity bills based on household income. Because of this provision, the utilities and other organizations have proposed the highest fixed charges in the country: between \$30 to \$70 per month for any customer not already on CARE or FERA. That would be three to seven times the national average for such a fixed charge. These proposals would function as a Utility Tax that would apply to all residential customers of PG&E, SCE, SDG&E, and CCAs.

In contrast to the claims made by Utility Tax proponents, the Utility Tax will hurt working families. An [in-depth analysis of these Utility Tax proposals](#) found that they would have the following negative consequences:

- **Millions of Californians who live in apartments, condos, and small homes that use less energy would see their utility bills increase.** Californians already suffer under the highest electricity bills in the country. This would have devastating consequences for working families.
- **High fixed charges discourage all forms of energy conservation**, such as turning off the lights, energy efficiency, or installing new windows, rooftop solar, and batteries. For years, working families have practiced energy conservation as a way to lower their monthly bills. The Utility Tax proposals will take control away from these households, degrading their ability to manage their energy bill.
- **The Utility Tax proposals will not incentivize electrification** as proponents claim. In fact, it will still be cheaper for most consumers to stick with natural gas under any of the proposals.

Utility rates and fees only go up, not down. The fixed charge provision of AB 205 completely lifted the cap on the size of the Utility Tax and says nothing about freezing or lowering electricity rates. Thus, the promise of lower volumetric rates in exchange for the Utility Tax will be temporary. **Both rates and the Utility Tax will continue to increase over time**, wiping out any initial benefit for CARE and FERA customers, and keeping our constituents trapped in unsustainable electricity bills.

The Utility Tax entrenches the problem of high electricity prices, rather than solving it. Electricity prices are too high mainly due to the increasing costs of unnecessary long distance power lines, liability when those lines create wildfire risks, and generous utility profits that drive this spending. A Utility Tax does not fix that underlying problem because it just rearranges who pays what, harming millions of working class people in the process. The true solution to stabilizing the high cost of electricity is to reduce our overdependence on long distance power lines through greater conservation and local clean energy.

Utility Tax proponents claim that the Utility Tax will lower bills on low income households. This does not tell the whole story. While CARE and FERA customers will see relatively small and temporary bill decreases, households above the cutoff for those programs who live in apartments, condos and smaller homes, will see bill increases. **This includes millions of low income Californians, as well as moderate income households, and is unacceptable.**

We call on the state Legislature to address the problems outlined in this letter by authoring a bill to immediately repeal Public Utilities Code Section 739.9.

Thank you,

David Haubert, County Supervisor, Alameda County

Elisa Marquez, Supervisor, Alameda County

Jennifer Kreitz, County Supervisor, Mono County

Rodrigo Espinosa, County Supervisor, Merced County

Bea Gonzales, County Supervisor, San Benito County

Hillary Ronen, San Francisco Supervisor, City & County of San Francisco

Rafael Mandelman, San Francisco Supervisor, City and County of San Francisco

Esther Sanchez, Mayor, Oceanside

Justin Massey, Mayor, City of Hermosa Beach

Julian Gold, Mayor, Beverly Hills

Christian Dinco, Mayor, City of Eastvale

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Courtney Welch, Mayor, Emeryville

Carmen Montano, Mayor, Milpitas

Michael, Vargas, Mayor, City of Perris

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Bill Hussey, Mayor, City of Grand Terrace

Doug Wilson, Mayor Pro Tempore, City of Grand Terrace

Bertha Perez, Mayor Pro Tem, Merced

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Teresa Cox, Vice Mayor, City of Fremont

Devin T. Murphy, Mayor Emeritus and Councilmember, City of Pinole

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George Syrop, Councilmember, Hayward
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Soheila Bana, Councilmember, City of Richmond
Daniel Goldstein, Councilmember, City of Hayward
Janani Ramachandran, Councilmember, Oakland
Dan Kalb, Councilmember, City of Oakland
Wes Speake, Councilmember, Corona
Art Brown, Councilmember, City of Buena Park
Chris Ricci, Councilmember, City of Modesto
Jose Alonso, Councilmember, City of Mendota
Norma Martínez-Rubin, Councilmember, City of Pinole
Trish Herrera Spencer, Councilmember and former Mayor, Alameda
Tracy Jensen, Councilmember, Alameda
Deborah Ruddock, Councilmember, Half Moon Bay
Alexandre Monteiro, Councilmember, City of Hawthorne
Valerie Arkin, Councilmember, City of Pleasanton
Ariel Kelley, Councilmember, City of Healdsburg
Gabriel Quinto, Councilmember, El Cerrito
Jeff Nibert, Councilmember, Pleasanton
Teresa Acosta, Councilmember, Carlsbad
Dan Wright, Councilmember, City of Stockton
Chance Cutrano, Councilmember, Town of Fairfax
Max Perrey, Councilmember, Mill Valley
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Gary Gardner, Councilmember, Desert Hot Springs
Gayle McLaughlin, Councilmember, Richmond
Raj Salwan, Councilmember, Fremont
Desrie Campbell, Councilmember, Fremont
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Dennis Pocekay, Councilmember, Petaluma

Dan O'Donnell, Councilmember, City of Vista
Francisco Zermeno, Councilmember, Hayward
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Lisa Motoyama, Councilmember, City of El Cerrito
Sukhdeep Kaur, Councilmember, Emeryville
L. David Patterson, Councilmember, City of Hawthorne
Christine Boles, Councilmember, Pacifica
Ida Martinac, Berkeley Rent Board Commissioner & Chair of Environmental Sustainability Committee
Vanessa Marrero, Berkeley Rent Board Commissioner, Berkeley
Ed Hernandez, District Director, Eden Health District
Colin Coffey, Board Member, East Bay Regional Park District
Dionisio Rosario, Board Member, East Bay Regional Park District
Sara Lamnin, Director, Hayward Area Recreation and Park District
Jean Walsh, Transit Director, Alameda-Contra Costa Transit District
Robert Raburn, Director, District 4-East Oakland, SanLeandro, Hayward
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Jennifer Brouhard, School Board Director, Oakland Unified School District
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