

**RE: Repeal “Utility Tax” provision NOW before it increases utility bills on millions of working and middle class families and undermines conservation efforts across California**

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To: California State Legislature and Gov. Gavin Newsom

We, the undersigned organizations and community leaders, are writing in strong opposition to the “Utility Tax” provision embedded into Budget Trailer Bill [AB 205](#) (2022). We object to the undemocratic and opaque way in which the **Utility Tax was enacted, passed in three days without any public hearings or discussion**. The 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 (NRDC, TURN, and Public Advocate) have proposed the highest fixed charges in the country, between \$400 to \$1,500 per year. That would be three to twelve 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.

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.** As Californians already suffer under the highest electricity bills in the country, this would be a devastating consequence.
- **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. These proposals will take away control from ratepayers, 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 ever 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 ratepayers 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.

**Finally, the income verification of all customers** raises big privacy and data security issues that have not been thoroughly aired.

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, those 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 immediately repealing Public Utilities Code Section 739.9.**

We are watching and intend to hold state lawmakers accountable for the outcome of this matter.

Thank you,

Center for Biological Diversity  
Environmental Working Group  
California Interfaith Power & Light  
Bridge Housing  
Clean Coalition  
Elders Climate Action, SoCal Chapter  
Third Act Sacramento  
Monterey County Renters United  
Oakland Education Association  
San Joaquin Urban Native Council  
East Bay Housing Organizations (EBHO)  
CADEM Renters Council  
Long Beach Gray Panthers  
SanDiego350  
350 Bay Area Action  
Environmental Justice Coalition for Water  
Green the Church  
COFEM (Federation of Clubs and Associations of Michoacanos in North America)  
California Latino Environmental Advocacy Network  
Lutherans Restoring Creation  
Todos Unidos  
Solar Rights Alliance  
Indivisible Alta Pasadena  
Indivisible Resistance Northridge  
Rooted in Resistance (Indivisible)  
Ban SUP (Ban Single use plastic)  
Citizens' Climate Lobby, Santa Clarita chapter  
Indivisible Ventura  
Indivisible Ca Green Team  
Indivisible Santa Cruz County  
Indivisible Stanislaus  
Indivisible Sacramento  
Progressive Democrats of the Santa Monica Mountains

PDA-CA (Progressive Democrats of America-California  
Livermore Indivisible  
Electric vehicle Association California Central Coast Chapter  
So Cal 350  
Stand Strong LA Indivisible  
Indivisible Sonoma County  
Indivisible Westside LA  
350 Conejo  
Indivisible CA-34  
Feminists in Action, Los Angeles  
Environmental and Political Action Alerts  
Valley Women's Club of San Lorenzo Valley  
Indivisible Ross Valley  
Indivisible San Pedro  
Basin and Range Watch  
Democratic Club of West Orange County  
San Francisco Bay Physicians for Social Responsibility  
Neighbors for Progressive Action  
SAVE THE FROGS!  
Indivisible San Jose  
Center for Community Energy  
Climate Action Mendocino  
California Climate Voters  
Californians for Western Wilderness  
Albany Climate Action Coalition  
Bay Area Clean Air Coalition  
San Joaquin Valley Dems Clu  
Resource Renewal Institute  
Santa Cruz Climate Action Network  
CBFD Indivisible  
Stand.earth  
Coalition for Environmental Equity and Economics  
350 Ventura County Climate Hub  
Alliance of Nurses for Healthy Environments  
Climate First: Replacing Oil & Gas (CFROG)  
UU Church of Palo Alto  
CleanEarth4Kids.org  
Sunflower Alliance  
Grassroots Institute - Climate Crisis Workgroup  
Designing Accessible Communities  
Sonoma County Climate Activist Network (SoCoCAN!)  
Courageous Resistance and Indivisible of the Desert  
Climate Hawks Vote  
350 Santa Barbara  
Eco Chicos

Wellstone Democratic Renewal Club  
Equity Transit  
Long Beach Alliance for Clean Energy  
Hammond Climate Solutions Foundation  
Redwood Energy  
Morongo Basin Conservation Association  
Long Beach Community Table  
Extinction Rebellion San Francisco Bay Area  
Solar United Neighbors  
North County Climate Change Alliance  
Samuel Lawrence Foundation  
350 Sacramento  
The Climate Reality Project San Diego Chapter  
Sustainable Claremont  
Endangered Habitats League  
Tubb Canyon Desert Conservancy  
Glendale Environmental Coalition  
Public Power San Diego  
Greening Committee of Kehilla Community Synagogue  
Climate Reality Project Orange County Chapter  
Hang Out Do Good (HODG)  
350 Contra Costa Action  
Mother's For Peace  
Climate Reality Project Ventura County  
Invisible Resisters Walnut Creek  
Santa Cruz for Bernie  
Californians for Energy Choice  
Silicon Valley Youth Climate Action  
RootsAction  
ZEV2030  
Pacific Energy Policy Center  
Humboldt Progressive Democrats  
WEHANA (West Harmon Area Neighborhood Association)  
Ballona Institute  
Defend Ballona Wetlands  
Coastal Lands Action Network  
Our City San Francisco  
Social Eco Education  
Federación de Guanajuatenses  
Cafe Coop  
Greater Harvest Church of God in Christ  
Anahuak Youth Soccer Association  
Federación de Clubes y Asociaciones  
Federación Duranguenese USA  
Organización Regional de Oaxaca Por El Respeto y La Defensa De Nuestra Cultura

Federación de Nayaritas en Estados Unidos  
Federación de Clubes Colima  
Sonora USA  
California Alliance for Community Energy  
Reform & Sustain  
Change Begins With ME  
The Climate Justice Team of First UU of San Diego  
San Luis Obispo Mothers for Peace  
Pink Panthers  
SLO Climate Coalition  
Eagle Architects  
Santa Cruz Climate Action Network  
San Joaquin Valley Democratic Club  
Green New Deal at UC San Diego  
Democratic Socialists of America - San Diego  
Business for Good San Diego  
Better apc  
Elected Officials to Protect America (EOPA) - Code Blue  
Fossil Free California  
Citizens' Climate Lobby Santa Cruz Chapter  
Palos Verdes Democrats  
San Diego Veterans For Peace  
Youth Will  
Extinction Rebellion Los Angeles