



# California Senate Republican Caucus

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November 27, 2023

The Honorable Gavin Newsom  
Governor, State of California  
1021 O Street, Suite 9000  
Sacramento, CA 95814

Dear Governor Newsom:

In April 2023, we raised concerns with the pending proposals to implement an income-graduated fixed charge by the investor owned utilities (IOUs) and requested the California Public Utilities Commission (CPUC) reject a proposal that unfairly targets hardworking Californians and discourages energy conservation and sustainable living. Six months later, 22 Democrat members of the Assembly and one of the Senate have now also raised similar concerns about implementing an income-graduated fixed charge.

The CPUC's authorization to implement a fixed charge is not new, but the requirement for an income-graduated fixed charge by July 2024 is the result of a rushed and largely party-line adoption of significant policy changes in a 2022 budget trailer bill (Assembly Bill 205, Chapter 61, 2022).

For years, our caucus has advocated against adopting significant policy changes in budget bills, particularly since very little deliberation, discussion, or debate on the policy occurs.

The circumstances surrounding the passage of AB 205 are unfortunately reminiscent of the passage of AB 1890 (Brulte-Peace, Chapter 854, 1996). AB 1890 was an overly complicated, prescriptive, and rushed legislation, passed at the end of session with limited public discussion, which resulted in significant rate increases for IOU customers.

We are all supportive of efforts to stabilize and improve the safety of the grid and lower electricity rates for Californians. However, implementing a structured fixed-charge system that diminishes individual responsibility and usage in favor of an "identity" subsidization is not, in our opinion, an answer. More fees are not a solution to already ridiculously high utility bills.

Our caucus raised issues with the proposals and requested more vigorous scrutiny of the proposed changes six months ago. At the end of session, we sought a Senate Floor amendment to restore Public Utilities Code §739.9 to its status prior to the passage of AB 205 in order to allow for proper public discourse. Neither requests were adopted, so California ratepayers remain subject to a hastily crafted policy change that will be intrusive, unfair, and costly to implement.

A change of this magnitude to the electricity rate structure should be more thoroughly vetted and subject to public discussion. Implementation of this requirement should be delayed, if not suspended, until the impacts of the proposals may be further assessed.

The bottom line, Governor, is that the members of the Senate Republican Caucus have been making bipartisan attempts for months to resolve the problems caused by AB 205. It appears that several Assembly Democrats are now willing to join in this effort.

We are asking you to join us and encourage your Democrat colleagues in the State Senate to also work in a bipartisan manner to repeal or substantially amend AB 205 to help resolve this issue for all Californians.

Thank you for your consideration.

Sincerely,



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Senate Minority Leader  
40<sup>th</sup> Senate District



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Vice Chair, Committee on Energy,  
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1<sup>st</sup> Senate District



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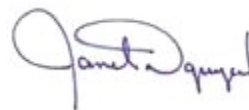
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