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***San Diego Union Tribune (opini3n)*- California PUC needs to implement energy rate reform**

By Henry T. Perea, July 16

The dawn of summer is highlighted by many traditions. Most of us fondly remember counting down to the last day of school and relish spending time outdoors with family and friends.

But another summer tradition has become a rite of passage these days for too many San Diego families: Energy bills typically rise during warmer months as we rely on pools and air conditioning to beat the summer heat. If you live in an inland community where temperatures soar to triple digits, you're no stranger to bills that can be double or even triple what they are during cooler times of year. And while the last two summers have been relatively mild, this summer is predicted to be a particularly hot one. In fact, peak demand for electricity is expected to break records as San Diegans turn down the thermostat to stay cool.

Most agree that the more energy you use, the more you should pay. But the state's antiquated model for determining electricity rates has led many San Diego families to pay far more than they should for power.

Last year, I authored a piece of legislation, AB 327 — The Rate Payer Equity Act, to address this issue and bring more fairness to electricity rates, which are set by the state and carried out by utilities such as SDG&E. The bill, overwhelmingly passed by the legislature and signed by Gov. Jerry Brown last October, instructs the California Public Utilities Commission (CPUC) to begin a process of addressing rate inequities that were established in response to the 2001 energy crisis, when rates for low-use customers were capped and the cost burden shifted to everyone else.

The current rate structure was originally intended to protect low-income customers. The problem is that energy use isn't necessarily tied to household income, and families of all walks of life have suffered under this model. Since 2001, the amount charged to low-use customers for each kilowatt hour has risen just 15 percent, or half the rate of inflation. Higher-use customers have seen the cost for that same kilowatt hour rise by more than 100 percent in many cases. You can imagine the burden that has placed on customers who rely on air conditioning to cool their homes in hot inland areas for quality of life and health reasons, have large families that need more energy or can't afford to make their homes more energy-efficient.

AB 327 enabled the CPUC to implement an equitable rate design that rebalances the playing field while encouraging conservation and energy-efficiency. The new structure must also maintain critical consumer protections designed to ensure our most vulnerable families are protected. The result will be a sustainable rate model that more evenly spreads the costs of acquiring and delivering power across all customers.

Relief is on the way, but the CPUC has yet to complete its work addressing this problem. In October, the CPUC approved temporary rate relief for summer 2014. But it has also pushed back the schedule for a more permanent rate solution to summer 2015. This means that, unless the CPUC agrees to act more quickly, San Diegans will have to wait another year – including this summer and potentially next summer – for a more certain picture of their energy costs.

The swift implementation of AB 327 is especially important given the growth of alternative forms of power and state law mandating that utilities receive 33 percent of their energy from renewable sources by 2020. SDG&E and other energy utilities are well on their way to meeting this goal, but the move to a green energy future carries a higher cost because renewables are more expensive to develop and procure. While all customers should share in the cost of this investment, the CPUC has protected existing solar customers from paying for their use of the grid well into the future.

The CPUC undoubtedly has a full plate, but finishing the job of fixing these energy rate inequities must be made a top priority. That means fewer cross-subsidies, a fairer rate structure and a long-term, sustainable net energy metering program. Delaying this effort holds up rate relief for thousands of families across San Diego and millions more across the state. The first power bills of the season are soon to hit mailboxes, so the time for action is now.

Perea represents the 31st District in the California Assembly, which includes a portion of

Fresno and a several Central Valley communities. He is a Democrat.

Michael