

**MONDAY MORNING GROUP
OF
WESTERN RIVERSIDE COUNTY**

**ANNUAL ADVOCACY TRIP – SACRAMENTO, CA
JANUARY 29 – 31, 2012**

REAUTHORIZATION OF THE PUBLIC GOODS CHARGE

ISSUE: It is widely thought that the Administration will reintroduce legislation this year reauthorizing the public goods charge (PGC). The PGC would create a usage based charge for Investor Owned Utilities (IOU's). The funds collected would be allocated for: renewable energy projects, investments in RD & D, low income assistance, and would also fund energy efficiency and energy conservation programs.

While historically the PGC has applied only to the IOU's, municipally owned utilities are concerned that if the PGC is not passed again this year, municipally owned utility programs may be in danger of ceasing. Riverside Public Utility (RPU), a municipally owned utility, has awarded over \$1.6 million dollars in Energy Innovation Grant programs, RPU has assisted 12 major local businesses with energy efficiency measures (the Riverside Press Enterprise alone has received \$406,261 in energy efficiency rebates), and the RPU solar program has increased from 70 installations in 2008 to over 350 projected installations in 2012. Over all, RPU has experienced a total energy savings benefit of 23,040,570 kWh, all due to locally controlled PGC programs.

ACTION: The Monday Morning Group urges the Legislature to support the reauthorization of the PGC so long as the legislation includes:

1. All usage based charges remain local, it is critical that no local money be sent to Sacramento.
2. Each municipally owned utility must be allowed the flexibility to best determine how to allocate funding for their local communities.
3. That transparency issues are addressed without being overly burdensome.

BACKGROUND: The PGC was created in 1998 out of AB 1890. AB 1890 established the usage based charge for the IOU's mandating them to: invest in renewable energy, provide for RD &D, provide assistance to their low income customers, and created energy efficiency and conservation programs. Shortly after AB 1890 was passed the municipally owned utilities adopted a similar but voluntary and locally implemented policy.

The PGC legislation has now come to its sunset (January 1, 2012) requiring reauthorized. In anticipation of the sunset, last year the Administration sponsored a package of bills reauthorizing the program. Despite significant support from both parties, the legislation required a difficult 2/3's super majority vote and the bills failed passage.