



**RECLAIM
OUR POWER!**
THE UTILITY JUSTICE
CAMPAIGN

Golden State Energy:

A Frontline Vision for Utility
Transformation

05/07/2024

Reclaim Our Power: Utility Justice Campaign

Coalition of fire survivors, environmental justice communities, people with disabilities, ratepayers, and workers.





Justice is the goal, energy is the tool.

ROP Vision:
Communities where all
have the energy and
resources they need to
live and thrive.













Photo by Brooke Anderson | @movementphotographer

When you think of PG&E, what comes to mind?

Pacific Gas and Electric: PG&E ignored repairs to its aging power lines for years, report says

Despite needing repairs to decades-old power equipment, PG&E spent \$5 billion on shareholder dividends.

Shareholders

Name	Equities	%	Valuation
 The Vanguard Group, Inc.	242,246,104	11.58 %	4 266 M \$
 Capital Research & Management Co. (Global Investors)	150,109,671	7.178 %	2 643 M \$
 Capital Research & Management Co. (International Investors)	101,021,577	4.831 %	1 779 M \$
 PG&E Fire Victim Trust	67,743,590	3.239 %	1 193 M \$
 Capital Research & Management Co. (World Investors)	58,311,890	2.788 %	1 027 M \$
 JPMorgan Investment Management, Inc.	54,487,198	2.605 %	960 M \$
 Third Point LLC	54,000,000	2.582 %	951 M \$
 Massachusetts Financial Services Co.	47,687,589	2.280 %	840 M \$
 Blackstone Corporate Private Equity	47,578,945	2.275 %	838 M \$
 Geode Capital Management LLC	32,182,806	1.539 %	567 M \$



We need a solution that removes the profit motive of PG&E, provides pathways to local resilience and democracy, but does not leave lower income and rural communities footing the bill!

SB-350 The Golden State Energy Act (2020)

- The bill authorized the CPUC to petition a court to **appoint a receiver to assume possession of PG&E's property** and to operate its electrical and gas systems
- **Nonprofit public benefit corporation**
- Established a **9-member board of directors**, who will be required to amend Golden State Energy's bylaws to transition to 6 board members who are elected by Golden State Energy's customers and 3 board members who are appointed



[Link to the bill text](#)

Golden State Energy as a Provider of Last Resort

- **The barriers for cities to grow local resilience and ownership of energy resources are political** - roadblocks at the CPUC and legislature, fueled by PG&E lobbying
- Golden State Energy can facilitate a just transition for local cities by guaranteeing **reliable provision of electric service** to communities across the utility's territory, and by prioritizing local development
- **Cities such as San Francisco and San Jose are looking to “defect” from the grid**, leaving lower income and rural communities with the costs of PG&E's failing grid, unless a not-for-profit alternative for the public benefit can step in to align incentives with community needs.

Guiding Policy Priorities for Justice40 Benefits

1. **Decrease energy burden** in disadvantaged communities
2. **Decrease environmental exposure and burdens** for disadvantaged communities
3. **Increase parity in clean energy technology access and adoption** in disadvantaged communities
4. **Increase access to low-cost capital** in disadvantaged communities
5. **Increase clean energy enterprise creation and contracting (MBE/DBE)** in disadvantaged communities
6. **Increase clean energy jobs, job pipeline, and job training** for individuals from disadvantaged communities
7. **Increase energy resiliency** in disadvantaged communities
8. **Increase energy democracy** in disadvantaged communities

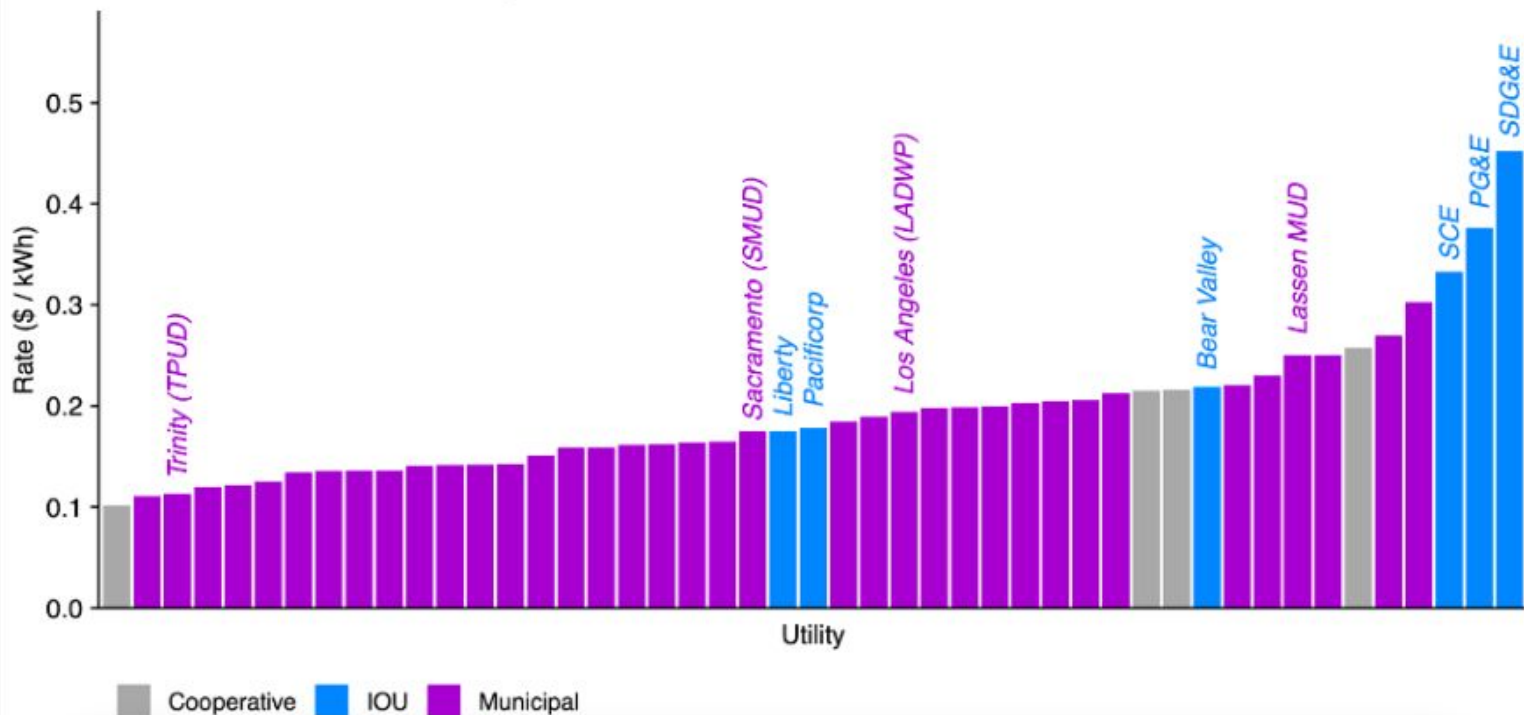
Publicly accountable financing

As a not-for-profit utility, Golden State Energy will gain access to lower interest rates and better financing terms through state, federal, and private lending.

- **Transparent and publicly accountable** financing of infrastructure investments replaces profit-driven incentives of IOU decision making.
- **California's Infrastructure Bank**, a green bank, is currently legislated to offer special bond or loan rates to Golden State Energy as serving the public interest
- **Municipal bonds** could fund distribution system level infrastructure buildout across the state.

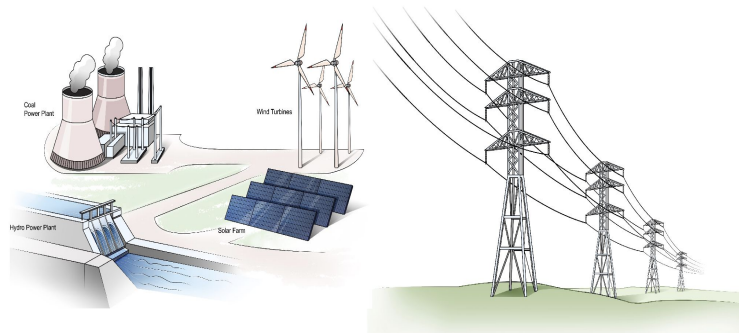
Not All of California's Electricity Prices Are High

Electricity Cost for Each of California's Residential Electric Utilities

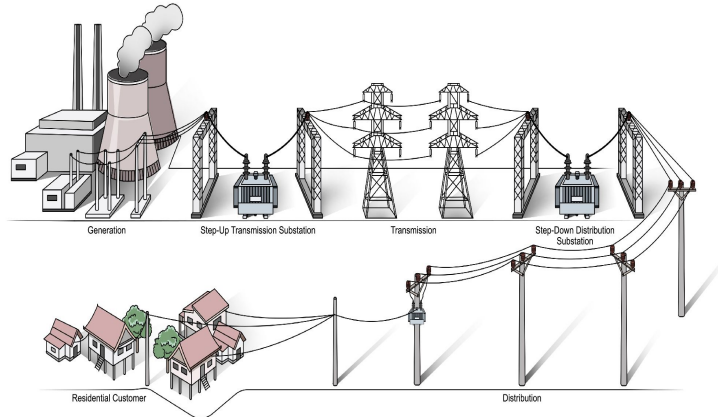


Public Control of the Transmission System

Transmission



Distribution



- Reducing incentive for utilities to overbuild transmission projects, which bring in a 7-12% rate of return for the utility
- Shift incentives from expensive undergrounding projects toward cheaper wildfire mitigation techniques, local resilience, and grid maintenance

Mandate for a Just Transition

- Policies for a **managed decommissioning of natural gas** infrastructure
- **Safeguarding existing workers' jobs and pensions** in a transition, and **expanding and diversifying** the utility workforce
- Addressing the **Wildfire Victims Trust Fund** - currently tied to PG&E stock price, reparations for fire survivors
- Ensuring **equitable decarbonization, local resilience, and affordability**

Questions for Further Research

- **What conditions can incentivize investments** by Golden State Energy into distributed energy resources, grid modernization, and upgrades and maintenance of the grid?
- **How do we socialize the costs** of a non-profit transmission system, and based on what criteria (i.e. region, income, through taxes or rates)?
- **How can CCAs relate to distribution grid operators/owners** in a way that facilitates local investments?
- What are **democratic governance models** that will lead to regulatory oversight that is not captured by IOU interests?



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Request to Council:

ADOPT a resolution in support of the implementation of Golden State Energy, and DIRECT STAFF to send letter to Senator Skinner, Assemblymember Wicks and Governor Newsom

Questions?

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