EQUITABLE ENERGY CHOICE FOR CALIFORNIANS

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Fact Sheet

All energy consumers should share equitably in the cost of investments in clean energy and other resources

California is a leader in clean energy and environmental climate change goals. We are on track to meet our mandated goal of 50% renewable energy by 2030, thanks to the leadership of our state's elected officials and regulators, and in large part to the long-term investments in renewable energy made by customers of the state's investor-owned utilities. These investments helped kick-start renewable energy technologies to make them far more affordable and accessible today than when the legislature first mandated utilities purchase increasing amounts of clean energy.

However, the way people buy energy is changing and more customers are buying power from sources other than their utility. If we are to continue California's progress in meeting our clean energy and environmental goals, we must ensure that all customers continue to contribute equitably in the costs of clean energy and other resources purchased on their behalf.

Current laws to protect customers from paying for power investments made on behalf of others are not working.

To address this problem, the CPUC recently opened a formal proceeding to review the mechanism often referred to as the Power Charge Indifference Adjustment or PCIA.

- It has been estimated that some customers who now receive power through an alternative energy provider may on average only pay roughly 65% of the cost of clean energy that was purchased on their behalf.As a result, some customers who do not use an alternative energy provider could end up paying roughly $150 extra per year to pay for power purchased for others.
- This is not sustainable. In all cases, as more alternative energy providers form, there are going to be fewer remaining utility customers left paying an increasing cost for power purchased for others.

As part of this announcement, the CPUC acknowledged that:

- "Investor-owned utilities and Community Choice Aggregators both have stated that the current cost allocation is inequitable."
- "The rise in California customers served by Community Choice Aggregators makes the cost allocation more important to customer bills."
- "…stakeholders have identified cost allocation issues as the most urgent topic in electric retail choice in California."

The CPUC and policymakers need to act quickly to create rules that ensure all customers equitably share in the cost of clean power

The new policies must ensure all customers share equitably in the costs of renewable and other energy.

- To ensure that the move to more customer choice is both sustainable and equitable, the CPUC must reform the current mechanism, including the PCIA, to ensure all customers share equitably in the costs of the long-term investments in renewable and other resources that were purchased on their behalf when they were a utility customer.
- That means all customers – whether they move to an alternative power provider or stay with the utility – will share equitably for past purchases made on their behalf, and no customer shall be left paying for power purchased for others.
- We all benefit from the clean energy investments that have been made to improve our air quality and environment, so no customers should be forced to pay more than their fair share.