

OAKLAND CITY COUNCIL
RESOLUTION No. 76433 C.M.S.

INTRODUCED BY COUNCILMEMBER _____

RESOLUTION URGING THE CALIFORNIA PUBLIC UTILITIES COMMISSION TO PROTECT OAKLAND'S SENIOR, DISABLED, AND LOW INCOME CITIZENS FROM EXTRAORDINARILY HIGH ELECTRICITY PRICES RESULTING FROM DEREGULATION

Whereas: affordable electric energy service is a basic necessity for the health and safety of the Oakland community, including vulnerable low income citizens, many of whom are seniors or disabled and

Whereas: Assembly Bill 1890 of the California Legislature (AB 1890) was promoted as a means to reduce California's electricity costs, forecasting that a competitive marketplace would lower electric utility rates by 10% to 20%; and

Whereas: dramatic growth in the California economy has tremendously increased demand for electricity during a period of very limited supply, leading to extraordinarily prices for electric energy procurement; and

Whereas: AB 1890 included a temporary rate freeze to ease California's transition to a competitive marketplace; and

Whereas Pacific Gas & Electric Company, procurer and distributor of electric energy to most of Oakland, has asked the California Public Utilities Commission (CPUC) to remove the rate freeze, an action that has resulted in doubling and tripling of electricity rates in the San Diego area: and

Whereas; extraordinary increases in energy costs are the opposite of the AB 1890's stated goals, and low income citizens who currently spend a disproportionately high percentage of their income on energy consumption (estimated at 10%) may be overwhelmed if their energy costs increase to between 20% and 30% of their income; and

Whereas: public purpose benefit programs originally included in AB 1890 will become increasingly important to low income citizens if electricity rates increase in Oakland as they have in the San Diego area; and

Whereas; the CPUC recently reduced the function and funding of the Low Income Advisory Board; and

Whereas; environmentally favorable methods for closing the supply/demand gap, such as distributed solar photovoltaic generation and energy efficiency improvement have not been implemented on a sufficient scale to have the desired effect; and

Whereas; innovative solutions to energy shortages, like the Summer Initiative can rapidly close the supply/demand gap, simultaneously reduce consumer's overall energy cost while protecting California's long term environmental interests; and

Whereas; investor-owned utilities have existing agreements with the CPUC that should not allow for lifting the rate freeze under the present circumstances; and

Whereas; the City of Oakland recognizes the importance of protecting citizens from the unintended negative consequences of the deregulation process; now, therefore, be it

Resolved: that the City of Oakland urges the CPUC not to grant requests to lift the electric rate freeze, particularly because it is an action proven in San Diego to overwhelm the resources of low income citizens many of whom are seniors or disabled; and be it

Further Resolved: that the City of Oakland urges the CPUC to assure the delivery of essential electric energy to the maximum number of eligible low income citizens through discounts and programs by all prudent means including reinstating the full spectrum of activities undertaken by the Low Income Advisory Board; and be it

Further Resolved: that the City of Oakland urges the CPUC to meet California's long term energy needs while protecting our environment, with particular attention to global warming, by deriving electricity supply from renewable sources, including distributed generation in high density centers like Oakland; and be it

Further Resolved: that the City of Oakland urges the CPUC to make choices for closing the supply/demand gap that follow the model of the Summer Initiative, implementing streamlined programs, targeted to present the California community with energy efficiency improvement opportunities that are in customer's enlightened self interest and in the best of the California Community; and be it

Further Resolved: that the City of Oakland urges the CPUC to hold the investor owned utilities to the spirit and letter of the existing agreements established to guide California through a smoother transition to a competitive marketplace; and be it

Further Resolved: that the City of Oakland urges the CPUC and the State Legislature to revisit the entire deregulation process to create a marketplace that does not constrict our economic growth and compromise the health and safety of our most vulnerable populations with overwhelmingly high electric energy costs.

IN COUNCIL, OAKLAND, CALIFORNIA, NOV 14 2000, 20

PASSED BY THE FOLLOWING VOTE:

AYES- BRUNNER, CHANG, MILEY, NADEL, REID, SPEES, WAN AND
~~PRESIDENT DE LA FUENTE~~ - 7

NOES- *None*

ABSENT- *None*

ABSTENTION- *None*

Excused- *De la Fuente - 1*

ATTEST:  3

CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California