



# DR. AISHA WAHAB

## ASSISTANT MAJORITY LEADER

### — CALIFORNIA STATE SENATOR • 10<sup>TH</sup> DISTRICT —

## Senate Bill 332: Investor-Owned Utilities Accountability Act

(Co-authors: Senator Hurtado and Assemblymembers Garcia and Ortega)

### SUMMARY

The recent Eaton and Palisades Fires gives us cause to re-examine the accountability and transparency of investor-owned utilities (IOUs).

Despite electricity demand remaining stable, executive compensation, infrastructure spending and customer rates continue to increase.

This bill promotes affordability and protects ratepayers, increases accountability and transparency from IOUs, and examines alternatives to our existing energy provider framework.

### BACKGROUND

Rates are higher in investor-owned utilities (IOU) service territories across California than in not-for-profit utilities (including municipal utilities, rural electric cooperatives, and tribal utilities), which has resulted in people paying higher rates. On average, **California IOU electricity rates are more than 50% higher than rates charged by publicly owned utilities (POU)**. In addition to this, for IOU customers in California, rates have increased nearly 50% over the past three years, with some IOUs increasing their rates 6 times in this past year alone.

Under the current system, most distribution and transmission infrastructure is financed by IOUs and paid for by utility ratepayers. Ratepayers also pay for a rate of return for the IOU's cost, which can average close to 10%.

### ISSUE

Past and present experience demonstrates that the IOUs prioritize profits over the safety and well-being of Californians, leaving ratepayers paying increasingly expensive utility

bills with no interest in examining affordability and ongoing issues of safety.

### SOLUTION

In order to promote affordability levels for ratepayers, ensure our infrastructure is safe, and increase accountability and transparency from the IOUs we must take bold steps.

SB 332 will:

1. Create a feasibility study to determine what form of utility best serves ratepayers
2. Require triennial audits of equipment and the replacement of equipment that's outlived its end of life in high fire risk areas
3. Require proposed executive compensation be contingent on safety metrics
4. Ensure safe and cost-effective wildfire mitigation strategies are considered if rebuilding after a disaster
5. Increase transparency on service disconnection data
6. Establish procurement policies to rein in expenses

### SUPPORT

- Reclaim our Power (sponsor)
- Center for Biological Diversity (sponsor)
- 350 Bay Area Action
- 350 Humboldt
- 350 Southland Legislative Alliance
- Ban SUP (Single Use Plastic)
- Bay Area System Change Not Climate Change
- BiofuelWatch
- California Alliance for Community Energy
- California Brain Tumor Association
- California Climate Voters



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### — CALIFORNIA STATE SENATOR • 10<sup>TH</sup> DISTRICT —

- California Environmental Justice Alliance Action
- California Environmental Justice Coalition
- California Green New Deal Coalition
- California Interfaith Power and Light
- California Solar and Storage Association
- Catholic Charities of Stockton
- Center for Community Action and Environmental Justice
- Center for Community Energy
- Central California Asthma Collaborative
- Central Valley Partnership
- Cleanearth4kids.Org
- Climate Action California
- Climate Action Campaign
- The Climate Center
- Climate Equity Policy Center
- Climate Health Now
- Coalition for Economic Equity and Economics
- Collective Resilience
- Communities for a Better Environment
- Consumer Watchdog
- Courage California
- Democratic Socialists of America, Sacramento
- Democrats for Rossmoor
- Disability Justice Culture Club
- Doing Good Works
- Energy Equity Project
- Environmental Working Group
- Feed Black Futures
- Foothills Community Democrats
- Friends of the Public Bank East Bay
- Frontline Catalysts
- HODG
- Housing Now!
- Human Impact Partners
- Indigenous Environmental Network
- Indigenous Justice
- Indivisible CA Statestrong
- Indivisible California Green Team
- Indivisible Resisters Contra Costa County
- Institute for Local Self-Reliance
- Little Manila Rising
- Local Clean Energy Alliance
- Long Beach Alliance for Clean Energy
- Los Angeles County Democratic Party
- Media Alliance
- Mineral Baths Community Gardens
- National Association of Climate Resilience Planners
- North American Climate, Conservation and Environment
- Oil & Gas Network
- Parable of the Sower Intentional Community Cooperative
- Partners for Collaborative Change
- Peninsula Chapter of the Democratic Socialists of America
- People's Climate Innovation Center
- PODER
- Public Power San Diego
- Puente Latino Association
- Recolte Energy
- Regenerating Paradise
- Resources for Community Development
- Sacramento Environmental Justice Coalition
- Saginaw Cap
- San Diego DSA
- San Diego 350
- San Luis Obispo County Democratic Party
- Santa Cruz Climate Action Network
- Solar United Neighbors Action
- Solidarity, Bay Area
- Stop PG&E
- StopWaste
- Sunflower Alliance
- Sustainable Rossmoor
- Sustainable Systems Research Foundation
- Synergistic Solutions
- Third Act
- Third Act Bay Area
- Third Act SoCal
- Urban Ecology Project
- Urban Tilth
- Vote Solar

Primary Staff Contact: Alicia Lawrence | [Alicia.Lawrence@sen.ca.gov](mailto:Alicia.Lawrence@sen.ca.gov) | 916.651.4410  
Secondary Staff Contact: Ray Sun | [Ray.Sun@sen.ca.gov](mailto:Ray.Sun@sen.ca.gov) | 916.651.4410



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- Wellbeing Economy Alliance California
- West Berkeley Alliance for Clean Air and Safe Jobs
- Youth vs. Apocalypse