A Public Goods Charge for Water

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What is a Public Goods Charge?

• A Public Goods Charge (PGC) or Public Benefits Change is:
  “a fee applied to a utility bill to fund public-interest programs related to that utility service.”

• Since 1997 Californian ratepayers have been paying a nonbypassable, per-unit surcharge on their electricity and natural gas bills.
• The combined surcharge amounts to $1-$2 per month for most California households
Follow the Money

• Where does the money go?
  Funding from the PGC for electricity is allocated as follows (California Public Utilities code 399.8b)
  Electricity energy efficiency $228 million/yr
  R&D $62.5 million/yr
  Renewable energy $65.5 million/yr

• Has it been beneficial to the state?
  • maintaining constant per-capita consumption while electricity demand for the rest of the US grew by 150 percent.
  • investing in renewable energy

Energy Efficiency Budget for 2010-2012
Why do we need a PGC for water?

- California has been relying on bond measure to fund water related projects ($23.7 Billion dollar series of water bonds since 1970).
- Bond financing is costly and unreliable.
- PGC
  - can provide a stable, sustainable funding and financing mechanism to support the full list of statewide conservation and efficiency water project.
  - To promote urban and agricultural water conservation through consumer price signal.
  - ... and to promote energy efficiency indirectly.

Recent Statewide Efforts

The 2010-2011 legislative session included two PGC for water bills:
- SB 34 (Simitian) - The California Water Resources Investment Act of 2011
  - Proposed every water supplier in the state to be charged an annual fee based on (1) the volume of water it supplies to non-agricultural users, and (2) the number of acres of land in its service area irrigated for agricultural purposes.
  - Proposed to equally distribute funds (50/50) between statewide and regional water-related projects and programs.
  - provided only the skeleton of a policy
Recent Statewide Efforts

- provided little to no information about how the fund will be administered, how “public benefits” will be determined, or how much water suppliers will be charged.

- **SB 571 (Wolk) – The Water Resources Planning Act**
  - Proposed to reorganize governance and decision-making around water resources planning in the state of California.
  - Provided administrative framework to manage PGC fund proposed by SB 34.