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A Public Goods Charge for Water




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What is a Public Goods Charge?

- A Public Goods Charge (PGC) or Public Benefits Charge 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)

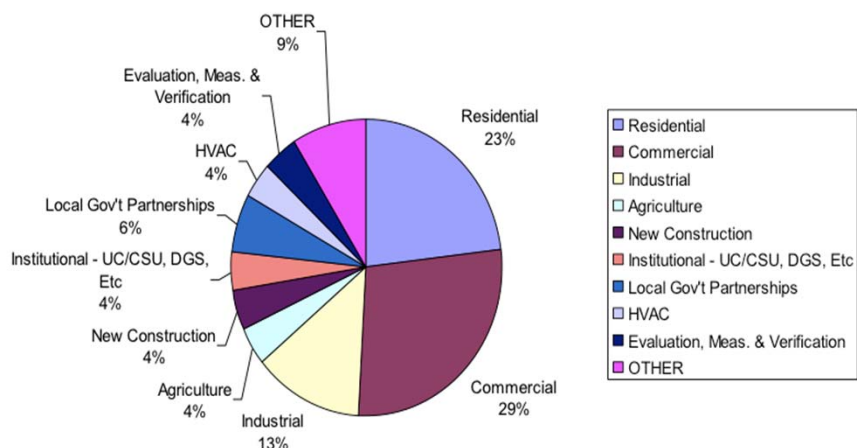
Electricity energy efficiency	\$228 million/yr
R&D	\$62.5 million/yr
Renewable energy	\$65.5 million/yr
- Has it been beneficial to the state?
 - maintaining **constant** per-capita consumption while electricity demand for the rest of the **US** grew by **150 percent**.
 - investing in renewable energy



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Energy Efficiency Budget for 2010-2012

Energy Efficiency Budgets 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.



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