

Information for Association of Bay Area Governments about the Utility Tax / Fixed Charge

updated 10/3/23

1) The Legislature passed a Utility Tax last year in just three days with no public discussion

- Last year, the state Legislature passed a large, omnibus 'budget trailer bill' (AB 205) that contained a provision to charge all ratepayers a new, uncapped Utility Tax.
- The bill was passed in three days with no public discussion. Many legislators did not even know the bill contained the Utility Tax provision.

2) Now, the utilities and other aligned organizations are proposing the highest Utility Tax in the country—between \$400 and \$1,500 a year.

- You could not get out of paying the Utility Tax, even if you buy zero electricity from the grid.

3) The proposed Utility Tax would increase utility bills on millions of working people

- The Utility Tax would increase bills on millions of people who live in apartments, condos, and other homes that don't use much electricity.
- The Utility Tax would discourage any form of conservation, including turning down the AC, using efficient appliances or installing solar panels.

4) The only solution is for the Legislature to repeal the Utility Tax

- The only way to fix this mess is for the Legislature to repeal the Utility Tax when they reconvene on January 1st.
- The law to be repealed is Public Utilities Code Section 739.9.

Whose electricity bills will increase under the proposed Utility Tax?

We know from the data in the Clean Coalition CPUC filing that the Utility Tax proposals from the IOUs, NRDC/TURN, and Public Advocate will increase bills on those who live in apartments, condos, and small homes.

So who are these people who will be negatively affected? Here are some examples:

- **A single mother with one child** living in a Bay Area apartment making \$40K/year would have to pay a utility tax of \$381 - \$612 / year and will see her utility bill increase.
- **Two teachers living in a small home in Fresno** would have to pay a utility tax of \$440 - \$1,101 / year and will see their utility bill increase.
- **Two nurses in San Diego renting an apartment** would have to pay a utility tax of \$512 - \$1,505 / year and will see their utility bill increase.
- **Two laborers in a small home in Gilroy** would be forced to pay a utility tax of \$381 - \$612 / year and will see their utility bill increase.
- **A retired couple on a fixed income living in a San Diego condo** would have to pay a utility tax of \$445 - \$860 / year and will see their utility bill increase.

Background information

- [Clean Coalition analysis](#) on the impact of the Utility Tax on ratepayers
- [Summary of Clean Coalition analysis](#)
- [Letter to Legislature from more than 170 organizations calling for repeal of Utility Tax](#)
- [Analysis from energy economists](#)
- [Analysis from Environment California](#)
- [Text of AB 205 and who voted for it](#) (Section 10)