

**RESOLUTION # XX-XX**

**RESOLUTION OF THE COUNCIL OF THE CITY OF KERMAN IN SUPPORT OF A JUST TRANSITION FROM PG&E'S INVESTOR-OWNED UTILITY MONOPOLY TO GOLDEN STATE ENERGY, A NOT-FOR-PROFIT UTILITY FOR COMMUNITY BENEFIT**

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**WHEREAS**, the failures of the current energy system, of Pacific Gas and Electric Company (PG&E), and of California's current regulatory infrastructure, have caused grievous harm to California residents and its environment by causing catastrophic wildfires, smoke, shutoffs, excessive and escalating utility rates and debts, environmental injustice and climate disruption; and

**WHEREAS**, recognizing the long-term unsustainability of the incumbent system and the likelihood of its eventual failure, as a first step, in 2020 the state created the not-for-profit public benefit corporation, Golden State Energy, through passing SB350<sup>1</sup>, the Golden State Energy Act. Golden State Energy is legally designated as a receiver for PG&E's assets for the purpose of owning, controlling, operating, or managing electrical and gas services for its ratepayers should the utility fail; and

**WHEREAS**, a technical feasibility study would enable the state to determine if the best governance structure for such a successor entity to PG&E should be a public utility, mutual benefit corporation (cooperative), or not-for-profit public benefit corporation (as is currently written in law); and

**WHEREAS**, the City of Kerman understands the principle that energy is a human right and should not be sold to generate profit for anyone, and is committed to access to safe, renewable, clean, affordable and reliable energy for all of our residents; and

**WHEREAS**, the failures of the current energy system have caused grievous harm by causing catastrophic wildfires, smoke, shutoffs, environmental injustice, climate disruption, over 100 unnecessary deaths, the destruction of over 1.5 million acres of land and over 24,000 structures<sup>2</sup>, and rapidly escalating rates, including:

- Substantial and excessive rate hikes, the economic impacts of which are felt most strongly by low-income communities, Indigenous People, migrant communities and communities of color. We recognize unemployment and lack of sufficient income are strong determinants of health outcomes. The poverty rate in Kerman is one of the highest in all of California.<sup>3</sup> Thus, PG&E's rate hikes have a disproportionate impact on Kerman residents.
- PG&E-caused wildfires, due to intentional and gross criminal negligence in maintaining their transmission and distribution infrastructure, and lack of transparency regarding safety checks for the purpose of maximizing profits for their shareholders and executives, generate a range of adverse outcomes for communities across California, such as unnecessary deaths, destruction of forests and properties, respiratory harms from smoke, mental health impacts and economic

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<sup>1</sup> [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201920200SB350](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB350)

<sup>2</sup> [Many Californians still 'trapped' years after PG&E fires. Has the company improved safety? | PBS News](#)

<sup>3</sup> [California Healthy Places Index](#)

impacts. Furthermore, PG&E has displaced communities, have destroyed homes and communities, and has been found and admitted guilt of having killed over 100 people since 2010.<sup>4</sup> Considering the cumulative impacts of smoke exposure on top of Kerman residents' disproportionately high rates of asthma<sup>5</sup>, means preventing PG&E-caused wildfires is a significant priority for improving public health and safety for Kerman.

- Utility shut-offs, which cause significant and disproportionate health, safety, and economic impacts on low-income people, disabled people, children, babies, and elderly people due to perishable food going bad and refrigerated medications expiring when the power is out for extended periods; endangerment of life and significant health impacts on people dependent on power to live through medical devices such as ventilators and electric wheelchairs, and health risks from heat stroke or heat exhaustion from loss of air conditioning during extreme heat days, and safety risks from breakdown of telecommunications; and

**WHEREAS**, Kerman faces significant interconnection delays on building infrastructure and developing clean energy projects. Operationalization and permitting of buildings' electrical systems, and installation of solar and battery projects depends on PG&E; and

**WHEREAS**, Kerman residents experience the adverse effects of receiving electric power and gas utilizing the infrastructure of PG&E, an investor-owned utility (IOU), including:

- The recognition that rates are higher in IOU service territories across California – including in PG&E's service territory – than in not-for-profit utilities (including municipal utilities, rural electric cooperatives, and tribal utilities), which has resulted in working class and low-income people paying higher rates.
- The recognition that PG&E is incentivized to make expensive, inefficient and unnecessary infrastructure investments that prioritize the maximization of shareholder profits over health, safety, economic, and environmental benefits for ratepayers.

**NOW THEREFORE BE IT RESOLVED**, the City of Kerman declares that PG&E's systemic failures have made it unsafe, unaffordable, and unsustainable to remain as northern California's electric utility monopoly. An alternative to PG&E is needed. Kerman residents and businesses would benefit greatly from ending PG&E's monopoly control of the energy transmission and distribution system; and

**BE IT FURTHER RESOLVED**, for all of these reasons and more, the City of Kerman declares it is in the best interest of its residents for California to support a worker and community-led just transition to not-for-profit utility service models, and away from all for-profit utility service models; and

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<sup>4</sup> [PG&E disasters killed 117 people last decade.](#)

<sup>5</sup> <https://www.healthyfresnocountydata.org/indicators/index/view?indicatorId=79&localeId=5819>

**BE IT FURTHER RESOLVED**, the City of Kerman urges the Governor and the Legislature to:

- Implement Golden State Energy - a not-for-profit successor alternative to PG&E, either as a not-for-profit public benefit corporation, a public utility, or a cooperative mutual benefit corporation - through legislation, working closely with frontline community<sup>6</sup> representatives, including but not limited to wildfire survivors, labor unions, people with disabilities, Indigenous leaders and Tribes, people harmed by PG&E's negligence, and economic, racial, and environmental justice organizations, to design and govern Golden State Energy.
- Enable a worker- and community-led just transition<sup>7</sup> by revoking PG&E's business license and transferring its assets to the not-for-profit Golden State Energy as the Provider of Last Resort for the IOU's territory.
- Co-design Golden State Energy with the aforementioned groups to be a deeply democratic utility that is structurally accountable to the public – particularly frontline communities – with meaningful and equitable community engagement practices, rather than to the investor-owned utilities, the California Public Utilities Commission, the Governor's office or its departments.

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<sup>6</sup> "Frontline communities are those who are most *vulnerable* to a particular burden or impact. They are also most *sensitive* to its effects, and have less *adaptive capacity* to mitigate the harm they are experiencing. Low-income and BIPOC residents of EJ neighborhoods are also frontline and most vulnerable to climate impacts: they are most exposed, more sensitive to, and have lower adaptive capacity to adapt to the impacts of climate change. As low-income residents of EJ communities are least responsible for causing the climate crisis in the first place, climate change ends up being an 'injustice multiplier.'" (Oakland General Plan Update 2045, Racial Equity Impact Assessment | Environmental Justice & Safety Elements, Marybelle Nzegwu Tobias & Colin Miller, Environmental / Justice Solutions, p. 5, 2023, available online at [https://cao-94612.s3.amazonaws.com/documents/Public-Review-Draft\\_-EJ\\_Safety-Elements\\_REIA\\_3.23.23.pdf](https://cao-94612.s3.amazonaws.com/documents/Public-Review-Draft_-EJ_Safety-Elements_REIA_3.23.23.pdf))

<sup>7</sup> [Putting California on the High Road: A Jobs and Climate Action Plan for 2030](#)