

RESOLUTION NO. 36-24

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

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, environmental injustice, climate disruption and escalating rates; and

WHEREAS, the state created the not-for-profit public benefit corporation, Golden State Energy, designated as a receiver for PG&E's assets through passing SB350¹ in 2020 for the purpose of owning, controlling, operating, or managing electrical and gas services for its ratepayers, for the benefit of all Californians; and

WHEREAS, the City of Richmond 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, 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, the unnecessary deaths, the destruction of acres of land and buildings, and escalating rates, including:

- Substantial and excessive rate hikes, the economic impacts of which are felt most strongly by low-income communities, Indigenous People, and communities of color. Consistent with Richmond's Health in All Policies program (HiAP, Ordinance R.M.C 9.15, adopted in 2014), we recognize unemployment and lack of sufficient income are strong determinants of health outcomes. Poverty and unemployment in Richmond are higher than the regional average. Thus, PG&E's rate hikes have a disproportionate impact on Richmond 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 impacts. Furthermore, PG&E has displaced communities, have destroyed homes and communities, and has been found and admitted guilt of having killed over one hundred people. Pairing impacts of smoke exposure with Richmond residents' disproportionate rates of respiratory conditions means preventing wildfires is of significant interest to the City of Richmond.
- "Numerous studies by the California Energy Commission (CEC) and others have highlighted the impact of climate change on California's energy infrastructure, which in turn impacts power availability to the City. Potential negative impacts on the energy grid system include higher temperatures stressing power plant capacity, electricity generation, transmission lines, substation capacity, and peak electricity demand; increased wildfire frequency or severity and the resulting impacts near transmission lines" ([Richmond Climate Action Plan](#), Page 74).
- Shut-offs, which cause significant health, safety, and economic impacts on low-income, disabled, 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 devices such as ventilators, and electric wheelchairs, and air conditioning or cooling during extreme heat days, and communications issues from power outages; and

¹ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB350

WHEREAS, Richmond faces significant interconnection delays on infrastructure and clean energy projects. Operationalization of electrical, distributed solar and battery projects depends on PG&E; and

WHEREAS, the City of Richmond’s electrical and gas infrastructure faces unique risks of inundation or limited access to energy facilities or infrastructure due to flooding and sea level rise (reference RC3.14 and RC3.20, page E-82, Climate Action Plan); and

WHEREAS, Richmond residents face the unique risks of flaring – increased air pollution due to the release of health-harming toxins such as sulfur dioxide, carbon dioxide, polycyclic aromatic hydrocarbons, dioxins, metallic complexes, and hydrogen sulfide into the air – at the Chevron refinery. Some flaring incidents have been caused as a result of PG&E power outages; and

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

- The recognition that rates are higher in investor-owned utility service territories across California-- including in PG&E’s service territory-- than in not-for-profit utilities (which includes 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 infrastructure investments that maximize shareholder profits, over prioritizing safety, reliability and environmental benefits for ratepayers.

NOW THEREFORE BE IT RESOLVED, the City of Richmond declares that PG&E’s failures have made it unsafe, unaffordable, and unsustainable to remain as Northern California’s electric utility monopoly. An alternative to PG&E is needed. Our community residents 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 Richmond declares it is in the best interest of their residents that California make a Just Transition to not-for-profit utility service models, and away from all for-profit utility service models; and

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

- Implement Golden State Energy through legislation, working closely with frontline community² representatives, including but not limited to Environmental Justice groups, wildfire survivor communities, Labor, people with disabilities, Indigenous leaders, people harmed by PG&E’s negligence, and economic, racial, and social justice organizations, to design and govern Golden State Energy.
- Enable a Just Transition³ away from PG&E and toward the non-profit Golden State Energy as the Provider of Last Resort for the investor-owned utility’s territory.

² "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. For example, in Richmond, CA residents in an Environmental Justice (EJ) neighborhood adjacent to high polluting facilities such as refineries, which result in adverse health impacts. 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)

³ [Putting California on the High Road: A Jobs and Climate Action Plan for 2030](#)

- Design Golden State Energy to be an institution that is structurally accountable to the public, 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, and that is not led by current or former employees of Investor-Owned Utilities (IOUs).

I certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond at a regular meeting thereof held May 7, 2024, by the following vote:

AYES: Councilmembers Bana, McLaughlin, Robinson, Willis, Vice Mayor Jimenez, and Mayor Martinez.

NOES: None.

ABSTENTIONS: None.

ABSENT: Councilmember Zepeda.

PAMELA CHRISTIAN
CLERK OF THE CITY OF RICHMOND
 (SEAL)

Approved:

EDUARDO MARTINEZ
 Mayor

Approved as to form:

DAVE ALESHIRE
 City Attorney



State of California }
 County of Contra Costa } : ss.
 City of Richmond }

I certify that the foregoing is a true copy of **Resolution No. 36-24**, finally passed and adopted by the Council of the City of Richmond at a regular meeting held on May 7, 2024.

Pamela Christian
 Pamela Christian, Clerk of the City of Richmond