

# THE PG&E BAILOUT (AND WHAT IT MEANS FOR YOU)

## Our Money is Fueling PG&E's Fires and Profits!

The Pacific Gas & Electric private utility company is a convicted felon currently on probation for criminal negligence in setting off the 2010 gas explosion in San Bruno.<sup>1</sup> Despite its conviction, PG&E continues to knowingly and willfully neglect safety<sup>2</sup> - notably maintenance of its crumbling transmission infrastructure in northern and central California - in order to pay out billions of dollars to wealthy investors via executive bonuses and shareholder dividends.<sup>3</sup>

As a result, PG&E has caused over 1,500 wildfires in the past 5 years alone,<sup>4</sup> including 5 of the state's 10 most destructive.<sup>5</sup> These fires killed over a hundred people, destroyed thousands of buildings, burned hundreds of thousands of acres including our forests, and amassed over \$30 billion in damages.<sup>6</sup>

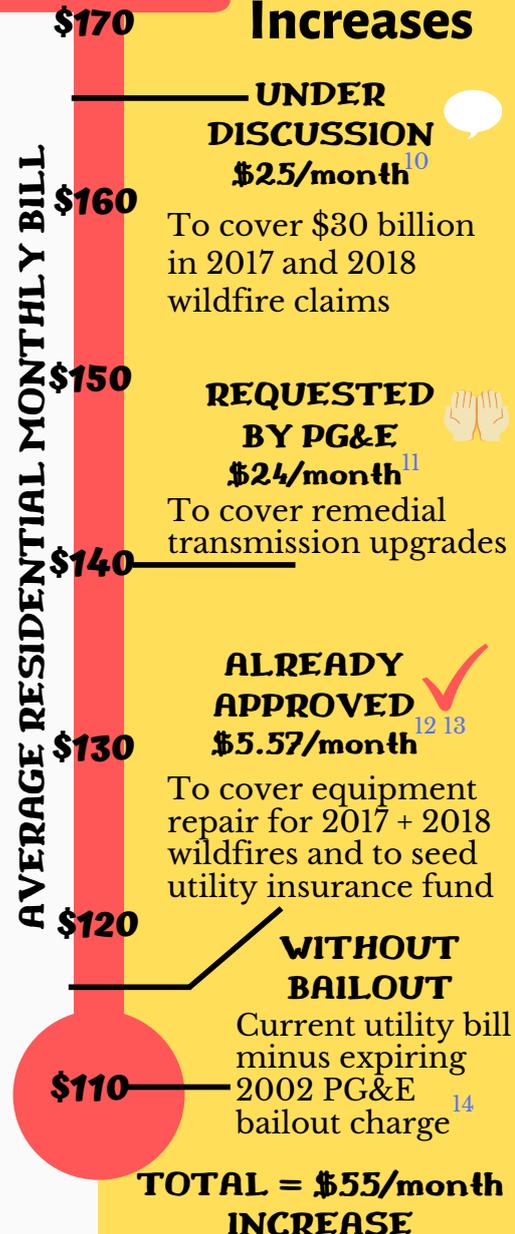
The consequences? The state has stepped in to bail out and shore up this private utility by forcing us to bear the risks and pay the costs. The California Public Utilities Commission (CPUC), which is supposed to regulate the utilities for the public good, is instead helping PG&E pay for its wildfire costs by imposing rate hikes on its customers (you and me) and exposing us to increased risks.<sup>7</sup>

Further, in support of PG&E, Governor Newsom rammed a massive utility bailout bill (AB 1054) through the California Legislature this past July. This "Newsom Bailout" reshapes state law to permanently pass future wildfire liability costs on to ratepayers, transfers the burden of proof regarding utility negligence from the utilities to the people, and suspends public transparency and accountability processes for wildfire bailout decisions.<sup>8</sup>

As a result, our monthly bills which are already significantly higher than the California average,<sup>9</sup> are going up, as are the risks of wildfires and massive power shutoffs. Unless we oppose this PG&E bailout madness.



## The Bailout Means Bill Increases



Making families pay on average an additional \$350 to \$650 per year on electricity bills would especially burden the 6 million people living in poverty in PG&E's service area.<sup>15</sup>

That would be money diverted from paying for medicine, school supplies or rent for the most vulnerable Californians.

## The Bailout Means Increased Wildfire Risk



Newsom's AB 1054 bailout bill on the wildfire fund removes all incentive for a utility to actually improve its crumbling infrastructure, thereby increasing the risk of wildfires. PG&E will be considered to have “acted prudently” and will be compensated for all future damage claims and losses for fires it *causes by its negligence* so long as it has a valid Safety Certificate on file with the CPUC. However, the certification process is a sham; utilities are rubberstamped approval, not based on their safety record, but simply by submitting a plan of their intentions.<sup>16</sup>

- ◆ Two Southern California utilities received their Certifications only *six days* after they applied.<sup>17</sup>
- ◆ Even if shown to be willfully negligent in causing wildfires, PG&E's payment of damage claims is capped at only \$2.5 billion every three years, which is nowhere close to the \$30 billion in damage claims in 2017 and 2018 fires alone.<sup>18</sup>

## The Bailout Means Power Shutoffs that Threaten Public Safety



PG&E's so-called Public Safety Power Shutoffs (PSPS) put our communities at risk. PG&E can shut off power to any section of its grid it deems to be at risk of sparking a wildfire. Though done in the name of “public safety,” shutoffs are justified solely by citing weather conditions while giving no heed to *actual* negative impacts on public safety.<sup>19</sup> The impacts of power shutoffs can be devastating, especially to elderly, disabled, and medically vulnerable people. Despite the very real consequences of shutting off the power for days or weeks, PG&E is virtually absolved of all liability so long as it provides a 24-hours' notice to affected communities.<sup>20</sup>

- ◆ The number of public safety criteria considered in shutting off power is zero.<sup>21</sup>
- ◆ An estimated 1.8 million people in PG&E's service territory with functional and medical needs would be particularly vulnerable during a power shutoff.<sup>22</sup>

## The Bailout Means an Assault on Democratic Rights



Newsom rammed his bailout bill through the legislature - largely bought by PG&E<sup>23</sup> - using a “gut and amend” procedure that circumvents the regular deliberative process and significantly limits public review or input. This bailout bill was passed and signed into law in only five days, while most bills take 9 months. The law itself imposes mandatory charges on ratepayers and wildfire compensation to utilities without providing any semblance of due process (no evidentiary hearing, no record development, no legal briefing, and no meaningful opportunity to challenge action). It also waives state transparency laws, allowing for secret back-room decisions not subject to public scrutiny or challenge.<sup>24</sup>

- ◆ The law required the CPUC to decide upon ratepayer funding of utility wildfire insurance in only 90 days, when normal proceedings take 18 months.<sup>25</sup>

We say there's a better way! Instead of propping up PG&E's criminal and collapsing corporation by passing all risk and costs to ratepayers, we demand that our state government act to protect ratepayers and the public. Now is the opportunity to consider a public takeover of this private utility so that we can transfer control of our energy, safety and rate-making decisions into public hands.

For more information about the Utility Justice Campaign  
visit [localcleanenergy.org/UtilityJustice](https://localcleanenergy.org/UtilityJustice)  
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