

ASSEMBLY BILL

No. 3

Introduced by Assembly Member Wright

January 9, 2001

An act relating to public utilities, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 3, as introduced, R. Wright. California Alternate Rates for Energy or CARE program.

Existing law requires the Public Utilities Commission to establish a program of assistance to low-income electric and gas customers, which is referred to as the California Alternate Rates for Energy or CARE program.

This bill would require the commission to immediately develop and adopt regulations that will result in a significantly increased participation (or “penetration”) rate for the CARE program.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares all of the
2 following:

3 (1) Commencing in the summer of 2000 and continuing to the
4 present, wholesale prices for electricity have skyrocketed in
5 California.

1 (2) In recent months, natural gas prices have increased
2 significantly.

3 (3) The extraordinarily high costs of electricity and natural gas
4 are threatening the economic well-being of the state.

5 (4) Low-income and senior households, who spend a
6 disproportionate portion of their income on energy costs, have
7 been particularly affected.

8 (5) The energy burden borne by low-income and senior
9 customers is greater than the energy burden of most other
10 households in California. California low-income households
11 spend approximately 10 percent of their incomes on energy bills,
12 compared to the average energy burden of 2.9 percent for a
13 median-income household.

14 (6) Under the California Alternate Rates for Energy program
15 (CARE), low-income customers are eligible to receive gas and
16 electric services at a discounted rate.

17 (b) It is therefore the intent of the Legislature to protect
18 low-income and senior customers from the impacts of
19 skyrocketing electric and gas rates and to enact legislation to
20 increase the CARE penetration rate, and to look at other means to
21 expand the program to all eligible low-income and senior
22 customers.

23 SEC. 2. The Public Utilities Commission shall immediately
24 develop and adopt regulations to expand substantially the
25 participation rate, also known as “penetration rate,” for the
26 California Alternate Rates for Energy or CARE program.

27 SEC. 3. This act is an urgency statute necessary for the
28 immediate preservation of the public peace, health, or safety
29 within the meaning of Article IV of the Constitution and shall go
30 into immediate effect. The facts constituting the necessity are:

31 In order that low-income and senior customers are protected
32 from the extraordinarily high electricity and gas prices, it is
33 necessary that this act take effect immediately.

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