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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Establish a
Framework and Processes for Assessing the
Affordability of Utility Service

Rulemaking 18-07-006
(Filed July 12, 2018)

**NATURAL RESOURCES DEFENSE COUNCIL
RESPONSE TO MOTION FOR EMERGENCY WINTER BILL RELIEF**

January 19, 2023

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Pursuant to Rule 11.1 of the Commission’s Rules of Practice and Procedure, the Natural Resources Defense Council (“NRDC”) hereby submits this response to the EMERGENCY MOTION OF THE PUBLIC ADVOCATES OFFICE FOR WINTER BILL RELIEF filed by the Public Advocates Office (“Cal Advocates”) January 11, 2023. This response is timely filed.¹

NRDC is a non-profit membership organization with more than 95,000 California members who have an interest in receiving affordable energy services while reducing the environmental impact of California’s energy consumption.

As described below, NRDC strongly supports immediate Commission action to address winter bills. NRDC also provides additional recommendations to ensure that impact from similar situations in the future can be mitigated in a timely manner.

I. NRDC Agrees with PAO Motion, and Proposed Near Term Solutions

As PAO correctly explains, residential fossil gas prices will more than double in parts of California due to increasing wholesale commodity prices. This sudden increase will especially come as a shock to lower-income customers who may see their bill increase two-fold or more in the matter of a month. This increase in gas prices is incremental to high rates of inflation and increase in prices of basic commodities. Thankfully, the residential gas sector is regulated by the CPUC and the CPUC has the tools to ensure that the shock of this wholesale price increase can be managed.

¹ Although Rule 11.1 allows fifteen days to respond to a motion, Cal Advocates has requested, given the urgent need for bill relief, that parties submit responses within five days. Excluding weekends and Monday, January 16 which was not a business day, in honor of Dr. Martin Luther King, this brief is timely filed within five days.

NRDC agrees with the near-term actions proposed by the PAO; NRDC also agrees with the PAO's legal justification that the CPUC can take these near-term steps. Getting CARE customers on a payment protection plan will help smooth the impact of these increasing prices in the very near-term; then applying the climate credit to offset money owed by CARE customers will ensure that CARE customers don't get saddled with utility debt.

II. Prudent Action can help Mitigate Similar Future Situations

Wholesale commodity price increases occur due to a paucity of supply relative to customer demand. While it is important to make sure that CARE customers don't get burdened with high bills every time commodity prices rise, it is also important to ensure that efficiency and conservation can be applied to reduce demand to the extent feasible. No reduction in gas demand from customers means that the shortage in supply will continue and prices will continue to rise.

Going forward, the Commission should take the following actions:

- Require gas utilities to alert customers when gas prices are expected to rise more than 50% (or another such benchmark figure) month over month. Gas utilities should provide customers with solutions to reduce their gas demand so that customers can take timely action to mitigate impact on their utility bills and reduce the aggregate demand for gas and help alleviate some of the supply shortage. Without necessary information and tools to decrease demand, supply shortages will only get worse and prices will keep rising.
- Develop ready to implement utility debt relief steps for CARE customers, similar to what are proposed by the PAO, if gas prices are expected to increase over 50%.
- Continue to apply low-income efficiency programs, such as the Energy Savings Assistance Program, to weatherize homes. Weatherization will reduce demand for heating and cooling; this will help curb both gas heating demand during cold months and electric cooling demand during hot summer months.
- Initiate long term gas transition planning with a focus on early electrification for CARE customers to ensure that they aren't left paying for the gas infrastructure as wealthier Californians electrify.

III. Conclusion

NRDC supports granting Cal Advocates' emergency motion to advance the climate credit and reinstate automatic enrollment.

Dated: January 19, 2023

Respectfully submitted,

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