



Our Mission

We're working to rapidly reduce climate pollution at scale, starting in California.

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Senator Josh Becker
Chair, Senate Energy, Utilities and Communications Committee
1021 O Street, Suite 3350
Sacramento, CA 95814

April 14, 2025

RE: SB 332 (Wahab) – The Climate Center – SUPPORT

Dear Chair Becker,

I am writing to express The Climate Center's support for SB 332 (Wahab), the Investor-Owned Utilities (IOU) Accountability Act. The Climate Center is a climate and energy policy nonprofit working to rapidly reduce climate pollution at scale. We are a think-tank/do-tank working collaboratively for accelerated, equity-centered, labor-friendly climate policy in California. We know that as goes California, so goes the world. With the climate crisis rapidly worsening, we engage in cross-sector coalitions to enact bold, science-based policy that sparks innovation and channels market forces for speed and scale GHG reductions to benefit everyone.

Electrification of fossil-fuel-using activities is a key requirement for reducing GHG emissions, but the growing electricity affordability crisis threatens those efforts. Addressing affordability now demands a thorough examination of all causal factors and possible solutions, including investigating what form of utility structure would best serve California ratepayers. In recent years, IOUs have seen their profits rise, primarily because they earn a generous return on infrastructure investments, such as building power lines and undergrounding to reduce wildfire risks. Meanwhile, ratepayers have been experiencing a relentless increase in their electricity bills.

A recent report noted¹: "There is an inherent tension in the cost of service-based utility regulatory model. As investor-owned businesses, IOUs seek to maximize their profits, which often runs headlong into regulators' goal of achieving just and reasonable rates. ... a root cause of this problem: excessive utility rates of return allowed by utility commissions in setting customer prices."

We are at a pivotal time when California must address not only the climate crisis but also the affordability crisis. SB 332 takes a needed

¹ See <https://www.economicliberties.us/our-work/rate-of-return/#>

first step by directing the California Energy Commission to investigate and report to the Legislature on the benefits and challenges of transitioning California IOUs to a successor public entity that, by design, would be focused entirely on how best to serve California rather than how to maximize IOU shareholder profits.

For these reasons, we strongly urge you to do all you can to move SB 332 through your Committee and through the California Senate. Thank you for your leadership on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'ECohen', with a long, sweeping horizontal line extending to the right.

Ellie Cohen, CEO
The Climate Center

cc: Senator Wahab