

The Enhanced Economic Development Utility Rate

An Economic Development Incentive for High Unemployment Areas Within the PG&E Service Territory

What is the “Enhanced Economic Development Utility Rate?”

- The Central Valley has **high unemployment**, in fact much higher unemployment than the state and national averages. The major cities of the Central Valley also have long-term unemployment and poverty rates that are among the worst in the country. That means potential workers are left waiting for opportunities.
- Local governments in the Central Valley are constantly working to bring job opportunities to the region; targeting new employers & helping local businesses expand to support economic development.
- One of the problems the region has encountered is that our electric rates are higher than competitive areas outside the state. These rates have been a major deterrent that commercial and industrial businesses have cited in considering expanding or locating in the Central Valley.
- While there have, in the past, been electric rates designed to promote economic development, their complexity and constraints mean none have met with much success.
- The City of Fresno has worked with PG&E to create an **enhanced economic development utility rate** with features specifically designed to add and retain jobs in the high unemployment areas of the Central Valley.

What are the details of this incentive proposal?

- Any business expanding or locating in the Central Valley **adding a minimum of 200kW of energy use** will become eligible for a substantial break on their electric rates.*
- This discount will be **35% off** the business’ electric bill for 5 years.
- Local governments will support this *enhanced economic development rate* with other local and state incentives to **help attract, expand and retain** employment opportunities for the Central Valley.
- This new rate will be offered in counties that have high unemployment (at least 125% of the state average), like Fresno and the counties of the Central Valley. The existing economic development rate, with a lower discount, will continue to be offered in all other counties in PG&E’s service territory.

Is this available to any existing businesses in the targeted areas?

- Yes – if you are able to **expand your business**, adding 200kW of energy use capacity, you will have met the minimum qualification to receive the reduced rate on your newly expanded energy bill.*
- The *enhanced economic development rate* is intended to **bring new business to Central Valley as well as help businesses already here to expand**. Where that happens, we will see new jobs, more economic activity, more tax revenue and more skills in the local market. In other words, even non-expanding businesses will benefit.
- In addition, by being offered to any existing business - in qualifying counties - that might otherwise be planning on leaving California, the rate will also be available to help **prevent job losses**.

Will my rates rise to pay for this?

- No. PG&E wants this to be self-funding and, in the bigger picture, to contribute to the local economy.
- Since these jobs would not otherwise exist, PG&E calculates that the local economy will, in the long-term, benefit from this incentive rate.

* Additional steps to determine eligibility will apply.

Is this available now?

- Not yet. First PG&E must ask for permission to establish this new rate from the state's Public Utilities Commission. The PUC regulates what PG&E does and has the final say on all the utility's rates.
- The City of Fresno has met with PUC Commissioners and staff to make the case for an *enhanced economic development rate*.
- PG&E will formally file an Application with the PUC in San Francisco to initiate the *enhanced economic development rate*. That starts a process in which other parties may join in to support (or oppose) the rate. A PUC judge will review the documents and hear arguments. Then the PUC will decide on the Application. This process can take as long as a year, but PG&E (and local government supporters) will try to complete it in less time.
- To enable that, the City of Fresno intends to be represented in the process, making the case for jobs in Fresno and throughout the Central Valley.

Is there anything that can be done to help?

- Yes. Fresno will not be the only part of California that will benefit from this *economic development rate*. So, while it was the City of Fresno that pressed for this proposal, Fresno County, and 21 other California counties and their cities with similarly high unemployment, will benefit. The City of Fresno welcomes support from other jurisdictions and organizations for this proposal.
- Also, local businesses, community groups, chambers, and other organizations – in fact, any organization that sees the benefit of bringing jobs to the Central Valley – can help by supporting the proposal.

What would it mean to support the proposal?

- As indicated, the City of Fresno plans to join the formal proceeding at the PUC. Supporting the City's intervention is one way of supporting the proposal.
- Support can be as simple as providing a **letter of support**. The City could then use such a letter in its arguments before the PUC.
- Organizations can also **become a joint party** with the City by co-signing City filings at the PUC.
- Organizations with more resources might even consider their own intervention, **adding their voice** separately to the PUC process.
- The City of Fresno is happy to discuss how best you might help.

Eligible Counties

Kern: ½ PGE, ½ SCE
Kings: ¾ PGE, ¼ SCE
Tulare: 85% SCE, 15% PGE
Fresno: PGE
Madera: PGE
Merced: ¾ PGE, ¼ MEID
Stanislaus: ½ PGE, ½ MID, TID
San Joaquin: ¾ PGE, ¼ MID

Alpine
Calaveras
Colusa
Glenn
Lake
Plumas
San Benito
Shasta
Sierra
Siskiyou
Sutter
Tehama
Trinity
Yuba

Who can I contact for more information?

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