**[DATE]**

The Honorable Buffy Wicks

Chair, Assembly Committee on Appropriations

1021 O Street, Suite 8140

Sacramento, CA 95814

***RE: [YOUR ORGANIZATION]’s Letter of Support for AB 2847***

Dear Chairperson Wicks,

On behalf of **[YOUR ORGANIZATION]**—**[ABOUT YOUR ORG]**—we are writing to express our unwavering support for AB 2847. **[YOUR ORGANIZATION]** believes this bill will improve transparency in Investor-Owned Utilities’(IOU) practices by requiring the CPUC to obtain clear financial impact projections for expenditures to enhance accountability and trust in how Californians’ money is spent.

AB 2847 mandates that California Investor-Owned Utilities disclose both the total revenue requirement accumulated over the asset's lifespan and the net present value of proposed spending on this requirement in their cost recovery applications for capital projects. This provision will provide a clearer understanding of a project's long-term impact on utility rates, especially given the frequent rate hikes burdening California ratepayers. Similar to the mandatory disclosures during a homebuyer's mortgage selection process, AB 2847 mandates IOUs to disclose both the initial price tag of a capital project and the projected total cost to customers, accounting for utility financing costs and profits. These total costs often surpass the presented price tag in the cost recovery application.

Recently, California Investor-Owned Utilities have implemented substantial rate hikes, exacerbating the financial burden for many of California’s most vulnerable residents. For example, over the past decade, Southern California Edison increased electricity costs by 89%, Pacific Gas & Electric (PG&E) by 92%, and San Diego Gas & Electric by 105%. Consequently, such exorbitant increases in Californians’ utility bills necessitate increased scrutiny of proposed costs and potential increases, particularly concerning capital projects and often excessive utility profits.

At a time with soaring rates, every dollar is critical when evaluating the inclusion of new programs and future projects. This transparent measure provides the CPUC and the public with vital information regarding upfront costs and the subsequent impact on customer bills throughout the asset’s lifespan, which is information all Californians deserve.

Sincerely,

**[YOUR ORGANIZATION]**