



CITY OF HUNTINGTON BEACH

Memorandum to City Council

TO: City Council

FROM: Shannon Levin, Council Policy Analyst

CC: Eric G. Parra, Interim City Manager
Travis Hopkins, Assistant City Manager

DATE: March 14, 2024

SUBJECT: Supplemental Communication for Item 13 (Pending Legislation) on the 9/19/24 City Council Agenda

This memo is to clarify that Recommended Action B should replace the text AB 1174 with AB 1774.

**SUPPLEMENTAL
COMMUNICATION**

3/19/2024

Meeting Date: _____

13 (24-180)

Agenda Item No.: _____

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Eric G. Parra, Interim City Manager

VIA: Travis K. Hopkins, Assistant City Manager

PREPARED BY: Shannon Levin, Council Policy Analyst

Subject:

..title

Consider position on legislation pending before the State Legislature, as recommended by the Intergovernmental Relations Committee (IRC)

..body

Statement of Issue:

On February 21, 2024, the Intergovernmental Relations Committee (IRC) comprised of Mayor Gracey Van Der Mark and Mayor Pro Tem Pat Burns (with Council Member Tony Strickland absent), discussed legislative items with relevance to Huntington Beach. Following discussion, the IRC chose to take positions on various State bills, which are presented to the City Council for consideration.

Financial Impact:

Not applicable

Recommended Action:

..recommendation

A) SUPPORT AB 1999 (Irwin) *Electricity: fixed charges*, and send a letter of support.

B) Receive and file letters of support for AB 1773 (Dixon) *e-bikes* and AB 1774 (Dixon) *e-bikes*.

..end

Alternative Action(s):

Do not approve recommend action and direct staff accordingly.

Analysis:

AB 1999 (Irwin) Electricity: fixed charges

This measure would overturn a provision of a state law passed in 2022 (AB 205) requiring the CPUC to authorize a fixed charge for default residential rates of the State's largest utility providers and requires these fixed charges to be established on an income-graduated basis so that low-income ratepayers have lower average monthly bills without

making any changes in usage. The bill would also cap the fixed charge that CPUC may authorize utility providers to charge customers for grid maintenance.

The income graduated fixed rates may perpetuate inequity and does not include proper accountability for energy providers. The income graduated charges may even disincentivize solar and energy conservation by other residential customers, impact overall system costs and efficiency, and likely increase costs for middle- and high-income customers. Costs associated with the fixed rates include climate driven costs such as burying power lines to reduce wildfire risks and building out infrastructure for electrification and reduction of carbon-based electricity generation.

AB 1999 would repeal the provisions described in Public Utilities Code Section 739.9. The bill would instead permit the Commission to authorize fixed charges that do not exceed \$5 per residential customer account per month for low-income customers enrolled in the California Alternate Rates for Energy (CARE) program and that do not exceed \$10 per residential customer account per month for customers not enrolled in the CARE program. AB 1999 would authorize these maximum allowable fixed charges to be adjusted by no more than the annual percentage increase in the Consumer Price Index for the prior calendar year, beginning January 1, 2016.

Also, consistent with the 2024 Legislative Platform, two letters of support were issued regarding public safety: Support legislation that clarifies the public safety strategy for e-bikes and e-bike riders.

AB 1773 (Dixon) Vehicles: electric bicycles

Existing law prohibits the use of a motorized bicycle on a bicycle path or trail, bikeway, bicycle lane, equestrian trail, or hiking or recreational trail, unless the governing body permits the operation. Existing law also authorizes a local public agency to prohibit the use of an electric bicycle on an equestrian trail, hiking, or recreational trail. AB 1773 clarifies that a boardwalk is included in the definition of recreational trail. Additionally, the bill would impose a fine, not to exceed \$35, against a person convicted of an infraction for a violation of an ordinance prohibiting or regulating electric bicycles on recreational trails.

AB 1774 (Dixon) Vehicles: electric bicycles

AB 1774 would prohibit the sale of any device that can modify the speed capability of an e-bike.

Environmental Status:

This action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

Strategic Plan Goal:

Non Applicable - Administrative Item

For details, visit www.huntingtonbeachca.gov/strategicplan
<<http://www.huntingtonbeachca.gov/strategicplan>>.

Attachment(s):

1. AB 1999- Draft Letter of Support
2. AB 1773 and AB 1774- Letters of Support