

From: Sona Coffee <sonacoffee@gmail.com>

Sent: Tuesday, August 6, 2024 10:54 AM

To: CityClerk <CityClerk@longbeach.gov>; Rex Richardson <Rex.Richardson@longbeach.gov>

Cc: Mayor <Mayor@longbeach.gov>; Paul Monge <Paul.Monge@longbeach.gov>; Council District 1 <District1@longbeach.gov>; Council District 2 <District2@longbeach.gov>; Council District 3 <District3@longbeach.gov>; Council District 4 <District4@longbeach.gov>; Council District 5 <District5@longbeach.gov>; Council District 6 <District6@longbeach.gov>; Council District 7 <District7@longbeach.gov>; Council District 8 <District8@longbeach.gov>; Council District 9 <District9@longbeach.gov>

Subject: Support for Item#33: Recommending a Ballot Measure to Repeal UUT Exemption

-EXTERNAL-

Dear Mayor Richardson and Long Beach City Council,

As a Long Beach resident and member of the City's Climate Resilient & Sustainable City Commission, I am writing to express my support for the proposal to close the tax loophole that exempts power plants in Long Beach from paying their fair share of the 5% Gas Utility Users Tax (UUT). This funding sustains critical city services such as libraries, parks, youth programs, and public safety services – and can help ease the City's transition from oil revenues. Power plants located in our city should not be exempt from paying the UUT as all energy users do.

In order for the City of Long Beach to successfully transition away from its reliance on local oil production revenues to fund services, it must identify stable, alternative revenue sources to protect the services that residents depend on, and I commend staff for identifying this option. In addition to funding community services, a portion of the \$15M estimated annual revenue should also be dedicated to supporting Long Beach's climate transition away from the fossil fuels that are polluting our communities and harming public health, and toward the future of clean energy development and jobs in Long Beach.

There are creative options to reuse abandoned and idle oil wells throughout the city to create renewable energy. The City Council recently heard a presentation on the impacts of declining oil production to the City's revenues, and there is no better time than now for Long Beach to move away from the energy generation of the past and explore these opportunities with the UUT revenue from power plants.

For more than 30 years, two power plants located within Long Beach – the Alamitos Energy Center owned by Applied Energy Services Corporation and the Haynes Plant owned by the LA Department of Water and Power – have been exempt from paying the Gas Utility Users Tax that local residents and businesses pay.

Throughout this time, Long Beach residents have borne the environmental burdens of these two power plants, while gaining little benefit from the electricity they generate, which mainly serves millions of their customers who primarily live outside of Long Beach. While other power plants in California pay a Gas UUT, these plants remain exempt in Long Beach.

By removing the Gas Utility Users Tax exemption that local power plants have benefited from for over three decades, this would **generate approximately \$90 million in new revenue for Long Beach by 2030 to help offset declining oil revenues and prevent cuts to critical services.** This additional revenue will help preserve vital services for our community including

senior services, afterschool programs, neighborhood libraries, maintaining our beaches and parks, homelessness outreach, repairing streets and potholes, improving response times for firefighters and ambulances, and other services that benefit residents of all ages in Long Beach.

I strongly support the recommendation to give Long Beach voters the choice in November to eliminate the Gas Utility Users Tax exemption that local power plants receive. If these corporations pay their fair share of taxes, like residents do, we will be able to maintain and improve the essential services that our communities deserve.

Thank you for your consideration.

Sona Kalapura Coffee, MPP
Climate Resilient and Sustainable City Commissioner
City of Long Beach



Innovate. Advocate. Achieve. Together.

August 2, 2024

Honorable Rex Richardson
and members of the Long Beach City Council
411 W Ocean Blvd
Long Beach, CA 90802

Dear Mayor Richardson and Members of Long Beach City Council:

Climate Resolve supports closing the tax loophole that exempts Long Beach power plants from paying the 5% Gas Utility Users Tax and asks City Council to place a measure of the November ballot for consideration.

If Long Beach is to fulfill its Climate Action and Adaptation Plan, local oil extraction will soon come to an end. With the closure of extraction wells, the City will subsequently lose revenue from that process. Therefore, to keep the City in the black, and allow the City to continue performing vital services, Long Beach must pursue alternative sources of revenue.

Two power plants located within Long Beach – the Alamitos Energy Center owned by Applied Energy Services Corporation and the Haynes Plant owned by the Los Angeles Department of Water and Power – have been exempt for more than 30 years from paying the Gas Utility Users Tax (UUT) that local residents and businesses pay. More importantly, other power plants in California pay a UUT, but, uniquely, the Long Beach plants do not.

Removing the UUT exemption would generate approximately \$90 million in new revenue for Long Beach by 2030. This additional revenue will help preserve vital services in Long Beach.

I served, for a term of five years, as a commissioner at the Los Angeles Department of Water and Power, and currently serve on the utility's Equity Strategies Advisory Committee, tasked with identifying socially beneficial means of achieving fossil-free electrical production by 2035. Also, as a resident of the City of Los Angeles, I recognize that removing the UUT exemption will add to the economic burden of the LA utility and its ratepayers. Nonetheless, if Long Beach is to achieve its net-zero goals, Angelenos to the north are honor-bound to help with that transition, and not receive special exemptions.

Therefore, Climate Resolve supports allowing Long Beach voters to choose on whether to eliminate the Gas Utility Users Tax exemption for local power plants. If you have any questions, please do not hesitate to reach out.

Thank you for your consideration.

Jonathan Parfrey
Executive Director



LONG BEACH PUBLIC LIBRARY FOUNDATION

200 W. Broadway, Long Beach, CA 90802
(562) 628-2441 | info@LBPLfoundation.org



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Cathy De Leon, Director of Library Services,
Long Beach Public Library

LBPLFoundation.org

August 6, 2024

Via Email

The Honorable Mayor Rex Richardson & Councilmembers

City of Long Beach

411 W. Ocean Blvd.

Long Beach, CA 90802

Dear Mayor Richardson and Councilmembers,

We are writing to express the Long Beach Public Library Foundation's support for the proposal to close the tax loophole that exempts power plants in Long Beach from paying their fair share of the 5% Gas Utility Users Tax (UUT).

For over 30 years, power plants in Long Beach have been exempt from this tax, while Long Beach residents have endured the environmental impacts of these power plants without reaping significant benefits. By closing this loophole, we can generate approximately \$90 million in new revenue by 2030, ensuring the preservation of vital community services.

For the Long Beach Public Library Foundation, maintaining funding for our libraries is essential. Libraries are community lifelines, providing free access to educational resources, technology, and programs that foster lifelong learning and literacy.

We strongly support the proposal to allow Long Beach voters to eliminate the Gas Utility Users Tax exemption for certain power plants.

Thank you for your consideration.

Sincerely,

Sean M. Reilly
Board President

Veronica L. Garcia
Executive Director and CEO

cc: Diane Anglin, Board Member and VP of Public Affairs



California Faculty Association@Long Beach

1250 Bellflower Boulevard FO4
Room 180, MS 3505 Long Beach, CA 90840
Phone: (562) 985-5165
Fax: (562) 985-1717

August 5, 2024

Dear Mayor Richardson and Long Beach City Council,

My name is Dr. Gary Hytrek, professor of geography at California State University, Long Beach and Chair of the California Faculty Association@Long Beach's (CFA@LB) Political Action and Legislative Committee. I am writing to express CFA@LB's support for the proposal to close the tax loophole that exempts power plants in Long Beach from paying their fair share of the 5% Gas Utility Users Tax (UUT), which sustains critical city services such as libraries, parks, youth programs, and public safety services.

We believe it's essential for the City of Long Beach to identify stable, alternative revenue sources to protect the services that residents depend on, if the city is to successfully transition away from its reliance on local oil production revenues to fund services.

Two power plants located within Long Beach – the Alamitos Energy Center owned by Applied Energy Services Corporation and the Haynes Plant owned by the LA Department of Water and Power – have been exempt for more than 30 years from paying the Gas Utility Users Tax that local residents and businesses pay.

Throughout this time, Long Beach residents have borne the environmental burdens of these two power plants, while gaining little benefit from the electricity they generate, which mainly serves millions of their customers who primarily live outside of Long Beach. Meanwhile, other power plants in California pay a Gas UUT, but they remain exempt in Long Beach.

By removing the Gas Utility Users Tax exemption that local power plants have benefited from for over three decades, this would generate approximately \$90 million in new revenue for Long Beach by 2030 to help offset declining oil revenues and prevent cuts to critical services. This additional revenue will help preserve vital services for our community including senior services, after-school programs, neighborhood libraries, maintaining our beaches and parks, homelessness outreach, repairing streets and potholes, improving response times for firefighters and ambulances, and other services that benefit residents of all ages in Long Beach.

As the Union representing roughly 3,000 faculty, librarians, counselors, and coaches at CSULB, many of whom live in Long Beach and depend on the city for vital services, we urge the council to support the recommendation to give us (the Long Beach voters) the choice in November to eliminate the Gas Utility Users Tax exemption that local power plants receive. We believe that if these corporations pay their fair share of taxes, like residents do, we will be able to maintain and improve the essential services that our communities deserve.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read 'Gary Hytrek', with a stylized flourish at the end.

Dr. Gary Hytrek, PhD
Professor of Geography
CSULB
Chair, CFA@LB Political Action and Legislative Committee



INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, LOCAL 372



Honorable Rex Richardson
Mayor
City of Long Beach, California

August 5, 2024

Dear Mayor Richardson and Long Beach City Council,

I am writing to express Long Beach Firefighter's support for the proposal to close the tax loophole that exempts power plants in Long Beach from paying their fair share of the 5% Gas Utility Users Tax (UUT), which sustains critical city services such as libraries, parks, youth programs, and public safety services.

In order for the City of Long Beach to successfully transition away from its reliance on local oil production revenues to fund services, it must identify stable, alternative revenue sources to protect the services that residents depend on.

Two power plants located within Long Beach – the Alamitos Energy Center owned by Applied Energy Services Corporation and the Haynes Plant owned by the LA Department of Water and Power – have been exempt for more than 30 years from paying the Gas Utility Users Tax that local residents and businesses pay.

Throughout this time, Long Beach residents have borne the environmental burdens of these two power plants, while gaining little benefit from the electricity they generate, which mainly serves millions of their customers who primarily live outside of Long Beach. Meanwhile, other power plants in California pay a Gas UUT, but they remain exempt in Long Beach.

By removing the Gas Utility Users Tax exemption that local power plants have benefited from for over three decades, this would generate approximately \$90 million in new revenue for Long Beach by 2030 to help offset declining oil revenues and prevent cuts to critical services. This additional revenue will help preserve vital services for our community including senior services, afterschool programs, neighborhood libraries, maintaining our beaches and parks, homelessness outreach, repairing streets and potholes, improving response times for firefighters and ambulances, and other services.

Therefore, we strongly support the recommendation to give Long Beach voters the choice in November to eliminate the Gas Utility Users Tax exemption that local power plants receive. We believe that if these corporations pay their fair share of taxes, like residents do, we will be able to maintain and improve the essential services that our communities deserve.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Lamont Nguyen".

Lamont Nguyen
Secretary/Treasurer



LONG BEACH POLICE OFFICERS ASSOCIATION

SUPPORTING THE HEROES WHO PROTECT LONG BEACH

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2865 TEMPLE AVENUE | LONG BEACH, CALIFORNIA 90755 | (562) 426 - 1201

August 5, 2024

Mayor Richardson and Long Beach City Council,

I am writing to express the Long Beach Police Officers Association's support for the proposal to close the tax loophole that exempts power plants in Long Beach from paying their fair share of the 5% Gas Utility Users Tax (UUT), which sustains critical city services such as libraries, parks, youth programs, and public safety services.

For the City of Long Beach to successfully transition away from its reliance on local oil production revenues, it must identify stable, alternative revenue sources to protect essential services residents depend on.

Two power plants located within Long Beach – the Alamitos Energy Center owned by Applied Energy Services Corporation and the Haynes Plant owned by the LA Department of Water and Power – have been exempt for more than 30 years from paying the Gas Utility Users Tax that residents and businesses pay.

Throughout this time, Long Beach residents have borne the environmental burdens of these two power plants, while gaining little benefit from the electricity they generate, which mainly serves customers outside Long Beach. Meanwhile, other power plants in California pay a Gas UUT, but these remain exempt.

Removing this tax exemption would generate approximately \$90 million in new revenue for Long Beach by 2030 to help offset declining oil revenues and prevent cuts to critical services. This revenue will help preserve vital services for our community, including senior services, afterschool programs, libraries, maintaining beaches and parks, homelessness outreach, repairing streets, improving response times for firefighters and ambulances, and other services benefiting residents of all ages.

As President of the Long Beach Police Officers Association, I want to emphasize the importance of consistent and adequate funding for public safety services. Adequate funding ensures we can attract and retain skilled officers, provide necessary training and equipment, and uphold our commitment to safeguarding our community. In a time when public safety challenges are increasingly complex, we must have the financial stability to meet these demands effectively.

Therefore, we strongly support the recommendation to give Long Beach voters the choice in November to eliminate the Gas Utility Users Tax exemption for local power plants. We believe that if these corporations pay their fair share of taxes, like residents do, we will be able to maintain and improve the essential services our communities deserve.

Thank you for your consideration.

Rich Chambers

President, Long Beach Police Association

From: Gregory, John <John.Gregory@ladwp.com>

Sent: Tuesday, August 6, 2024 10:01 AM

To: Council District 1 <District1@longbeach.gov>; Council District 2 <District2@longbeach.gov>; Council District 3 <District3@longbeach.gov>; Council District 4 <District4@longbeach.gov>; Council District 5 <District5@longbeach.gov>; Council District 6 <District6@longbeach.gov>; Council District 7 <District7@longbeach.gov>; Council District 8 <District8@longbeach.gov>; Council District 9 <District9@longbeach.gov>

Cc: Mayor <Mayor@longbeach.gov>; Shawna Stevens <Shawna.Stevens@longbeach.gov>; Tom Modica <Tom.Modica@longbeach.gov>; CityClerk <CityClerk@longbeach.gov>; Sarah Patterson <Sarah.Patterson@longbeach.gov>; Rashina Young <Rashina.Young@longbeach.gov>; Parker Houston <Parker.Houston@longbeach.gov>; Rahul Sen <Rahul.Sen@longbeach.gov>; Cynthia Haro <Cynthia.Haro@longbeach.gov>; Sean Bernhoft <Sean.Bernhoft@longbeach.gov>; Bryan Martinez <Bryan.Martinez@longbeach.gov>; Alex Chin <Alex.Chin@longbeach.gov>; Habib, Paul <Paul.Habib@ladwp.com>; Williams, Janelva <Janelva.Williams@ladwp.com>; Ceja, Fredy <Fredy.Ceja@ladwp.com>

Subject: Item 33 (24-54287): LADWP Comments on the City of Long Beach Proposed UUT Ballot Measure (attachment)

-EXTERNAL-

Honorable Members of the Long Beach City Council:

Please see the attached comments from the Los Angeles Department of Water and Power for Item # 33 on today's Long Beach City Council Agenda relative to the proposed ballot measure that would include the removal of the governmental agency Utility Users Tax gas exemption for the Haynes Generating Station, which is a facility that we own and operate.

Thank you,

John Gregory

Legislative Representative

Los Angeles Department of Water and Power

Legislative & Intergovernmental Affairs

(213) 367-0712 office

john.gregory@ladwp.com

-----Confidentiality Notice----- This electronic message transmission contains information from the Los Angeles Department of Water and Power (LADWP), which may be confidential. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the content of this information is prohibited. If you have received this communication in error, please notify us immediately by e-mail and delete the original message and any attachment without reading or saving in any manner.

August 6, 2024

Honorable Members of the Long Beach City Council
City of Long Beach
411 West Ocean Boulevard
Long Beach, CA 90802

Honorable Members:

Subject: August 6, 2024 Long Beach City Council Agenda Item # 33 (24-54287):
Resolution Submitting to the Qualified Voters of the City of Long Beach to
Remove the Utility Users Tax Governmental Agency Gas Exemption from the
Los Angeles Department of Water and Power Haynes Generating Station

LADWP strongly urges you to maintain the governmental agency Utility Users Tax (UUT) gas exemption for the Haynes Generating Station as it pertains to the recommendation contained in the staff report for Long Beach City Council Item # 33, and the associated Resolution submitting to the qualified voters of the City of Long Beach on the November 5, 2024 General Municipal Election Ballot a Tax Measure amending Long Beach Municipal Code Section 3.68.040. The elimination of LADWP's exemption will impose new costs on our ratepayers and divert financial resources from our long-standing joint efforts to holistically reduce the health and economic burdens in the dozens of communities directly impacted by goods movement originating in the Ports of Los Angeles and Long Beach.

The Los Angeles Department of Water and Power (LADWP) has an 87-year operating history in the Long Beach area, which began with our acquisition of the Seal Beach Steam Generating Plant in 1937. LADWP subsequently acquired the Haynes Generating Station (Haynes) property in 1957 to enable construction of a modern replacement for the Seal Beach facility. Since the first Haynes generating unit was brought online in 1962, LADWP has made significant investments to reduce the environmental impacts of the facility. We initiated efforts to lower emissions in the 1980s and retrofitted most of the Haynes boilers during the 1990s, while also eliminating the use of fuel oil in the winter when natural gas supplies were scarce. More efficient units were installed in the 2000s that lowered fuel gas consumption and resulted in the second most efficient unit in our entire generation fleet.

The current proposal to eliminate the UUT governmental agency gas exemption for Haynes would effectively transfer a new general treasury revenue burden from the taxpayers of the City of Long Beach to the utility ratepayers of the City of Los Angeles. It also targets a facility that is actively making significant investments to lessen its own environmental impacts, while simultaneously serving as a catalyst for reducing emissions in the sector most responsible for local air pollution: heavy-duty transportation. These emissions far exceed the air quality impacts of stationary electric generating facilities many times over.

LADWP is sensitive to the budgetary challenges confronting the City of Long Beach. Securing adequate revenues to maintain critical city services and improve infrastructure while not burdening the very people we are here to serve is a delicate balancing act. We also recognize that the lingering impacts of high inflation not only strain municipal government finances but remain a burden on our respective residents and their household budgets. Over the last three years LADWP has secured more than \$500 million in state and federal COVID-19 utility bill relief dollars directly for our ratepayers, yet we continue to carry a significant accumulated outstanding balance for electric and water arrearages.

Increasingly, the discussion at the kitchen table involves families prioritizing the most urgent bills to pay. The Long Beach Utilities Commission responded to utility bill affordability challenges last year when they allocated \$6 million in Assembly Bill 32 Cap and Trade dollars to provide a one-time \$45 bill credit to all residential natural gas accounts following an unprecedented spike in winter commodity prices. Unfortunately, the current UUT proposal could serve as a setback to any further efforts to provide utility bill relief. Specifically, the most recent City Manager report transmitted to the Long Beach City Council does not rule out the possibility of a \$50 annual increase in the average Southern California Edison (SCE) bill for Long Beach residents. This report also does not provide a financial analysis of the potential rate impacts to commercial and industrial customers, including those based in the Port of Long Beach.

Unlike the investor-owned utility (IOU) SCE and the for-profit Applied Energy Services Corporation (AES) Alamitos Energy Center (AEC) generating facility, LADWP is a not-for-profit Publicly Owned Utility (POU). LADWP revenues are borne solely by our ratepayers – 54 percent of whom reside in disadvantaged communities (DACs). The POU business model enables our customer rates to remain considerably lower than California IOUs, which is in large part due to the fact we have no outside investors seeking a financial return. This enables LADWP to prioritize the use of our revenues for infrastructure investments and customer programs such as energy efficiency rebates. While the initial June 11, 2024 Long Beach City Manager report proposal correctly notes that the landscape has changed for SCE since the 1994 UUT exemption was granted,

nothing has changed for LADWP in the last 30 years relative to our ownership of Haynes or our status as a vertically integrated utility. The existing UUT ordinance exemption language also makes a clear distinction between an electrical corporation and a governmental agency. Moreover, there is a long-standing and generally accepted practice of governmental entities not taxing each other, as we serve the common good.

LADWP views itself as a partner with the City of Long Beach, not an adversary. As the 2028 Summer Olympic and Paralympic Games rapidly approach, it is in our mutual interests to continue our long track record of collaboration. LADWP proudly stood with the City of Long Beach in September 2011 to announce the launch of our multi-year once-through cooling (OTC) generation unit phase-out effort at Haynes. A related dialogue continues today with the Office of Long Beach City Councilmember Kristina Duggan on potential solutions for preventing stagnation in the Alamitos Bay Marina upon the retirement of the last remaining OTC-reliant units. On a separate track, LADWP and the Long Beach Utilities Department are actively collaborating on plans for the installation of a new intercity recycled water connection pipeline between our two cities. LADWP is also supporting a key project associated with the Port of Long Beach's efforts to install 100 heavy-duty electric vehicle (EV) charging outlets by 2028.

The need for a municipality to own property and maintain facilities outside of its jurisdictional boundaries is not without precedent, including for the City of Long Beach. LADWP is actively engaged in preliminary planning efforts for the construction of a heavy-duty EV charging facility at Pier B Street and Carrack Avenue, which will be sited on a 2.43-acre property owned by the Port of Long Beach, located within the municipal boundaries of the City of Los Angeles. The Port of Long Beach's goals for this project align with LADWP's broader efforts to reduce heavy-duty transportation sector emissions as the leading source of air pollution in the region, with the most severe impacts borne by our communities surrounding the Ports of Los Angeles and Long Beach. Cost-effective and efficient powerplants such as Haynes will be critical to serving the significant new heavy-duty EV load necessary for reducing transportation sector emissions in and around both Ports.

While LADWP actively encourages industry to develop longer duration utility-scale renewable energy storage technologies, in the near-term, a portion of the energy required for the Port of Long Beach heavy-duty EV charging facility will need to be generated at Haynes. Overnight charging is a key element of the Port of Long Beach project, which makes this locally based generation resource essential in the hours when solar energy is not available. While suitable nascent energy storage technologies are being actively explored and developed, LADWP remains committed to meeting our 2029 deadline to upgrade the remaining Haynes OTC-reliant units with the most advanced and efficient technology commercially available.

Honorable Members of the Long Beach City Council
Page 4
August 6, 2024

We thank you for the opportunity to share our concerns relative to this significant proposed change in policy and practice. Should you wish to discuss this matter further, please contact me at (213) 367-3846.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Habib", with a stylized flourish at the end.

Paul Habib
Director, Legislative and Intergovernmental Affairs

JG:ph
c: Mayor Rex Richardson, City of Long Beach
Thomas B. Modica, Long Beach City Manager

From: Pete Marsh <petemarsh.re@gmail.com>
Sent: Tuesday, August 6, 2024 11:29 AM
To: CityClerk <CityClerk@longbeach.gov>
Cc: Mayor <Mayor@longbeach.gov>; Cindy Allen <Cindy.Allen@longbeach.gov>; Rahul Sen <Rahul.Sen@longbeach.gov>
Subject: SUPPORT: City Council Agenda Item 24-54287 (UUT), 08.06.2024

-EXTERNAL-

Pete Marsh
369 Coronado Ave (District 2), Long Beach CA 90814
PeteMarsh.RE@gmail.com | 530.636.3994
August 6, 2024

City of Long Beach, City Council
411 W. Ocean Blvd
Long Beach, CA 90802
via email to cityclerk@longbeach.gov

Re: City Council Special Meeting 08.06.2024, Agenda Item 24-54287:
“To repeal the exemption from the Gas Utility Users Tax ...”

Dear Mayor Richardson, Council Members, and Staff:

I SUPPORT the staff recommendation as presented, in order to close the decades-old loophole that exempts power plants in Long Beach from paying their fair share of the 5% Gas Utility Users Tax (UUT). Two plants in Long Beach (AES’ AEC and LADWP’s Haynes) have been exempt for more than 30 years from paying the UUT, even though local residents and businesses pay.

As we transition the global economy away from fossil fuels, two of the most important things to do are to:

- (1) eliminate subsidies that artificially reduce the price of fossil-based energy, and
- (2) go further, imposing a price on carbon pollution to reflect the enormous economic toll that fossil combustion exerts on the economy.

For two centuries, fossil-based energy sources have largely been allowed to emit criteria pollutants and greenhouse gasses into our shared atmosphere at no cost. Why should we allow that? We all pay a reasonable fee to have our Municipal Solid Waste hauled away and properly disposed of. Carbon pollution should be treated no differently: it may be invisible to our naked eyes, but its impact on our respiratory health, cancer risk, and global warming are massive. We’re observing increased wildfire frequency and severity, sea level rise, and other impacts of a warmer atmosphere and oceans. And a recent Harvard study concluded that 8 to 10 million of our fellow humans die prematurely each year as a result of the respiratory impacts of fossil combustion.

We need to do many things to mitigate global warming by bending the emissions curve downward, and adapt to its impacts. One of the craziest things we’ve been doing is to spend public money on artificially reducing the cost of fossil fuel combustion. Let’s swing the pendulum rapidly in the opposite direction: acknowledge the true price fossil fuels impose on our global economy and health, and make polluters pay their fair share.

In support, I've attached a copy of a white paper I wrote for the Climate Council to present to The Long Beach City Council in May 2023 about the social cost of carbon. That body of research and Analysis is highly relevant to today's discussion.

Thank you for all that you do for our community and economy, both local and global!

Pete Marsh

Member of many local and national climate solutions NGOs,
Writing for myself and my children and grandchildren today

Social Cost of Carbon

Quantifying costs imposed on society from combustion of fossil fuels

The social cost of carbon (SCC) is an economic field of research that quantifies the costs imposed on society from combustion of fossil fuels beyond the price paid “at the pump,” by the direct consumer. Technically, it’s an estimate of the present discounted value of the future damage caused by 1 tonne of CO₂ emissions [1]. Dr. William Nordhaus won the 2018 Nobel Prize in Economics for his 1980s work on the Social Cost of Carbon, and President Obama’s Executive Order (EO) 12866 in 2010 established an Interagency Working Group on the Social Cost of Greenhouse Gases (IWG), which developed a methodology for estimating the SCC [2].

The costs considered in the IWG’s current SCC methodology are the financial impacts of climate change, including changes in agricultural productivity, property damage from increased flooding, increased extreme weather events, increased wildfires, reduced labor productivity, and declines in human health from hotter ecosystems [3]. The IWG methodology does not currently include several other factors, although a 2017 report by the National Academies of Science, Engineering, and Medicine (NASEM) to the IWG contains recommendations for considering them. These include global factors such as forced migration and economic and political destabilization; global biodiversity and species extinction; and health damages from air pollution, ozone pollution, and wildfire smoke [4].

The IWG SCC was calculated at \$42 during the Obama administration, then reduced to \$3 at the beginning of the Trump administration. In 2021, EO 13990 restored it to \$51 (\$42 plus inflation), and also ordered a review; that review, delivered in September 2022, implements many of the NASEM suggestions and concludes that SCC is \$190/MT [5].

Federal agencies are required to use SCC to evaluate proposed regulations. California and 11 other states have adopted the federal SCC, and also use it in policy analysis [6]. Globally, about 70 nations or sub-nations covering 23% of global emissions place an actual price on carbon, in the form of either a Cap-and-Trade system like California’s or a carbon tax [7]. California AB-766, “Climate change: corporate disclosures” (Gabriel, Bennett, 2021-2022) did not pass, but would have required “covered corporations” to begin to account for the cost of emissions [8].

State Lands Commission Order # W 17166 of 12 April 2023 was clear: “incorporate **risk identification and analysis** to provide the transparency necessary to **evaluate the efficacy of current and future operations**,” with SCC #9 of 11 areas of consideration. For decades, ER has not quantified the damages caused by extraction, focusing only on the dollars flowing into city coffers. SCC gives City Council a tool to understand the magnitude of the health and budget impacts.

[1] K. Rennert and C. Kingdon, “Social Cost of Carbon 101,” Resources for the Future, Feb. 03, 2022.

<https://www.rff.org/publications/explainers/social-cost-carbon-101> (accessed Apr. 11, 2023).

[2] US Interagency Working Group on Social Cost of Greenhouse Gases, “Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide,” Feb. 2021, [Online]. Available:

https://www.whitehouse.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf

[3] Ibid

[4] Ibid

[5] US EPA, “EPA External Review Draft of ‘Report on the Social Cost of Greenhouse Gases: Estimates Incorporating Recent Scientific Advances,’” Sep. 22, 2022. <https://www.epa.gov/environmental-economics/scghg> (accessed Apr. 30, 2023).

[6] “States Using the SCC.” <https://costofcarbon.org/states> (accessed Apr. 30, 2023).

[7] “Which countries have put a price on carbon?,” Our World in Data. <https://ourworldindata.org/carbon-pricing>

[8] AB-766 (proposed, not passed) Climate change: corporate disclosures. (Gabriel, Bennett, 2021-2022).

https://leginfo.legislature.ca.gov/faces/billStatusClient.xhtml?bill_id=202120220AB766

From: Kristin Rhodes <kristindrhodes@gmail.com>

Sent: Tuesday, August 6, 2024 12:02 PM

To: CityClerk <CityClerk@longbeach.gov>

Cc: Cindy Allen <Cindy.Allen@longbeach.gov>; Mayor <Mayor@longbeach.gov>; Rahul Sen <Rahul.Sen@longbeach.gov>

Subject: SUPPORT: City Council Agenda Item 24-54287 (UUT), 08.06.2024

-EXTERNAL-

Dear Mayor Richardson, Council Members, and Staff:

As a Long Beach citizen, parent, and climate advocate, I strongly support closing the tax loophole that exempts Long Beach power plants from paying the 5% Gas Utility Users Tax. By removing this exemption, Long Beach could offset declining oil revenues and enhance crucial city services like the libraries and parks my family and friends rely on.

Utilities have a long history of benefiting financially while releasing pollutants that harm all of us, affecting our respiratory health and increasing our exposure to climate disasters. This measure would represent a step in the right direction when it comes to them paying their "fair share".

I urge the City Council to let voters decide in November to close this outdated and unfair loophole, ultimately benefiting our entire community.

Best,

Kristin Rhodes (District 2)