



Californians for Energy Choice

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August 29, 2018

California Senate - State Capitol, Room 3044, Sacramento, CA 95814

Re: SB 237 (Hertzberg) OPPOSE ***IMPORTANT* The August 24 amendments to this bill DO NOT address our concerns.**

Dear Senator:

Californians for Energy Choice writes to voice our very strong opposition to SB 237. Since 2010, our community based grassroots coalition has worked to support and expand Community Choice clean energy programs, and defend them against bills like SB 237.

SB 237 weakens important restrictions on the sale of polluting Direct Access electricity from large private energy providers to large commercial customers, with no compensating requirements for renewable content at all. It would decimate Community Choice energy programs (CCAs) and other community based clean energy, undermine SB 100 climate goals by minimizing clean energy adoption, perpetuate the fire dangers and costs of long range transmission lines, and could trigger another statewide energy crisis.

- **SB 237 would gut community based clean energy programs of large commercial and industrial customers.** Under SB 237, large, private, fossil fuel energy corporations would use their market dominating economies of scale, and their access to cheap dirty energy sources, to attract and capture large commercial and industrial electricity customers. This would gut existing and future local Community Choice programs of their most important customer base and revenue source. Few or none of these community programs would be able to retain enough revenue to launch or survive.
- **SB 237 could trigger another California energy crisis.** 17 Community Choice programs now provide a large part of our energy, and are required by 2021 to buy renewables in long-term contracts of 10 or more years. Many have already engaged such contracts. A rapid loss of large customers would make them unable to repay these contracts and likely drive them en masse into a statewide bankruptcy. Inevitably, millions of residential and small business customers would pay the cost (just as they shouldered billions in 2000 crisis bankruptcies) while big Direct Access customers would get discounts! Strict Direct Access limits were passed to *end* the corporate domination of energy generation that caused the 2000 crash.
- **SB 237 would favor large centralized power providers, halting a crucial shift to local clean energy that is more efficient, affordable, secure, and fire safe.** Local clean energy makes communities more self-sufficient, less dependent on expensive and dangerous long range transmission lines, and reduces the costly loss of electricity over those lines. SB 237 would take us in the opposite direction, favoring large, distant, centralized energy sellers. Electricity would become less efficient, less secure, less safe, and more subject to huge liability costs from wildfires. SB 237 would give cheap fossil fuel power to large customers, while sticking small customers with the expense and liabilities of an outdated, dangerous, transmission system.
- **SB 237 is a green jobs killer.** Community Choice programs are delivering localized, less expensive, and cleaner electricity, and are set to expand to serve up to 85% of Californians within the next decade. This vast expansion of clean energy adoption will create thousands of local jobs. Crippling these programs by favoring competition from centralized, fossil fuel electricity, would deeply undermine that expansion, and cut the legs out from under badly needed green jobs development.

SB 237 would unacceptably throw us back into a paradigm of polluting fossil fuel energy corporations dominating our electricity market, undermine secure and more fire safe community based renewables, and kill green jobs. It would give cheap energy to large commercial and industrial customers, while dumping higher costs and risks onto residents and small businesses.

We strongly urge you to OPPOSE SB 237!

Sincerely,

Eric Brooks, Co-Coordinator, Californians for Energy Choice