



Californians for Energy Choice

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May 5, 2017

Senate Appropriations Committee
State Capitol, Room 2206, Sacramento, CA 95814

Re: SB 618 (Bradford)—OPPOSE

Dear Senators:

Californians for Energy Choice writes to voice our strong opposition to SB 618, the latest power grab attempting to take away local control of energy choices, and undermine community based clean energy competition with the big monopoly utilities. Since 2010, our community based grassroots coalition has worked to support local renewable energy independence and green jobs by expanding California's Community Choice clean energy programs and defending them against attacks like SB 618.

SB 618 violates the original intent of AB 117 (Migden 2002 – Community Choice Aggregation) by putting financial and procedural roadblocks in front of local government decision-making around electricity supply and clean energy objectives.

SB 618 states that electrical providers must ensure “optimal integration of renewable energy” without defining the word “optimal” at all. This leaves the door wide open to abuse by regulators like the California Public Utilities Commission (CPUC) which has been openly hostile to Community Choice, and has undermined it in repeated decisions that favor the monopoly utilities against local, cleaner, community based competition. The CPUC will likely use this vague language to further interfere with Community Choice programs by imposing costly and unreasonable resource requirements on them.

SB 618 goes on to require that electrical providers, in meeting this vague “optimal” standard, must ensure “no cost shifting among load-serving entities”. Such pro-monopoly code language passed in previous years has been used by the CPUC to justify levying excessive, anti-competitive fees on Community Choice that hamstringing its ability to compete with the monopoly utilities on price.

Finally, SB 618 is part of a death-by-a-thousand-cuts scheme to undermine Community Choice via multiple bills and regulatory decisions supported by the monopoly utilities and their trade association allies. For example, AB 79 (Levine) requires onerous *hourly* greenhouse gas reporting on 'unspecified' electricity sources, a heavy administrative burden on Community Choice and public power. Likewise the monopoly utilities have successfully pushed the CPUC to raise unreasonable fees and restrictions on Community Choice, and are now proposing that the bond Community Choice programs must maintain, should be raised from its current \$100,000 up to \$100 million or even more! No fledgling Community Choice program could possibly bear this 1,000 fold increase.

Notably, we've been down this road before and the Senate has said 'No'. In 2014, *Assemblymember* Steven Bradford authored AB 2145, a bill which contained similar anti-democratic provisions designed to undermine Community Choice. And in 2015, San Diego Gas & Electric (SDG&E) attempted to insert such provisions into the landmark SB 350 clean energy bill. In both cases, Senators saw through these attacks on local clean energy democracy and soundly rejected both AB 2145, and SDG&E's amendment.

SB 618 is yet another bill in a long line of cynical attempts to hamstring Community Choice competition with the monopoly utilities, and undermine climate action goals that are vital to California's economy and the planetary environment.

We strongly urge you to OPPOSE SB 618!

Sincerely,

Eric Brooks, Co-Coordinator, Californians for Energy Choice