

July 10, 2017

The Honorable Christina Garcia, Chair
Assembly Natural Resources Committee
1070 N Street, Room 164
Sacramento, CA 95814
VIA FAX (916) 319-2192

**Re: SB 618— CITY OF HAYWARD Notice of Opposition
Load-serving Entities: Integrated Resource Plans**

Dear Assembly Member Garcia,

The City of Hayward writes to oppose SB 618 (Bradford). SB 618 requires that the California Public Utilities Commission (CPUC) approve the integrated resource plans of Community Choice energy programs—how they plan to integrate different local renewable energy resources and remote procurement to meet anticipated customer demand.

SB 618 was introduced by Sen. Steven Bradford, a former Southern Cal Edison executive and author of AB 2145—a failed 2014 bill that would have killed Community Choice programs in California. There is little doubt that Senator Bradford’s intent behind SB 618 is to tie the hands of Community Choice programs by putting approval of their integrated resource plans in an agency hostile to Community Choice.

SB 618 contravenes the intent of AB 117, the Community Choice Aggregation law, passed in 2002 and threatens to undermine Community Choice energy programs in California.

Community Choice energy programs were made possible by AB 117 to provide reliable, clean and affordable power while addressing the local needs of their communities. They are public, not-for-profit agencies that are formed to respond to and invest in the needs of their communities. They are established by local governments to advance local policy priorities including developing local renewable energy resources (both new generation, demand reduction, and storage), providing less expensive and greener energy, stimulating local business growth and job creation, advancing equity and increasing community resilience, all while exercising local control over energy procurement.

As intended by AB 117, Community Choice agencies are governed and operated by boards consisting of local elected officials who are directly accountable to their ratepayers and voters. As public programs, Community Choice agencies were not intended to be regulated by the CPUC, just as the state’s public municipal utility programs are exempt from CPUC regulation.

Rather, the CPUC was set up to regulate the monopoly utilities, the for-profit investor-owned utilities (IOUs), which strive to maximize profits for their shareholders—a goal often at odds with the public interest.

Under current state law, the CPUC is charged only with certifying that the implementation and integrated resource plans of Community Choice programs are consistent with State law regarding RPS, Greenhouse

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Gas reductions, Resource Adequacy, and other broad statutory mandates. SB 618, however, vests the CPUC with new authority to approve or disapprove a Community Choice program's integrated resource plan beyond such state compliance. This unduly interferes with the ability of Community Choice programs to locally control electricity procurement and to be accountable to their local communities.

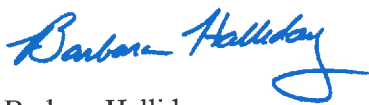
Municipal utilities and other local agencies engaged in power planning and management of water, waste, sewer and other resources successfully conduct integrated planning without intervention from a state agency like the CPUC, which is already overstressed, overworked, and unable to properly regulate the private monopoly utilities in the public interest.

State law (AB 117 and subsequent law) requires that the CPUC not only support Community Choice programs, but enforce utility cooperation with such programs. There is growing movement toward Community Choice by counties and cities throughout the state. It is estimated that as many as 60 percent of utility customers could depart to Community Choice programs during the next five years. The County of Marin has already established Community Choice Aggregation spanning the County of Napa as well as several cities in the County of Contra Costa. The City and County of San Francisco also has Community Choice Aggregation for their residents.

Locally, the City of Hayward, along with eleven cities and the County of Alameda are currently pursuing the establishment of Community Choice Aggregation. This is something we, as elected officials and as residents, wish to establish as this model has proven successful in several other states like Ohio, Massachusetts, New York, and Illinois. Community Choice Aggregation is in direct alignment with our Council Priority of "Green" specifically supporting the use of cleaner and renewable energy sources. SB618 adds unnecessary bureaucratic red-tape and undermines our local control and choice for using cleaner energy.

For the above reasons, we find SB 618 not only contrary to the intent of existing Community Choice law, but an effort to undermine Community Choice as the most powerful tool cities and counties have to cut greenhouse gas emissions, scale up renewable energy, and meet community needs regarding energy services.

Sincerely,



Barbara Halliday
Mayor

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