

March 27, 2017  
The Honorable Ben Hueso, Chair  
Senate Energy, Utilities & Communications Committee  
State Capitol, Room 4035  
Sacramento, CA 95814



**Re: SB 692—SUPPORT**

Dear Senator Hueso,

The [California Alliance for Community Energy](http://www.cacommunityenergy.org) writes to support SB 692 (Allen).

The Alliance is a statewide coalition of organizations, initiatives, and individuals that supports and defends Community Choice energy programs in California that advance local clean energy for the environmental and economic benefit of our communities.

We support SB 692's fix to the current Transmission Access Charge (TAC) market distortion. Currently, all electricity customers in the service territories of the State's investor-owned utilities are levied with a transmission access charge, even for electricity that is not delivered over transmission lines. SB 692 fixes this by assessing transmission access charges only on energy delivered through the transmission system.

This means that local renewable projects avoid unfair charges for a transmission system they do not use, increasing the value of these projects and spurring their development.

The growing impacts of climate change require the state to transition to a decarbonized energy model. This provides the opportunity to transition to a more decentralized and democratized energy system, one that allows our communities to build more resilient infrastructure and economic stability. As a result, Community Choice energy is increasingly seen as a preferred electricity procurement model by communities across the state.<sup>1</sup>

The development of local renewable energy resources is key to many of the benefits a Community Choice program can deliver, and it contributes significantly to the long-term stability of such programs. It represents an investment in local energy assets that creates new business opportunities, local jobs, community wealth, and stronger, more resilient, and equitable local economies. As such, it is strongly supported by many labor organizations as well as social and environmental justice organizations.

An additional benefit of local renewable energy generation is that it avoids the economic and environmental costs of inefficient long-distance transmission infrastructure. Shifting from remote, centralized generation of electricity to local decentralized generation of renewable electricity could avoid billions of dollars in new and/or upgraded transmission infrastructure, providing cost-savings benefits not only to Community Choice ratepayers, but to electricity consumers throughout the state. The future of electricity is renewable, local, and decentralized, and, once again, California is leading the way.

SB 692 will promote the community-based renewable energy development needed to achieve California's renewable energy and climate justice goals, and help Community Choice programs deliver environmental, economic, and social benefits to the communities they serve.

We urge you to support SB 692, as a key contribution to achieving California's climate goals and a renewable energy future for our communities.

Sincerely,

A handwritten signature in black ink that reads "Al Weinrub". The signature is fluid and cursive, with a long, sweeping underline.

Al Weinrub

Coordinator, California Alliance for Community Energy

Cc:

Members of the Senate Energy, Utilities & Communications Committee\*

Jay Dickinson, Consultant, Senate Energy, Utilities & Communications Committee

Nidia Bautista, Consultant, Senate Energy, Utilities & Communications Committee

Kerry Yoshida, Republican Consultant, Senate Energy, Utilities & Communications Committee

\* Members of the committee:

[Senator Ben Hueso \(Chair\)](#)

[Senator Mike Morrell \(Vice Chair\)](#)

[Senator Steven Bradford](#)

[Senator Anthony Cannella](#)

[Senator Robert M. Hertzberg](#)

[Senator Jerry Hill](#)

[Senator Mike McGuire](#)

[Senator Nancy Skinner](#)

[Senator Henry I. Stern](#)

[Senator Andy Vidak](#)

[Senator Scott D. Wiener](#)

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<sup>1</sup> There are currently [five operational Community Choice Energy programs](#) serving over two million Californians. According to the [Center for Climate Protection](#), by 2020, the combined population of areas with existing and about-to-launch programs, as well as large population areas considering Community Choice programs is about 17.6 million Californians. Needless to say, Community Choice Energy programs are and will become an increasingly important market player in California's energy system.