

May 28, 2019

The Honorable Ben Hueso, Chair
Senate Committee on Energy, Utilities and Communications
State Capitol, Room 4053
Sacramento, CA 95814

RE: AB 1584 (Quirk) [Cost Allocation] – OPPOSE

Dear Senator Hueso,

The California Alliance for Community Energy writes to voice our strong opposition to AB 1584, a bill that would change the manner in which renewable energy resources are procured and integrated into our electricity system, and the manner in which costs would be allocated for those actions.

The Alliance is a statewide advocacy organization that speaks to the interests of California ratepayers and communities regarding Community Choice energy programs. We work to support and defend Community Choice programs that advance local clean energy resources for the environmental, economic, and social justice benefit of our communities.

Even as amended May 1, AB 1584 remains a counterproductive imposition of a solution in search of a problem. Like many of the bills proposed this legislative session, AB 1584 would undermine the autonomy and effectiveness of Community Choice energy programs in the following ways:

- **Undermines the autonomy of Community Choice programs** -- Contrary to original Legislative intent as expressed in AB 117 and reaffirmed in multiple legislative actions since then, the Community Choice agencies are governed by governing boards of elected officials, expressly to reflect the will and unique needs of their constituent jurisdictions, customers, and communities. AB 1584 undermines this autonomy by substituting CPUC procurement, integration and costs for those decisions that the Community Choice agencies would otherwise have made themselves.
- **Is premature and unnecessary** – As was also true for SB 350, which we similarly oppose, AB 1584, would have the CPUC weighing in for a specific outcome, in the form of a “system-wide optimal portfolio,” when such is already the focus of a lengthy on-going docket. The CPUC plans to continue this docket with workshops and final decision later in 2019.
- **Reinforces an ineffective regulatory regime** – As acknowledged in the bill analysis, AB 1584 does not add authority to the CPUC; nonetheless, the measure deems it necessary to “bolster and affirm” the authority the CPUC already has. As such, the measure perpetuates a model of government regulation that has proven unable to address public safety and meet other public needs. The existing regulatory regime, in particular the CPUC, reflects strong bias in favor of the investor-owned utilities, and as such does not serve as a fair, reliable and responsive vehicle through which to promote the best interests of our communities, or the State as a whole, in the climate-challenged years ahead;

California now has 19 operational Community Choice programs in 160 communities across California, serving 11 million customers. These programs are leading the state in meeting the State’s aggressive greenhouse gas reduction targets (with 8,000 MW of new renewable energy projects in the pipeline) and in demonstrating a successful decentralized alternative to the state’s faltering private monopoly utilities. They are developing innovative community-based distributed energy resource programs, steps essential to sustainably meeting California’s climate goals and to securing equitable economic and social benefits for our communities.

In short, the California Alliance for Community Energy sees AB 1584 as an inappropriate and counterproductive infringement on the ability of Community Choice programs to optimally serve their communities. We urge that this measure be opposed.

Sincerely,

A handwritten signature in cursive script, appearing to read "Al Weinrub".

Al Weinrub
Coordinator, California Alliance for Community Energy

Cc:

Nidia Bautista, Chief Consultant, Senate Committee on Energy, Utilities and Communications
Members of the Senate Committee on Energy, Utilities and Communications