

May 16, 2019

The Honorable Chris R. Holden, Chair
Assembly Committee on Utilities and Energy
State Capitol, Room 5132
Sacramento, CA 95814

RE: SB 350 (Hertzberg) – Resource Adequacy – OPPOSE

Dear Chairman Holden,

The California Alliance for Community Energy writes to urge strong opposition to SB 350. This measure has moved quickly from the Senate through Appropriations and into the Assembly, with little opposition. From our perspective, however, what appears to be a measure with little controversy represents a significant undermining of the core benefits we expect to derive from local Community Choice energy programs.

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.

SB 350 would authorize the CPUC to modify existing law governing the procurement of resource adequacy (RA), to consider “a multiyear centralized resource adequacy mechanism”.¹ This action raises our concern on two levels:

- **Premature and Unnecessary** – Through this measure, the legislature would appear to be placing its thumb on the scale for a specific outcome, that is currently the focus of a lengthy on-going CPUC docket. Presupposing a “multiyear, centralized” procurement authority is premature, and potentially unnecessary given the existant docket, the undemonstrated claim of RA shortages, and the CPUC's current plans for “continued workshops and a final decision in the fourth quarter of 2019.”²
- **Undermines Community Benefits** – The ability of Community Choice programs to deliver benefits for their many communities relies significantly on the program's ability to tailor its project development plans to the individualized needs of its communities. East Bay Community Power Alliance and Local Clean Energy Alliance, for example, two member organizations of the California Alliance for Community Energy, worked closely with East Bay Community Energy to formulate a Local Development Business Plan as a roadmap for the capture of such benefits as skills training, job creation, cost savings and community resilience, through the targeted investment in local, distributed energy projects to serve the needs of East Bay communities. The ability of such projects to concurrently provide RA benefits to the Community Choice entity would be undermined by any requirement for centralized RA procurement.

California now has 19 operational Community Choice programs in 160 communities across California, serving 11 million customers. These programs are leaders in meeting the State’s aggressive greenhouse gas reduction targets and in demonstrating a successful decentralized alternative to the faltering private monopoly utilities. They are developing innovative community-based distributed energy resources, steps essential for sustainably meeting California’s climate goals and securing equitable economic and social benefits for our communities.

1 Senate Floor Analysis 04.24.19, page 2.

2 Ibid, page 5.

We urge the Assembly Committee on Utilities and Energy to vote to Oppose SB 350. Thank you very much for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Al Weinrub". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Al Weinrub
Coordinator, California Alliance for Community Energy

Cc:

Kellie Smith, Chief Consultant, Assembly Committee on Utilities and Energy

Members of the Assembly Committee on Utilities and Energy

Senator Benjamin Hueso, Chair, Senate Committee on Energy, Utilities and Communications

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

Members of the Senate Committee on Energy, Utilities and Communications