



Monday, April 14, 2014

The Honorable Steven Bradford
Chair, Assembly Utilities and Commerce Committee
State Capitol, Room 5175
Sacramento, CA 95814

Re: AB 2145 OPPOSE

Dear Assemblyman Bradford:

The Western Power Trading Forum (WPTF) is a broad-based membership organization dedicated to encouraging competition in Western states electricity markets. Our goal is to reduce the long-run cost of electricity to consumers throughout the region, and maintain the current high level of system reliability, while encouraging the development of competitive electricity markets throughout the Western states. Today, I am writing to express WPTF's opposition to AB 2145.

WPTF believes that the proposed legislation is contrary to the original intent of AB 117 (Migden) and will hinder, if not preclude further development and implementation of community choice programs. WPTF believes that this bill represents an infringement upon local government decision making that is unwarranted, unnecessary and should not become law.

AB 2145 Violates the Original Intent of AB 117

AB 117 (Migden), which authorized Community Choice Aggregation in California, intentionally structured CCAs as an opt-out program to allow California's community leaders to manage their communities' electric supply, when directed to do so by their constituents. It provided specific protections for community choice programs to limit the ability of the incumbent utility to stymie the program start-ups and otherwise attempt to hinder their formation. The need for such protections is real, as recognized by the passage in 2011 of SB 790 (Leno), which recognized the need to put further limitations on the actions of incumbent utilities in their marketing efforts with respect to community choice programs.

Passage of AB 2145 Will Thwart Achievement of California's Environmental Goals

Both of the existing community choice programs, Marin Clean Energy and Sonoma Clean Power have, as a centerpiece to their mission, the goals of increasing the use of renewable power and reducing greenhouse gas emissions in their communities beyond the state's mandates to do so, and beyond the levels that the incumbent utilities have achieved. Eliminating the opt-in feature of community choice programs, in direct contravention to the stated desires of the local residents and businesses they serve, will thwart the ability of community choice programs to those goals.

AB 2145 Provides Ample Opportunity for Customer Choice

Customers are not forced into accepting community choice programs. Public notices and a state requirement that every customer in the community choice footprint receives at least four opt-out notices ensure that resident and businesses retain the ability to be served by the monopoly utility, if that is their

choice. Indeed, both Marin Clean Energy and Sonoma Clean Power continue to allow customers to leave the community choice programs after the opt-out period, if that is their choice.

WPTF supports community choice aggregation, and believes that all electric ratepayers in California should be afforded choice with respect to their electric supply. Providing choices to customers – and the increase in competition that those choices create – serve to foster innovation, a critical component to achieving California’s environmental goals, while keeping downward pressure on prices that will allow California’s economy to once again thrive. The passage of AB 2145 would eliminate one of the only tools afforded to California communities to put competitive pressure on the monopoly utilities. Therefore, we urge you to oppose AB 2145, and support community choice. Should you have any questions, please do not hesitate to contact me at 650-444-2706.

Sincerely,



Gary Ackerman
Executive Director

cc:

Honorable Jim Patterson, Member, Assembly Utilities and Commerce Committee
Honorable Susan Bonilla, Member, Assembly Utilities and Commerce Committee
Honorable Joan Buchanan, Member, Assembly Utilities and Commerce Committee
Honorable Rocky Chavez, Member, Assembly Utilities and Commerce Committee
Honorable Brian Dahle, Member, Assembly Utilities and Commerce Committee
Honorable Paul Fong, Member, Assembly Utilities and Commerce Committee
Honorable Beth Gaines, Member, Assembly Utilities and Commerce Committee
Honorable Cristina Garcia, Member, Assembly Utilities and Commerce Committee
Honorable Roger Hernandez, Member, Assembly Utilities and Commerce Committee
Honorable Brian Jones, Member, Assembly Utilities and Commerce Committee
Honorable Kevin Mullin, Member, Assembly Utilities and Commerce Committee
Honorable Bill Quirk, Member, Assembly Utilities and Commerce Committee
Honorable Anthony Rendon, Member, Assembly Utilities and Commerce Committee
Honorable Nancy Skinner, Member, Assembly Utilities and Commerce Subcommittee
DaVina Flemings, Principal Consultant, Assembly Utilities and Commerce Committee
Daryl Thomas, Consultant, Assembly Republican Caucus
Martha Guzman, Deputy Legislative Secretary, Governor’s Office