

CITY *of* CALABASAS

April 15, 2021

The Honorable Anthony Portantino
State Capitol, Room 3086
Sacramento, CA 95814

RE: SB 612 (Portantino) – SUPPORT

Dear Senator Portantino,

The City of Calabasas is pleased to submit a letter of support for your SB 612, which would ensure that resources held in the Investor Owned Utility (IOU) portfolios are managed to maximize value for all customers, and would ensure fair and equal access to the benefits of these legacy resources.

Over the last ten years, millions of utility customers have transitioned from IOUs to Community Choice Aggregators (CCAs). Clean Power Alliance (CPA) of Southern California is the largest CCA in the country, comprised of 32 local jurisdictions across Los Angeles and Ventura Counties. The City of Calabasas is a proud member of CPA, with most residential, commercial, and municipal customers receiving 36% clean power (100% in October) from the entity. Our agencies have banded together to provide cleaner electricity at competitive rates, offering a choice in electricity service providers for the first time to nearly 3 million residents in the region.

When a customer transitions to a CCA, the customer continues to pay for resources, like energy, that were procured on their behalf through the power charge indifference adjustment (PCIA). However unlike an IOU customer, CCA customers receive no benefits from these resources. This inequity has been exacerbated in recent years as the cost of this payment has risen by hundreds of millions of dollars, with no sign of decreasing. The impacts of COVID-19 have made the importance of righting this inequity and lowering costs for all customers even more urgent.

This bill would ensure fair and equal access to the benefits of the resources that all customers pay for and would ensure that these legacy contracts are managed in a way that maximizes benefits for everyone. The bill would also require the California Public Utilities Commission (CPUC) to recognize the value of GHG-free energy in legacy contracts, and would increase transparency around how the IOUs renegotiate these contracts. However, time is of the essence. The longer the legislature takes to act, the less valuable these legacy contracts will be, and the less value customers will gain from access to them.

That is why we strongly support this bill, and thank you for moving forward with this important legislation.

If you have questions, or wish to discuss our position, please do not hesitate to contact the City of Calabasas (818) 224-1663.

Sincerely,

James R. Bozajian, Mayor

CC: Senator Henry Stern, Assembly Member Jesse Gabriel