



# **Senate Bill 612 – Support Letter Consideration**

Calabasas City Council

April 14, 2021

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# What does SB 612 do?

Clean Power Alliance has requested that member agencies write letters of support for SB 612, (Portantino) re: Ratepayer Equity. The bill concerns electrical corporations and other load-serving entities and their allocation of resources. Specifically it would ensure that the resources held in 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 10 years, millions of utility customers have switched from IOUs to Community Choice Aggregators (CCAs) such as the CPA and Calabasas. As Council is aware, CPA is the largest CCA in the country, comprised of 32 local jurisdictions across LA and Ventura Counties. Calabasas, as a member of CPA provides most of its residential, commercial and municipal customers with 36% clean power (100% in October 2021).

When customers transition to a CCA, like CPA, the customer continues to pay for resources, like energy, that were procured on their behalf through the power charge indifference adjustment of PICA. However unlike an IOU customer, CCA customers receive no benefits from these resources.

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# **SB 612 Support Letter Request**

## **What SB 612 does, continued:**

**SB 612 will rectify this inequity that 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.**

**SB 612 would ensure fair and equal access to the benefits of the resources that all customers pay for and would ensure that the legacy contracts are managed in a way the maximizes benefits for everyone. This bill would also require the California Public Utilities Commission (CPUC) to recognize the value of Greenhouse Gas (GHC) free energy in those contracts.**

**Time is of the essence. And passage of this legislation is important because as time goes on the less valuable these legacy contracts become.**

- **Legislative Solution: SB 612 (Portantino)**
  - **Provides IOU, CCA, and direct access customers equal right to receive legacy resource products in proportion to their load share**
  - **Requires the CPUC to recognize the value of GHG-free energy in the same way value is recognized for renewable energy and other products**
  - **Requires IOUs to offer any excess legacy resource products to the wholesale market in an annual solicitation**
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## Summary – SB 612 - Ratepayer Equity

- **The IOUs use the Power Charge Indifference Adjustment (PCIA) to recover above-market costs associated with their power portfolios.**
- **The impact of the PCIA on ratepayers is a major concern because it has increased by hundreds of millions of dollars in recent years.**
- **CPA has been working to resolve this issue at the CPUC, but that effort has stalled due to CPUC inaction.**
- **The Board is being requested to approve a Support position for a bill that establishes some fairness in the structure of PCIA.**
- **The Board is also being requested to have their individual cities/counties take a support position on the bill to protect their constituents and CPA's customers.**

**There is, at last check, there is no known opposition to SB 612. The League of California Cities is planning to issue a support letter also.**

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**Questions?**

**Gina Goodhill, Policy  
Director, CPA is in  
attendnace and available to  
answers questios.  
Thank you!**