



San Diego Community
Choice Alliance

June 11, 2018

Policy and Planning Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
customerchoice@cpuc.ca.gov

RE: Comments on California Customer Choice Draft Green Book

Dear CPUC staff:

Millions of California families are enjoying the benefits of choice, competitive rates (and most definitely contained rates), new revenue in their community, and shifting seamlessly from a for-profit to a not-for-profit business model to procure electricity. There are now seventeen operational CCA programs serving over 140 cities and 16 counties in California, providing stable and reliable electricity in partnership with the utilities. This is verified by the recent Moody's rating for California's first CCA program, Marin Clean Energy.

We agree it's critical to engage in dialogue on emerging trends and issues, but we believe the Green Book uses inaccurate information (especially from other states that have different goals and motivations for CCA, as well as Illinois, which is having a resurgence of CCA programs), and drew far-reaching conclusions about the impact of CCAs without verifiable data or evidence.

As we enter the final stages of approval for Community Choice in San Diego, we urge the PUC Commissioners and staff to revise the Green Book commensurate with the most updated information, and remove the subjective and hyperbolic conclusions that cannot be defended in any expert setting.



Here are our comments:

- **Existing regulations are already in place for CCAs**

CCAs follow a number of important rules set up by the Commission and must adhere to the CPUC's requirements of affordability, decarbonization and reliability. Specifically, CCA programs are required to meet Resource Adequacy and Renewable Standard requirements, and participate in the Integrated Resource Planning process.

CCAs are also subject to the [Brown Act](#), making them highly transparent and accountable when compared to the private utilities. This gives them a higher level of scrutiny not previously found in the IOUs.

- **Affordability**

As a not-for-profit model, Community Choice programs are inherently more affordable. Without the overhead costs of a for-profit company, CCAs are able to provide competitive and often lower rates while keeping revenues local for their communities. At the very least, Community Choice programs are essential to containing costs, since the utilities finally have a competitor in the marketplace. This is in stark contrast to the IOUs that answer to shareholders, and are primarily motivated by increasing profits rather than reducing rates.

- **Decarbonization**

Communities want a cleaner energy future, and CCAs are helping achieve that. When MCE first launched, it did so with [33%](#) renewable energy compared to PG&E's [16%](#). Since then, competition has made it possible for both entities to improve their numbers, and now boast [55%](#) and [33%](#) respectively.

Overall, CCAs are required to meet the state's climate goals, and are doing so at a faster pace than the IOUs. This is something that is not referenced in the Green Book.

- **Reliability**

As mentioned earlier, Community Choice programs are required to meet Resource Adequacy and Renewable Portfolio Standard requirements, and participate in the Integrated Resource Planning process. [According to CalCCA](#),



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CCAs take seriously their responsibility to provide reliable service, and that is something local communities will require of them, thanks to the transparency and accountability provided by the Community Choice model.

The Green Book fails to mention that reliability is achievable and affordable, not by traditional gas peakers but by an advanced combination of storage, stepped-up efficiency and conservation, automated demand response, local district management and intelligent grid technologies. Solar is now more flexible and dispatchable than most fossil-fueled generation.

- **The Green Book Creates Fearmongering**

The Green Book's vague allegations of "crisis" and "no plan" and "broken system" are not defensible and have no place in a sober and academic white paper issued by the regulatory agency. We are either engaging in mutual respectful dialogue or the regulatory agency has an agenda.

In addition, the Green Book's alleged areas of concern - affordability, decarbonization and reliability - are all being addressed in existing CPUC proceedings. This Paper also fails to ask why ratepayers are abandoning utilities in favor of alternatives like Community Choice. There is no clamor for "retail choice" but there is strong evidence people want and like Community Choice programs.

Summary

While we welcome discussions of emerging trends and issues, we believe the framing of the issues is not defensible or productive. Instead of looking at the bigger picture and the groundbreaking innovation and opportunity present with small, nimble Community Choice programs in comparison to the large institutional IOUs, the Green Book presents a one-sided perspective.

The CPUC should welcome these new entities and not fear them. A spirit of collaboration only works to benefit all parties, leading to better outcomes, especially to the ratepayers who are increasingly choosing CCAs.

We thank you for the opportunity to comment on this important issue.



San Diego Community
Choice Alliance

Sincerely,

San Diego Community Choice Alliance (SDCCA)

Members of SDCCA include: Alliance San Diego; Business for Good San Diego; Climate Action Campaign; Environmental Health Coalition; Greenpower; San Diego 350; San Diego Energy District; Sullivan Solar Power; the Center on Policy Initiatives; and the American Federation of Teachers Guild Local 1931.