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June 10, 2021

The Honorable Anthony Portantino
Senator
State Capitol, Room 5050
Sacramento, CA 95814

RE: SB 612 (Portantino) – SUPPORT

Dear Senator Portantino:

The Cities Association of Santa Clara County (CASCC) represents the fifteen cities of Santa Clara County, which is home to over 1.9 million Bay Area Residents. Since 1990, councilmembers from each of the cities have met to find and build consensus around ways to address regional issues. Our cities are diverse and range from populations of a few thousand to one million people.

We are pleased to submit a letter of support for your bill, SB 612 (Portantino), 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). The majority of Santa Clara County is served by two CCAs, Silicon Valley Clean Energy and San Jose Clean Energy. The Cities Association of Santa Clara County is a proud partner of Silicon Valley Clean Energy.

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 (or PCIA). However, unlike a utility 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 clean energy in legacy 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 look forward to working with you on advancing it.

Hon. Anthony Portantino

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If you have questions, or wish to discuss our position, please do not hesitate to contact our Executive Director, Andi Jordan at andi@citiesassociation.org.

Sincerely,



Marico Sayoc
President, CASCC
Mayor, Town of Los Gatos



Rich Constantine
Chair, Legislative Action Committee
Mayor, City of Morgan Hill

cc: The Honorable Senators Becker, Cortese, Laird, and Wieckowski
The Honorable Assembly Members Berman, Kalra, Lee, Low, Rivas, and Stone