

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

[Transmitted via Email]

September 24, 2020

Dear President Batjer and Commissioners Randolph, Rechtschaffen, Guzman Aceves, and Shiroma:

California is a national leader in addressing climate change. We write to you today as leaders of communities rising to meet the climate emergency in partnership with the state. We are engaging in this fight as local public agencies – Community Choice Aggregators – focused on providing affordable, clean, and reliable power through the proven model of community choice aggregation and offering innovative transportation and building-electrification programs.

Today, our public agencies provide energy services to more than 10 million Californians across the state from Humboldt County to Southern California and from the coast to the Sierra and deserts. Collectively, our communities reflect the socioeconomic and racial diversity of California.

The California Public Utilities Commission plays a critical role in supporting de-carbonization efforts by ensuring regulatory policies support and foster community level engagement in this fight. In your role as a CPUC Commissioner, one of the most important levers you have is to ensure that the investor-owned utilities (IOUs) – PG&E, SCE, and SDG&E – operate and manage their energy portfolios to achieve the lowest possible costs.

To date, the framework the IOUs operate under does not achieve that result. For instance, the Power Charge Indifference Adjustment (PCIA), known as the utility “exit fee,” now has risen more than 600 percent since 2013 in the PG&E service area, and nearly doubled since the CPUC changed the rules in 2018.

Raising exit fees by hundreds of millions of dollars a year, now in the middle of a global pandemic and its accompanying economic crisis, is entirely unacceptable.

The 2018 PCIA decision promised stakeholders transparency and stability. Neither outcome has occurred. The heart of the problem is that the current regulatory structures governing exit fees provide no incentive for the IOUs to reduce their portfolio costs – an outcome that hurts all energy consumers in the state, customers of the IOUs and the CCAs. Instead, we need a system that requires IOUs to maximize the value of their energy portfolios and minimize their over-market procurement costs and share the financial risk if this is not accomplished.

With that in mind, we call on the Commission to immediately take actions to reduce the PCIA for all customers (IOU & CCA) and smooth PCIA volatility. Affordability and rate certainty are two guiding principles that should apply to all customers equally, and we respectfully ask that the Commission immediately:

- 1) Adopt the recommendation proposed by the California Community Choice Association (CalCCA) and SCE in the public working group requiring utilities to allocate resources to load serving entities whose customers pay for them, and to encourage the optimization of supply portfolios; and,
- 2) Adopt transparency measures on exit fees that give consumers more information on what they are paying for.

The goal is to take actions immediately to reduce volatility and cost impacts for all customers.

Climate change is not a problem for tomorrow; it already is here. Just this summer we have experienced extreme heat storms and electric blackouts, thunderstorms, and firestorms. California has been a leader on clean energy for decades. It is time to continue that work by fully partnering with CCAs and the equitable, resilient, and clean-energy future they are building.

Sincerely,

London Breed
Mayor of San Francisco

Shamann Walton
Supervisor, City and County of San Francisco

Norman Yee
San Francisco Board of Supervisors President

Sam Liccardo
Mayor, City of San José

Matt Haney
Supervisor, City and County of San Francisco

Debra Lucero
Butte County Board of Supervisors

Rafael Mandelman
Supervisor, City and County of San Francisco

Don Saylor
Yolo County Board of Supervisors

Gordon Mar
Supervisor, City and County of San Francisco

Gary Sandy
Yolo County Board of Supervisors, Chair

Aaron Peskin
Supervisor, City and County of San Francisco

Gloria Partida
Mayor and City Councilmember, City of Davis

Dean Preston
Supervisor, City and County of San Francisco

Lucas Frerichs
Vice Mayor, City of Davis

Sandra Lee Fewer
Supervisor, City and County of San Francisco

Dan Carson
City Councilmember, City of Davis

Hillary Ronen
Supervisor, City and County of San Francisco

Tom Stallard
Woodland City Council, Mayor Pro Tem

Ahsha Safai
Supervisor, City and County of San Francisco

Bruce McPherson
Santa Cruz County Supervisor, Fifth District

Catherine Stefani
Supervisor, City and County of San Francisco

Jane Parker
Monterey County Supervisor, Fourth District

Das Williams
Santa Barbara County Supervisor, First District

Joan Hartman
Santa Barbara County Supervisor, Third District

Mark Medina
San Benito County Supervisor, First District

Ryan Coonerty
Santa Cruz County Supervisor, Third District

Ariston Julian
Mayor, City of Guadalupe

Ian Oglesby
Mayor, City of Seaside

Justin Cummings
Mayor, City of Santa Cruz

Jeff Lee
Mayor, City of Grover Beach

Alice Patino
Mayor, City of Santa Maria

Kyle Richards
Mayor Pro Tempore, City of Goleta

Trina Coffman
Mayor Pro Tempore, City of Watsonville

Alan Haffa
Vice Mayor, City of Monterey

Derek Timm
Vice Mayor, City of Scotts Valley

Jack Dilles
Vice Mayor, City of Scotts Valley

Steve McShane
Councilmember, City of Salinas

John Freeman
City Councilperson of San Juan Bautista

Todd Rigby
Councilmember, City of Eastvale

Ted Hoffman
Councilmember, City of Norco

Russ Brown
Mayor, City of Hemet

Nancy Smith
Vice Mayor, City of Sunnyvale

Gustav Larsson
Councilmember, City of Sunnyvale

Jon Robert Willey
Councilmember, City of Cupertino

Rod Sinks
Councilmember, City of Cupertino

Margaret Abe-Koga
Mayor, City of Mountain View

Javed Ellahie
Councilmember, City of Monte Sereno

Liz Gibbons
Vice Mayor, City of Campbell

Rob Rennie
Councilmember, City of Los Gatos

George Tyson
Councilmember, City of Los Altos Hills

Yvonne Martinez Beltrán
Mayor Pro Tem, City of Morgan Hill

Neysa Fligor
Vice Mayor, City of Los Altos

Greg Janda
Mayor of Rocklin

Cheryl Maki
Auburn City Council

Kirk Uhler
Chair, Placer County Board of Supervisors

Jim Holmes
Placer County Supervisor

Peter Gilbert
Lincoln City Councilmember

Jeff Duncan
Loomis Town Councilmember

Jesse Loren
Winters City Councilmember

Bruce Okrepkie
Councilmember, Town of Windsor

Jonathan Torrez
Councilmember, City of Point Arena

Patrick Slayter
Mayor, City of Sebastopol

Una Glass
Vice Mayor, City of Sebastopol

Dave King
Councilmember, City of Petaluma

Jack Tibbetts
Councilmember, City of Santa Rosa

Melanie Bagby
Councilmember, City of Cloverdale

Mark Landman
Councilmember, City of Cotati

Pradeep Gupta
Former Mayor, City of South San Francisco

Michael Salazar
Vice Mayor, City of San Bruno

Sheri Woo
Director, Humboldt Bay Municipal Water
District

John Goodwin
Mayor, Town of Colma

Jeff Aalfs
Mayor, Town of Portola Valley

Catherine Carlton
City Council Member, Menlo Park

Dr. Rod Daus-Magbual
Council Member, Daly City

Deirdre Martin
Councilmember, City of Pacifica

Rick DeGolia
Mayor, Town of Atherton

Flor Nicolas
Councilmember, City of South San Francisco

Harvey Rarback
Councilmember, Half Moon Bay

Giselle Hale
Councilmember, Redwood City

Betsy Nash
Councilmember, City of Menlo Park

Julia E. Mates
Councilmember, City of Belmont

Ian Bain
Councilmember, City of Redwood City

John Keener
Former Mayor, Pacifica

Laura Parmer-Lohan
Vice Mayor, City of San Carlos

Carole Groom
San Mateo County Supervisor

Mike Wilson
Vice Chair, Humboldt County Board of
Supervisors

Daniel Yost
Councilmember, Town of Woodside

Estelle Fennell
Chair, Humboldt County Board of Supervisors

Sam Hindi
Councilmember, City of Foster City

Chris Curran
Councilmember, City of Blue Lake

Summer Daugherty
Councilmember, City of Blue Lake

Michael Winkler
Mayor, City of Arcata

Michael Sweeney
Mayor, City of Ferndale

Stephen Avis
Councilmember, City of Ferndale

David Grover
Councilmember, City of Trinidad

Frank Wilson
Councilmember, City of Rio Dell

Austin Allison
Councilmember, City of Eureka

Kim Douglass
Colfax City Council

Joe Mosca
Councilmember, City of Encinitas