

Board of Directors

July 3, 2023

Bapu Vaitla  
Davis City Council

Senator Steve Bradford  
Chair, Senate Energy, Utilities and Communications Committee  
1021 O Street, Room 3350  
Sacramento, CA 95814

Richard Casavecchia  
Winters City Council

Will Arnold  
Davis City Council

**Re: AB 1373 (Garcia) – Request Amendments**

Jesse Loren  
Winters City Council

Dear Assemblymember Garcia,

Gary Sandy  
Vice Chair  
Yolo County Board of  
Supervisors

On behalf of Valley Clean Energy (VCE), a community choice aggregation (CCA) program serving 120,000 customers in Yolo County, I write regarding AB 1373 (Garcia). VCE has adopted a neutral position on this legislation and backs AB 1373's approach of placing the responsibility solely with the Department of Water Resources (DWR) and limiting the scope of resources to off-shore wind and geothermal resources. However, since the legislation also includes provisions related to a broader approach to central procurement of strategic resources, VCE would also seek amendments as outlined below.

Lucas Frerichs  
Yolo County Board of  
Supervisors

Tom Stallard  
Chair  
Woodland City Council

Mayra Vega  
Woodland City Council

VCE appreciates the Assembly's tailored approach to strategic central procurement, however, one critical clarifying amendment is needed. AB 1373 appropriately places adequate guardrails around DWR as a central procurement entity that will mitigate the risk of market disruption and protect ratepayers. However, while perhaps inadvertent, the bill establishes no guardrails around IOU central procurement and, in fact, appears to expand the IOUs' role. The IOU's role in central procurement should be clarified to prevent market disruptions, enable CCA customers to benefit from low-cost public financing, and avoid interfering with other procurement required in Integrated Resource Planning. If a CCA or any other LSE fails to do their job, VCE's proposed amendment gives the California Public Utilities Commission (CPUC) a tool to keep the state moving in the right direction. For this reason, we request that the following provision to be added to PUC Section 380 in the proposal:

The commission may not direct an electrical corporation to procure resources on behalf of another load-serving entity to expand resource diversity or meet the state policy specified in Section 454.53 unless:

- (1) The commission has first identified the resources needed to meet these objectives and provided the opportunity for each load-serving entity to procure the resources on behalf of its customers; and*
- (2) The load-serving entity has not procured these resources within a reasonable time frame specified by the commission.*

We feel this amendment will give regulators the tools to ensure energy reliability and to reach our decarbonization goals while preserving the right for communities to make their own energy procurement decisions in the interest of the ratepayers they represent.

We greatly appreciate the many amendments already made to refine this proposal to better reflect the stated intent and look forward to continuing working with you to finalize this issue.

Sincerely,



Mitch Sears  
Executive Officer  
Valley Clean Energy

cc: The Honorable Eduardo Garcia  
The Honorable Bill Dodd