



Board of Directors

March 31, 2026

Bapu Vaitla
Davis City Council

The Honorable Ben Allen
Chair, Senate Committee on Energy, Utilities & Communications

Donna Neville
Davis City Council

1021 O Street, Room 7610
Sacramento, CA 95814

Richard Casavecchia
Winters City Council

Re: SB 1138 (Padilla) – SUPPORT

Jesse Loren
Chair
Winters City Council

Dear Senator Allen,

Shiela Allen
Yolo County Board of Supervisors

On behalf of Valley Clean Energy (VCE), a community choice aggregation (CCA) program serving Yolo County, I write to convey our support of SB 1138 (Rogers). SB 1138 provides a simple tool that will drive electricity costs down by allowing load serving entities (LSE) to transact Resource Adequacy (RA) load obligations on an hourly basis. This market design tweak provides both CCA's and investor-owned utilities maximum flexibility in how they contribute their fair share of RA needs which will help lower costs to consumers.

Lucas Frerichs
Yolo County Board of Supervisors

Tom Stallard
Woodland City Council

Tania Garcia-Cadena
Vice Chair
Woodland City Council

VCE is the not-for-profit public electricity provider serving over 120,000 customers in unincorporated Yolo County and the cities of Woodland, Davis, and Winters. As a locally governed public entity we are focused on providing cost effective clean electricity while improving the communities we serve through local reinvestment of our revenues. We are also focused on innovating new programs that reduce demand, particularly at the peak.

Electricity bills in Yolo County and throughout California are on the rise, in part due to challenging market conditions and inefficient regulatory policies. Families and businesses are feeling the impact. Lawmakers and regulators need practical, consumer-focused solutions that ensure customers do not pay more than their fair share.

As noted, one tool to help LSEs provide both CCA and IOU customers with energy bills that are fair and efficient is to allow for the trading of RA load obligations on an hourly basis. California's RA program has transitioned to a new Slice-of-Day (SOD) framework. Previously, LSEs were required to meet a monthly RA obligation using resources accredited with a monthly RA contribution. In the new SOD framework, LSE obligations are based on the 24 hours of the peak day in each month. During the SOD transition, LSEs submitted portfolios of resources to meet hourly obligations for a 2024 test year and for the binding 2025 year-ahead requirement, and it was observed that individual LSEs were short in some hours, requiring them to purchase additional RA resources to meet requirements, while other LSEs had excess capacity in those hours.

Understanding this new reality, energy bills could be lowered with hourly load obligation trading, allowing one LSE that has excess resources in an hour to take on a share of the obligation of

another LSE that is short in that same hour. In 2024, if VCE could have taken advantage of this type of hourly load obligation trading system its customers could have saved several million dollars.

For the above stated reasons, we are pleased to support SB 1138, and we thank Senator Padilla for his leadership. We respectfully request your aye vote when the measure is heard in committee. If you have any questions, please contact Mark Fenstermaker who can be reached at mark@pacificpolicygroup.com; 916-798-8088.

Sincerely,



Mitch Sears
Executive Officer
Valley Clean Energy

cc: The Honorable Members of the Senate Committee on Energy, Utilities & Communications
The Honorable Stephen Padilla
The Honorable Christopher Cabaldon