



Board of Directors

March 23, 2022

Dan Carson
Davis City Council

The Honorable Ben Hueso
Chair, Senate Energy, Utilities, & Communications Committee
1021 O St., Ste. 7340
Sacramento, CA 95814

Wade Cowan
Winters City Council

Lucas Frerichs
Davis City Council

Re: SB 881 (Min) – Oppose Unless Amended

Jesse Loren
Chair
Winters City Council

Dear Senator Hueso,

Gary Sandy
Yolo County Board of Supervisors

On behalf of Valley Clean Energy (VCE), a community choice aggregation (CCA) program serving Yolo County, I write to express our position of Oppose Unless Amended on SB 881 (Min).

Don Saylor
Yolo County Board of Supervisors

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.

Tom Stallard
*Vice Chair
Woodland City Council*

Mayra Vega
Woodland City Council

While we agree that systems must be in place to ensure that the electricity sector continues to reduce greenhouse gas emissions so California can meet its climate goals and VCE is on track to significantly exceed State renewable standards, the bill as drafted, lacks critical boundaries and includes vague standards that not only infringe upon CCA procurement autonomy but would lead to increased costs to ratepayers.

As we have shared with the author and sponsors through our representatives from CalCCA, there are three major areas of concern for VCE:

1) The bill does not specify a certain, actionable LSE-specific GHG reduction standard. Today there is no LSE-specific standard set by statute or by the Air Resources Board (ARB); achievement of the GHG reduction goals are monitored in the Integrated Resource Plan (IRP) with standards sometimes multiple – changing in each IRP cycle. Certainty and clarity in the standard, as the Renewable Portfolio Standard (RPS) imparts, are critical to LSEs obligated to meet the standard.

2) The bill places the ill-defined standard in the context of a relatively new, evolving process that does not provide a stable ground for a new compliance structure. Enforcing plans proposed in the IRP proceeding would be counterproductive; while the IRP examines the ability to achieve the standards it establishes from time to time, LSEs must have flexibility to modify their plans as market conditions and customer needs evolve.

3) The bill will add a significant administrative burden and thus increase customer costs.

For these reasons, VCE supports CalCCA's recommended approach:

1) Establish combined renewable and zero-carbon energy targets that increase over time to realize the state's AB 32 and SB 100 goals. These targets could be expressed as a percentage of renewable and carbon-free energy while incorporating attributes such as line losses and storage round-trip efficiency losses, used to serve customers over the compliance periods. The targets could be aligned with the existing renewable portfolio standard compliance periods to streamline compliance requirements, reduce administrative burdens, and lower customer costs. The compliance program could reasonably commence in 2027.

2) Penalties for failure to comply. If, at the end of the compliance periods, any load serving entity (LSE) fails to meet their targets, the CPUC could assess penalties.

We believe this concept captures the full intent of what the author wishes to accomplish – regulatory tools to make sure that all LSEs stay on track to meet GHG emissions goals – while not overburdening LSEs with excessive administrative requirements, providing a stable environment to make prudent procurement decisions, preserving CCA procurement autonomy and minimizing costs to ratepayers.

Sincerely,



Mitch Sears
Executive Officer
Valley Clean Energy

cc: The Honorable Dave Min
The Honorable Bill Dodd