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January 13, 2020

The Honorable Ben Hueso
Chair, Senate Energy, Utilities & Communications Committee
State Capitol, Room 4035
Sacramento, CA 95814

Re: SB 378 (Hueso) – SUPPORT

Dear Senator Hueso:

On behalf of Valley Clean Energy (VCE), a community choice aggregation (CCA) program serving Yolo County, I write to express our support of SB 378 (Hueso), a bill that seeks to ensure California communities never again experience prolonged, interruptive and mismanaged public safety power shutoffs (PSPS) initiated by Investor Owned Utilities (IOUs) as was the case in fall 2019. This bill would require IOUs to better communicate with the state and local governments on the condition of the IOUs' infrastructure and investments in the infrastructure and prohibits IOUs from using ratepayer funds from marketing against the formation of municipal utilities or marketing against distributed energy resources. In addition, the bill would establish a structure for those affected by a PSPS, whether they be residents, businesses, or local governments, to recover from an IOU the costs or economic impacts caused by the PSPS event.

VCE is the official electricity provider for customers in the cities of Woodland and Davis, and unincorporated Yolo County. We're a not-for-profit public agency focused on reducing the carbon footprint of the energy we provide and improving the communities we serve by reinvesting our revenues into those communities. In addition, the local officials on our board and local residents working for VCE drive us to find solutions to local problems.

Over the past three years, California has experienced the most deadly and destructive wildfires in its history. These fires are a result of a number of factors, including the lack of sufficiently maintained electrical infrastructure on the part of IOUs, deficient infrastructure that has been found to be the cause of several wildfires. In response to their deficient infrastructure sparking deadly and destructive wildfires, IOUs, most notably PG&E, largely turned to widespread and extended PSPS events, or blackouts, in the fall months of 2019 to avoid causing further catastrophic fires. These events were severely mismanaged, causing economic loss and hardship to many Californians. SB 378 is an appropriate response to these events.

In particular, VCE supports the bill's language that prohibits an IOU from using ratepayer funds to market against the creation or expansion of a municipal utility. In the early 2000's, the Cities of Davis, Woodland, West Sacramento and Yolo County wanted to exit PG&E's service and sought to be annexed into the territory of Sacramento Municipal Utility District (SMUD); this action required a vote of the people of Yolo County as well as SMUD ratepayers. PG&E employed a more than \$10 million campaign to misinform the voters about the



true nature of the annexation benefits. As a result of the campaign, the annexation was defeated. There are several jurisdictions currently working toward creating new municipal utilities, and PG&E should not be able to use ratepayer funds to market against these efforts at a time when PG&E cannot manage its own infrastructure let alone manage its own business.

For these reasons, VCE supports SB 378 and we thank Senator Wiener for his leadership in bringing this bill forward. We respectfully request your "Aye" vote.

Sincerely,

A handwritten signature in blue ink that reads "Don Saylor". The signature is fluid and cursive.

Don Saylor
Chair of the Board
Valley Clean Energy

cc: Members, Senate Energy, Utilities & Communications Committee
The Honorable Scott Wiener.