



Board of Directors

March 31, 2026

Bapu Vaitla  
*Davis City Council*

The Honorable Cottie Petrie-Norris  
Chair, Assembly Committee on Utilities & Energy  
1021 O Street, Room 8120  
Sacramento, CA 95814

Donna Neville  
*Davis City Council*

Richard Casavecchia  
*Winters City Council*

**Re: AB 2383 (Zbur) – OPPOSE UNLESS AMENDED**

Jesse Loren  
Chair  
*Winters City Council*

Dear Assemblymember Petrie-Norris,

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 opposition of AB 2838 (Zbur) unless the measure is amended to address our concerns. AB 2383 would create a new rate structure to serve large-load facilities, those that are 20 megawatts or greater, that would exclude CCAs from providing generation service utilizing their own rate-setting authority.

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 and rate designs that reduce demand, particularly at the peak.

The emergence of large-load facilities, namely data centers, across the country and throughout the state is a unique challenge for California's energy rates, grid and policies. AB 2383 tasks the CPUC with creating a new rate structure for large-load facilities to potentially provide rate protection and security as well as a pathway to guaranteeing the state's clean energy goals are met. Unfortunately, the language of AB 2383 also impacts a CCAs' sole authority to set generation rates for the large-load facilities within its service territory and would broadly grant final say to the CPUC.

Section 954.3(e) states that the bill does not limit or restrict the ability of CCAs to provide generation service to large-load facilities so long as the contract for service meets the requirements and is consistent with the rest of section 954.3. Contract requirements that must be met include: 1) a limit on "unreasonable" cost shifts to non-large load customers, 2) minimum demand charges for the life of the contract, and 3) "any other conditions the commission may require that are in the public interest." Allowing the CPUC to make any other conditions that "are in the public interest" would give the CPUC broad authority over CCA rates in unpredictable ways.

Rate setting is a critical authority of CCAs. It is done by CCA boards of directors in a public setting that takes electric customer input as well as the realities of affordability and statewide objectives into account (e.g. Resource Adequacy, GHGs, etc.). Valley Clean Energy, like all other CCA's,

adopts its rates after careful analysis and in a public setting. The rates reflect the unique needs of VCE's residential and commercial customers balanced with California's rigorous regulatory framework. Further, under its existing authority to set generation rates and only after months of analysis and discussion held in public meetings, VCE adopted a comprehensive large load policy (October 2025). VCE, through its large load policy, governing board oversight, and established public input process, has the tools in place to ensure that its rate setting for large load customers will address potential impacts to non-participating customers. AB 2383 creates a scenario in which the CPUC can override this carefully crafted, locally tailored policy and dictate to VCE the rates and contract conditions to provide generation service to large-load facilities.

For these reasons, we must oppose AB 2383 unless it is amended and we look forward to working with the author to address our concerns. If you have any questions, please contact Mark Fenstermaker who can be reached at [mark@pacificpolicygroup.com](mailto:mark@pacificpolicygroup.com); 916-798-8088.

Sincerely,



Mitch Sears  
Executive Officer  
Valley Clean Energy

cc: The Honorable Members of the Assembly Committee on Utilities & Energy  
The Honorable Rick Chavez Zbur  
The Honorable Cecilia Aguiar-Curry