

August 24, 2012

Governor Jerry Brown
c/o State Capitol, Suite 1173
Sacramento, CA 95814

RE: AB 976 (Hall)

Dear Governor Brown:

We the undersigned request that you veto California Assembly Bill 976 (AB 976) when it arrives at your desk. AB 976 has one purpose: to undermine local government Community Choice Aggregation (CCA programs enabled by AB 117 (2002) and SB 790 (2012)).

You have established a goal of 12,000 megawatts of new local renewable electricity generation in the State of California. We applaud that goal. You have also asked that local governments shoulder a substantial portion of that deployment. We stand ready to work with our local governments to meet the challenge.

In July 2011 you convened a conference in Los Angeles to explore how your 12,000-megawatt goal might be achieved. The report produced from that meeting included CCA as a key policy tool, calling for the promotion of Community Choice Aggregation programs: *"The Public Utilities Commission and Energy Commission should encourage the creation of Community Choice Aggregations where there is a reasonable plan to accelerate the use of renewable energy in general and local renewables in particular."*

CCA is the best tool available to local governments to significantly accelerate deployment of renewable energy. One CCA (Marin Clean Energy) launched in 2010 with 27% renewable portfolio standard-qualified renewable energy in its power mix and is now already at 50%. There is tremendous potential for newly emerging CCAs, and there are over a dozen CCA initiatives in the state, working to accelerate the deployment of local renewables and helping the state achieve its greenhouse gas reduction goals.

If enacted, AB 976 will create a huge impediment to the establishment of CCA programs. It does this by prohibiting a CCA program from procuring electricity or energy services from any entity with which it contracted for analysis, advice, consultation, or other services prior to program launch. This would prevent, for example, the pre-launch signing of a power purchase agreement with a power supplier to provide power to the new CCA when service commences. Clearly, it is not possible for a CCA to begin serving customers without having a power supply agreement in place in advance.

The anti-CCA, anti-competitive proponents of AB 976 characterize it as a good governance bill. It is no such thing. CCA programs are public agencies, subject to Section 1090 of the California Government Code regulating public contracting and the Ralph M. Brown Act, which ensures transparency in government. There is no existing problem or complaint that AB 976 addresses. There is no reason a CCA program should be encumbered by requirements different from other public agencies in the state.

Again, we urge you to veto this ill-conceived bill. AB 976 would undermine CCA efforts around the state, diminishing the promise that CCA programs offer to achieve state renewable energy goals, stimulate the renewables market, create jobs, and reduce greenhouse gas emissions.

Sincerely,

(signatories on next page)

Local Clean Energy Alliance
Climate Protection Campaign (Sonoma County)
Global Exchange
KyotoUSA
LEAN Energy US
Local Power, Inc.
Our City (San Francisco)
San Diego Energy District Foundation
San Francisco Green Party
San Joaquin Valley Power Authority
Solana Energy
Sonoma County Water Agency
The Utility Reform Network
Transition San Luis Obispo Energy Group
Transition Sebastopol Energy Group

In addition to the above signatories, the following cities, counties, agencies, organizations, and companies, some of whom will be sending their own letter calling for a veto, have gone on record opposing or have adopted resolutions opposing AB 976:

California Public Utilities Commission
City of El Cerrito
City of Mill Valley
City of Richmond
City of San Jose
County of Marin
Kings River Conservation District
Marin Energy Authority
Sierra Club California
Sonoma County Regional Climate Protection Authority
Sustainable Marin
Table Rock Capital