



City of Encinitas

Office of
The Mayor

June 18, 2019

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

Catherine S. Blakespear
Mayor

RE: AB 56 (Garcia) California Clean Electricity Authority - OPPOSE

Dear Assemblymember Hueso:

Jody Hubbard
Deputy Mayor

The city of Encinitas is in the process of forming a Community Choice Aggregation (CCA) program, to fulfill our desire to obtain, promote, and provide energy derived from renewable resources and as such the City of Encinitas respectfully opposes AB 56, which would establish the California Clean Electricity Authority to procure retail energy and manage power supply commitments previously entered into by electrical corporations.

Kellie Shay Hinze
Council Member

CCAs were enabled by AB 117 for the purpose of providing power services to end use customers in local government communities. This legislation directly impacts CCAs foundational procurement autonomy. While predicated on addressing residual needs or market failures, the legislative grant of authority is broad enough that the Authority could be used for any purpose the California Public Utilities Commission (CPUC) or California Energy Commission (CEC) see fit regarding procurement. Recovery of procurement costs within a nonbypassable charge on the distribution side of the bill also creates a cost shift between distribution and generation rates even if collected based on usage.

Tony Kranz
Council Member

The City of Encinitas, as a member of the CalCCA, supports a central buyer model for residual resource adequacy (RA) needs and is actively engaged in developing this framework with stakeholders in the resource adequacy proceeding at the CPUC.

Joe Mosca
Council Member

There are several factors contributing to the current RA issues in California and RA resources, particularly local resources, are increasingly scarce in the market place, driving up capacity prices and leaving some load serving entities without sufficient RA capacity to meet their compliance obligations, even if this does not represent a reliability concern. Scarcity in the RA market is derived from the physical unavailability of capacity and administrative and policy flaws of the current program. The City of Encinitas shares the belief held by CalCCA that the RA program was not developed for, and does not serve the needs of, the current policy paradigm.

Sincerely,

Catherine S. Blakespear
Mayor

Karen P. Brust
City Manager

CC: Senator Patricia Bates
Assembly Member Tasha Boerner Horvath
JGC Governmental Relations
Catherine Hill, League of California Cities
Encinitas Mayor and Council Members
Encinitas City Manager, Karen P. Brust