



P.O. Box 1079
Los Gatos, CA 95031
408-766-9534
www.citiesassociation.org

August 19, 2015

Honorable Members; Senate Appropriations Committee
State Capitol
Sacramento, CA 95814

RE: Assembly Bill 1110 (Ting): Emissions Reporting

OPPOSE UNLESS AMENDED

Dear Honorable Members:

The Cities Association of Santa Clara County submits this letter of opposition to AB 1110 (Ting), which would define how sellers of electricity report and calculate greenhouse gas emissions associated with their respective supply portfolios.

The Cities Association supports the development of a uniform greenhouse gas (GHG) accounting methodology for retail sellers of electricity. The Cities Association also strongly supports public policy to increase the state's reliance on renewable resources through the Renewables Portfolio Standard (RPS) and the California Air Resources Board's (CARB) efforts to reduce GHG emissions. However, Assembly Bill 1110, as currently drafted, would likely have unintended consequences on renewable energy prices and create a marketing advantage to regulated utilities relative to other load serving entities, including community choice aggregation programs (CCA). Therefore, we must respectfully oppose the bill unless amended in the following ways.

The Cities Association is a collaboration of the 15 cities in Santa Clara County that advocates for positive action to enhance the quality of life for the people of our county. Several of our membership cities have joined efforts to develop a community choice aggregation program, which is an entity of local governments that procure, develop and sell electrical power to local residents and commercial customers. California currently has three operating CCA programs (Marin Clean Energy, Sonoma Clean Power and Lancaster Choice Energy). Dozens of other jurisdictions throughout California are investigating prospects for CCA programs because of their potential to provide "greener" energy services and develop renewable projects in local communities.

The Cities Association opposes AB 1110 because it would undermine the efforts of the California Public Utilities Commission (CPUC) and the California Energy Commission (CEC) to develop and classify comprehensive compliance reporting processes utilizing the full spectrum of renewable energy products. Changing these requirements undermines the implementation of AB 32 (2006) and creates significant regulatory confusion.

AB 1110 as currently drafted could inadvertently increase the cost of renewable energy products to California consumers by devaluing energy products that the CPUC, the CEC and the US Environmental Protection Agency have recognized as contributing to state and federal efforts to support the development of renewable energy resources.

Finally, AB 1110 as currently drafted creates a marketing advantage to utilities, including PG&E and SDG&E, that have "Category 0" resources. Specifically, it would allow those companies' unbundled renewable energy credits (RECs) to be treated as bundled RECs for purposes of calculating GHG emissions. This carve out for large utilities is contrary to the bill's own stated objectives with regard to accurate reporting at the expense of consumers and utility competitors, including CCAs.

The Cities Association of Santa Clara County urges the Legislature to support an open exchange of ideas at the CPUC and the CEC on these issues, which takes advantage of technical expertise and incorporates a collaborative approach to developing consistent reporting standards. If the Legislature moves ahead with a bill, the Cities Association supports the bill modifications proposed by Marin Clean Energy and Sonoma Clean Power.

We look forward to continuing to work with the author on our concerns.

Sincerely,



Jason T. Baker
President, Cities Association of Santa Clara County

CC: The Honorable Assembly Member Phil Ting