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Mayor and Council Members
City of San Jose
200 East Santa Clara Street
San Jose, CA 95113

February 29, 2016

Re: Agenda Item 7.1 - Update on Community Choice Aggregation, an Alternative Model to Provide Energy to San José Residents and Businesses

Dear Honorable Mayor Liccardo, Vice Mayor Herrera and Council members Rocha, Nguyen, Kalra, Khamis, Carrasco, Nguyen, Oliverio, Peralez and Jones:

I write on behalf of the Cities Association of Santa Clara County in support of the City of San Jose's exploration of Community Choice Energy. The Cities Association of Santa Clara County is a collaboration of the 15 cities in the county of Santa Clara and addresses issues of mutual concern across the county to improve the quality of life for the people of our region. We encourage the City Council to explore a Community Choice Energy Program in San Jose.

As you know, Community Choice Energy allows a city to enter into energy purchase agreements from renewable sources, which residents can voluntarily utilize; it has the proven ability to reduce electricity rate and rapidly green the grid. Existing Community Choice Energy programs are providing cleaner energy, at equal or lower rates, while keeping more energy revenue in the local economy, and providing local oversight of programs and rates. Dozens of communities across California, including all 20 of San Mateo County's cities and most of the cities in Santa Clara County, have evaluated Community Choice Energy and have embraced this opportunity.

In Santa Clara County, eleven jurisdictions have now committed to joining the Silicon Valley Clean Energy Authority, a new JPA that will oversee the implementation of Community Choice Energy. SVCEA becomes effective beginning April 1, 2016. However, unlike the San Jose staff recommendation, SVCEA is a self-contained non-profit initiative, and not a third-party for-profit effort.

For San Jose residents and businesses, Community Choice Energy has the potential to offer lower electricity rates. In addition to considering implementing the program through an entity that would develop, finance, launch, and operate the program for

profit, I urge you to also consider implementing the program as a non-profit through your organization. By self-implementing, San Jose can provide power at lower rates for San Jose's residents. While the initial cost can be intimidating, a functional CCE will repay all start-up costs in a very short period of time.

The Cities Association of Santa Clara County strongly supports Community Choice Energy and encourages the City of San José to evaluate the economic and environmental benefits Community Choice may bring to San José.

Respectfully,



Jim Griffith
President, Cities Association of Santa Clara County
Council Member, City of Sunnyvale

Cc: Board of Directors, Cities Association of Santa Clara County