



CITY OF WEST HOLLYWOOD

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OFFICE OF THE CITY MANAGER

PAUL AREVALO
CITY MANAGER

September 12, 2017

To: Senate Third Reading File
From: City of West Hollywood
Re: AB 726 (Holden) Community Choice Aggregation - **OPPOSE**
(as amended September 8, 2017)

The City of West Hollywood opposes AB 726 (Holden) regarding Community Choice Aggregation (CCA) energy programs. SB 726 eliminates the ability of cities to maintain existing local governance and procurement decisions, making it inconsistent with existing state laws such as AB 117 (Chapter No. 838, Statutes of 2002) and SB 790 (Chapter 599, Statutes of 2011). The City strongly believes in the right of cities to serve as aggregators for their municipal operations or the community at large.

CCAs help California achieve a carbon-free electricity future by empowering local and regional action on climate change. Aggregators may combine the electric loads of various users and negotiate the purchase of electricity for end users. As partners with the state in achieving policy goals, the operating CCA programs across California currently have an average renewables content of 50% in 2017—achieving state mandates over a decade early.

The City of West Hollywood opposes AB 726 as it would require the Investor Owned Utilities (IOUs) to sign new renewable energy contracts while passing on the costs of this procurement to CCA customers. Mandating IOU procurement of renewable energy is unnecessary. CCAs are buying and building new California renewable energy projects at a fast pace. CCAs have contracted for over 1,000 MW of new California renewable resources—these contracts represent an over \$1.6 billion investment in California procurement and clean energy infrastructure.

Even CCAs that have recently launched are building new renewable projects in California; Peninsula Clean Energy began serving its customers in April and has already signed contracts for 200 MW of new renewable energy resources. In 2016 alone, MCE contracted for more than 650 MW of new California wind and solar energy. In preparation to serve their customers, other operational CCAs are also actively procuring California renewable power in 2017. These CCAs are currently leveraging the tax benefits to serve their customers.

Clean energy procurement by California's CCAs demonstrates that they are capable of fulfilling their statutory obligation to procure for their customers while exceeding state standards for renewable energy. AB 726's directive to IOUs leads to over-procurement and results in all customers paying higher bills for more generation resources than are actually needed.





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Any proposal limiting the ability of local elected officials to form and join CCAs undercuts customer choice, erodes progress towards state greenhouse gas objectives, and threatens hundreds of megawatts in signed contracts for new renewable energy build out throughout the state.

AB 726 undermines the responsibility of every CCA to choose its own renewable electricity sources and service its local customers. The City of West Hollywood strongly opposes AB 726.

Respectfully

Paul Arevalo
City Manager

cc: Honorable Toni Atkins, SD 39
Honorable Connie Leyva, SD 20
Honorable Anthony Canella, SD 12
Honorable Tom Berryhill, SD 8
Honorable Anthony Rendon, Speaker, CA Assembly, AD 63
Honorable Richard Bloom, AD 50
Honorable Ben Allen, SD 26

