



ORA

*Office of Ratepayer Advocates
California Public Utilities Commission*

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April 15, 2014

Honorable Steven Bradford
California State Assembly
State Capitol, Room 5136
Sacramento, CA 95814

RE: AB 2145 (Bradford) - Oppose

Dear Assemblymember Bradford:

The Office of Ratepayer Advocates (ORA) is the independent consumer advocate within the California Public Utilities Commission (CPUC). ORA's statutory mandate is to obtain the lowest possible rates for utility services consistent with safe and reliable service levels. ORA also advocates for customer and environmental protections in connection with utility service.

ORA respectfully opposes your AB 2145, which would change the initial enrollment for a community choice aggregator (CCA) from an "opt-out" to an "opt-in" program. AB 2145 strikes existing statutory language that is designed to protect customers during the opt-out process, and replaces it with anti-competitive language that would require a CCA to specify its rates for five years into the future, as well as the GHG emissions associated with the CCA electric service. It is not clear why a CCA would need to provide five years of projected rates to its customers, when no similar requirement to publish projected rates is placed on investor-owned utilities.

A CCA already faces daunting obstacles to formation, such as incurring unknown upfront costs before it can begin to recover its investment. A CCA is also directly accountable to the people that it serves through governance by local elected officials. CCA formation benefits investor-owned utility customers by providing them with a choice. Incumbent utilities have an existing customer base and revenue stream to support their activities, which gives them a significant advantage over fledgling CCAs. In areas where CCA formation has been active, the incumbent utility has been much more responsive to customers' needs, presumably because customers have a choice of energy provider. CCAs also help the State advance its environmental goals by their emphasis on procuring more renewable energy and thereby challenging the incumbent utilities. Taken together, AB 2145's proposed changes to existing CCA rules will create significant and unneeded barriers for CCAs to serve customers.

The current statutory requirements for customer notifications regarding their right to opt-out of a CCA have proven effective.¹ Marin Clean Energy (MCE), which is Marin County's CCA Provider, pursuant to existing law, provided its customers with proper notification and a reasonable time period within which to opt-out without any financial penalty. Also, ORA is not aware of any problems related to MCE's administration of the CCA program. As government-run agencies,

¹ Public Utilities Code Section 366.2.c(15)

CCAs have every incentive to ensure that potential customers -- who also are voters -- are well-educated about any new CCA program, and that the CCA program is designed to meet the desires of the community it serves.

If you have any questions or would like to discuss this matter further, please call ORA's Legislative Advisor Rebecca Lee, at (916) 327-1407 or me at (415) 703-2381.

Respectfully,

Joseph P. Como, Acting Director
Office of Ratepayer Advocates

By
Rebecca Lee
Legislative Advisor