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Wednesday, Jun 04, 2014

Environmentalists say bill undermines San Diego climate plan

Utility companies want changes to the way community-choice aggregation starts

By Joshua Emerson Smith



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Jun 17, 2014

Randy Noojin's critically acclaimed one man show about Woody Guthrie featuring over a dozen of his greatest songs.

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Maggie Kennedy and other protestors rally outside Assembly Speaker Toni Atkins' San Diego office.

- Photo by Joshua Emerson Smith

Several dozen environmental activists gathered on Friday outside state Assembly Speaker Toni Atkins' downtown San Diego office to protest her recent support for a bill some claim would significantly hinder local efforts to embrace renewable energy.

"People put their trust in Toni, but we got a corporate crony!" an organizer with SanDiego350.org shouted into a bullhorn. The crowd echoed the words back, raising signs that blasted Atkins.

"I kind of thought that she was a Democrat. I kind of thought the environment mattered to her," said Maggie Kennedy, a 52-year-old retired San Diego resident, waving a sign that read, "Toni Atkins Corporate Sellout."

The protest came in response to a [vote in the Assembly](#) two days earlier on Wednesday, May 28, that approved and sent on to the Senate a largely overlooked piece of legislation, [AB 2145](#). Few legislators—none from San Diego County—opposed the bill, which was supported by Pacific Gas & Electric and the California Labor Federation.



"Let me state very loud and clear what this bill does," said Assemblymember Steven Bradford, a Los Angeles Democrat who sponsored the legislation, at the hearing. "It creates greater consumer choice and transparency for forming a future community-choice aggregation for customers."

Those who did object were vocal, claiming the bill would effectively shut down the ability of cities and counties to establish what's known as community-choice aggregation (CCA), a program that transfers authority to buy and sell power away from an investor-owned utility, such as San Diego Gas & Electric. Under the program, a CCA's board of directors—often composed of city council members and/or county supervisors—uses a public process to determine utility rates and how much locally consumed power comes from renewable energy.

"This bill would pull the rug out from [under] Sonoma County's efforts," said Assemblymember Wesley Chesbro, a Democrat who represents the northern coast of California, during the hearing. One of the few CCAs in the state, [Sonoma Clean Power](#) is anticipated to significantly expand its membership during the next year, offering a tier of "100 percent local renewable energy" to customers willing to pay extra for it.

Under existing rules, before establishing a CCA, a municipality must notify utility customers by mail, giving ratepayers the option to opt-out and stay with the incumbent utility. If residents ignore the notice, they're automatically switched into the CCA with the option to switch back at a later date. The incumbent utility would continue to provide billing services, meter readings and maintenance of transmission infrastructure.

Under AB 2145, ratepayers would have to opt into the CCA, confirming by mail that they want to join the program. The bill would also put in place a number of less-controversial regulations, including requiring the disclosure of information about third-party electricity suppliers.

"While this bill needs work, it also has provisions that protect consumer choice and ensure CCAs provide the local jobs and clean energy they promise," Atkins said in an email to *CityBeat*. "I voted to keep the discussion on these issues going, and I'm happy to work with consumers and any other stakeholders as the bill moves through the process."

However, many environmentalists say the opt-in provision is a deal-breaker.

For lack of information or apathy, many residents wouldn't return the written declaration, limiting the initial economy of scale needed to be competitive with an investor-owned utility, said Nicole Capretz, director of policy for San Diego City Councilmember Ed Harris.

"This bill basically cuts us off at our knees," she said. "It's game-over. It's a deathblow, and they know it."

Prior to her current position, Capretz worked for then-interim-Mayor Todd Gloria to oversee the city of San Diego's Climate Action Plan, which calls for exploring the formation of a CCA to reach the goal of using 100-percent renewable energy by 2035.

The proposed legislation gives investor-owned utilities an unfair advantage, she said. "It's an uneven playing field right now. Obviously, the incumbent utility has all the customers, and they already have that relationship built, and they were just given those customers. No one had a choice when they signed up with SDG&E."

That's not how regional lawmakers have viewed the issue.

The bill "levels the playing field," said Assemblymember Lorena Gonzalez, a Democrat whose District 80 includes parts of San Diego, in an email. "Right now, families can find themselves locked into being CCA customers without ever opting into the CCA."

The only regional legislator who didn't vote for the bill was Assemblymember Shirley Weber, a Democrat, who abstained. Her District 79 includes La Mesa, Encanto and part of National City.

"We were contacted by a number of cities in our district worried about how this might compromise their own plans for a CCA," said Joe Kocurek, spokesperson for Weber.

"Community groups in our district expressed similar concerns. We also didn't see the bill as actually addressing the concerns some critics had about CCAs, so we decided to stay off."

Two weeks ago, the San Diego City Council's Environment Committee voted unanimously, with Councilmember Lorie Zapf absent, to recommend that the full council pass a resolution opposing AB 2145.

While Mayor Kevin Faulconer has yet to take a position, a spokesperson said the draft Climate Action Plan, which is under executive review, will retain a CCA feasibility study. The mayor has also set aside \$150,000 in his budget to study alternative-energy-supply options, including the formation of a CCA.

However, with a draft plan not expected to be submitted for public review for at least another month, activists have started to express concern about the mayor's commitment to renewable



energy.

"We're in limbo, and he's got a clear message from the community that it's long past time to move on this," said Kayla Race, a policy advocate with the Environmental Health Coalition's green-jobs campaign.

California has joined five other states in allowing the adoption of CCAs. While states such as Illinois, Rhode Island and Ohio have focused on ratepayer savings, in California, counties such as Marin have prioritized the use of renewable-energy credits.

In 2010, PG&E poured millions of dollars into Proposition 16, which would have required two-thirds supermajority voter approval for local governments to form a CCA. Voters rejected the measure by more than five percentage points, with critics claiming it would have put an end to the program.

"Let me be very clear, Prop. 16 four years ago was a direct frontal attack on a CCA," said Assemblymember Bradford at last week's hearing. "This is not Prop. 16. All this bill does is change the opt-out to the opt-in."

In 2003, when New Jersey launched its CCA equivalent, called government energy aggregation, the state included an opt-in customer-signature requirement. However, legislation has since lifted the requirement, and last year, the state saw its first programs begin.

"Just starting out of the gate, we have to have that base of customers to make this viable," Capretz said. "As a new player in the market, it would be literally impossible for us to compete with SDG&E."


Write to joshuas@sdcitybeat.com or follow him on twitter at [@jemersmith](https://twitter.com/jemersmith).

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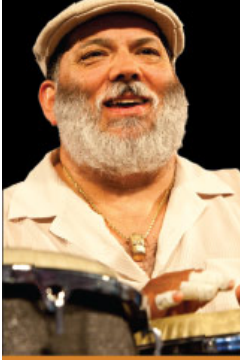
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