



CITY OF BEVERLY HILLS

455 NORTH REXFORD DRIVE ▪ BEVERLY HILLS, CALIFORNIA 90210

Lester J. Friedman, Mayor

March 30, 2021

Honorable Anthony Portantino,
Senator 25th District
State Capitol, Room 5050
Sacramento, CA 95814

Re: SB 612 (Portantino) Electrical Corporations: allocation of legacy resources
City of Beverly Hills SUPPORT

Dear Senator Portantino:

The City of Beverly Hills is pleased to SUPPORT SB 612, your measure to help ensure all California ratepayers have fair and equal access to benefits associated with investor-owned utility (IOU) legacy energy resources and that the resources are actively managed to maximize their value. The bill would establish new requirements between Investor-Owned Utilities (IOUs), referenced here as electrical corporations and load serving entities, including community choice aggregators (CCAs), regarding how certain costs for electrical generation are procured, calculated, allocated, managed and publicly reported.

Over the last decade, more than 11 million utility customers have transitioned from IOU electric service to CCAs, local publicly-owned energy providers that purchase electricity for their communities. As part of this transition, CCA customers continue to share cost responsibility for power supply commitments entered into by IOUs prior to their departure for CCA service.

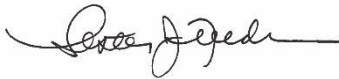
These costs include expensive long-term renewable energy contracts with third parties and capital-intensive utility-owned generation facilities (e.g. nuclear, natural gas, hydroelectric plants). These so-called “legacy” resources account for billions of dollars in above-market costs in IOU energy portfolios, and IOUs rely on California ratepayers to pay the costs. CCA customers continue to pay for legacy resources through a charge known as the Power Charge Indifference Adjustment (PCIA) fee.

The PCIA is a fee charged by investor-owned utilities (IOUs) in California to customers that switch to another provider of electricity generation service through direct access or community choice aggregation. The fee is designed to recover above-market costs from power supply commitments that the IOUs made in the past. The impact of the PCIA on ratepayers is a major concern because it has increased by hundreds of millions of dollars in recent years.

The City of Beverly Hills is dedicated to combating climate change by reducing greenhouse gas and other emissions from city facilities, operations, and within the community. Regionally, the City of Beverly Hills became a member of the Clean Power Alliance, which is a Community Choice Aggregation program that provides high-level renewable electricity to several cities within Los Angeles and Ventura counties in order to reduce harmful greenhouse gas emissions. Currently, the majority of homes and businesses in Beverly Hills are powered by 50 percent renewable energy compared to 34 percent provided by the local electricity provider.

For these reasons, the City of Beverly Hills supports SB 612.

Sincerely,

A handwritten signature in black ink, appearing to read "Lester J. Friedman", with a horizontal line extending to the right.

Lester J. Friedman
Mayor, City of Beverly Hills

cc: Members and staff, Senate Committee on Energy, Utilities and Communication
The Honorable Ben Allen 26th Senate District
The Honorable Richard Bloom, Assemblyman 50th District
Andrew K. Antwih Shaw Yoder Antwih Schmelzer & Lange