



Legislation Text

File #: 14-0293, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

FROM:

Bruce Moe, Acting City Manager

SUBJECT:

Take a Position in Opposition to AB 2145 (Bradford) - Electricity: Community Choice Aggregation (Acting City Manager Moe).

OPPOSE

RECOMMENDATION:

Oppose AB 2145 (Bradford) and authorize letters of opposition to members of the State Legislature related to modifications to existing law which would make it more difficult for local communities to pursue Community Choice Aggregation as an alternative to traditional utilities.

FISCAL IMPLICATIONS:

None as a result of this action.

BACKGROUND:

Mayor Howorth is requesting that the City Council take a position in opposition to AB 2145.

DISCUSSION:

The Manhattan Beach community has considerable concerns regarding the abilities of SCE to provide a reliable source of power given a significant history of unplanned outages. AB 2145 would effectively prevent Community Choice programs from operating anywhere in California. If this bill passes, it would be much more difficult for local communities to choose a more reliable or environmentally friendly alternative to their existing local utility.

Community Choice energy programs empower local communities to take control of decision-making about the sources and cost of their electrical power. Not-for-profit, democratically controlled Community Choice energy programs enable local governments to reduce greenhouse gas emissions while creating green jobs and stimulating the local economy. These programs are dedicated to reducing consumer electricity demand, providing competitive electricity rates and maximizing the amount of renewable energy in their mix.

In California, Community Choice was made possible by state legislation enacted in 2002. Marin and Sonoma Counties were the first to establish Community Choice programs in 2010 and 2014 respectively. Other communities are currently considering establishing Community Choice programs, including Alameda, San Francisco, Santa Clara, San Diego, Santa Barbara, San Luis Obispo, Lancaster and Monterey, among others.

In 2008, PG&E spent millions trying (unsuccessfully) to discourage Marin residents from choosing Marin Clean Energy. In 2010, PG&E spent \$46 million on an unsuccessful ballot initiative (Prop 16) to change the California Constitution to require a two-thirds majority of voters to establish a Community Choice program. The voters spoke and the measure did not pass. Traditional utilities continue to try to place obstacles in the way of Community Choice as represented by AB 2145.

A position of opposition would continue to allow for community choice and preserve the option for Manhattan Beach and other communities. Letters of opposition would be sent to Senator Lieu, and the members of Senator Alex Padilla's Utilities & Communications Committee (who hear the bill on 6/23).

In a related matter, the UCLA Institute of the Environment presented a report to the City of Hermosa Beach, prepared independently for that city, which recommends that cities in the South Bay pursue the establishment of a CCA. The report also recommended that cities who wish to have the option to explore forming a CCA oppose AB 2145 and quickly lobby their State Senators against the bill.

Attached is a copy of the current bill language, list of California cities, governments and organizations already opposing AB 2145, and additional information on the proposed bill.

CONCLUSION:

It is recommended that the City Council take a position in opposition to AB 2145 and that letters of opposition be sent to the appropriate members of the State Legislature in order to preserve local options and control.

Attachments:

1. Legislative Text of AB 2145
2. List of Communities and Organizations Opposing
3. San Diego Energy District Foundation Analysis of AB 2145