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June 9, 2021

The Honorable Chris Holden
Chair, Assembly Utilities and Energy Committee
State Capitol, Room 5132
Sacramento, CA 95814

RE: SB 612 (Portantino) – SUPPORT

Dear Assemblymember Holden,

On behalf of the City of Cupertino, I am writing to express our support for SB 612 (Portantino), which would ensure that resources held in the Investor-Owned Utility (IOU) portfolios are managed to maximize value for all customers, and would ensure fair and equal access to the benefits of these legacy resources.

Over the last ten years, millions of utility customers have transitioned from IOUs to Community Choice Aggregators (CCAs). The City of Cupertino has joined Silicon Valley Clean Energy (SVCE) to offer residents and businesses additional electric energy choices. This allows the City to partner with other local governments to purchase cleaner electricity for our businesses and residents, while maintaining competitive rates and reliable service.

When a customer transitions to a CCA, the customer continues to pay for resources, like energy, that were procured on their behalf through the Power Charge Indifference Adjustment (or PCIA). However, unlike a utility customer, CCA customers receive no benefits from these resources. This inequity has been exacerbated in recent years as the cost of this payment has risen by hundreds of millions of dollars, with no sign of decreasing. The impacts of COVID-19 have made the importance of righting this inequity and lowering costs for all customers even more urgent.

This bill would ensure fair and equal access to the benefits of the resources that all customers pay for and would ensure that these legacy contracts are managed in a way that maximizes benefits for everyone. The bill would also require the California Public Utilities Commission (CPUC) to recognize the value of clean energy in legacy contracts. Time is of

the essence. The longer the legislature takes to act, the less valuable these legacy contracts will be, and the less value customers will gain from access to them.

It is for these reasons that the City of Cupertino supports SB 612.

Sincerely,



Darcy Paul
Mayor
City of Cupertino

cc: Senator Dave Cortese
Assemblymember Evan Low
Assemblymember Marc Berman
Assembly Committee on Utilities and Energy:
Assemblymember Chris R. Holden (Chair)
Assemblymember Jim Patterson (Vice Chair)
Assemblymember Rebecca Bauer-Kahan
Assemblymember Autumn R. Burke
Assemblymember Wendy Carrillo
Assemblymember Phillip Chen
Assemblymember Jordan Cunningham
Assemblymember Cristina Garcia
Assemblymember Eduardo Garcia
Assemblymember Chad Mayes
Assemblymember Al Muratsuchi
Assemblymember Bill Quirk
Assemblymember Eloise Gómez Reyes
Assemblymember Miguel Santiago
Assemblymember Philip Y. Ting