



Office of the Mayor

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Honorable Anthony Portantino
State Capitol, Room 5050
Sacramento, CA 95814

Re: Senate Bill 612 (Portantino): Ratepayer Equity—SUPPORT

Dear Senator Portantino:

The City of Fremont writes to express our support of Senate Bill 612 (Portantino). The City of Fremont helped to establish East Bay Community Energy in 2016 /OR/ joined East Bay Community Energy for the purpose of delivering cleaner electricity to the residents and business in Alameda County. SB 612 would help the City of Fremont and EBCE maintain the commitment we made to the community to reduce greenhouse gas (GHG) emissions and maintain rates competitive with PG&E. The bill would support reduced utility bills by maximizing the benefits of energy already purchased and would provide EBCE's customers with the clean energy benefits from the resources purchased years ago on their behalf.

SB 612 (Portantino) would ensure that EBCE's customers have the ability to access their proportionate share of the benefits of PG&E legacy contracts they are already paying for. It would also ensure that PG&E manage its legacy contracts to maximize their value for PG&E and EBCE customers alike. At a time when our communities are facing unprecedented economic hardships, it is more important than ever that we reduce utility bills by maximizing the benefits of energy already purchased.

While legacy resources produce high costs, they also produce valuable products such as renewable energy, hydroelectric energy, and resource adequacy. Though all customers bear cost responsibility for these legacy resources, community choice aggregator (CCA) customers do not have access to any of the beneficial attributes they are paying for. This inequity has been long recognized by regulators and stakeholders. In 2017, the California Public Utilities Commission (CPUC) opened a proceeding intended to address this issue, among others. However, the CPUC has taken no action towards adopting a consensus solution to resolve the inequity, which increases CCA procurement costs because of the uncertainty around future resource access. SB 612 (Portantino) will address this inequity by providing fair and equal access to the benefits of legacy resources for all customers.

Thank you for your consideration, and we look forward to working with you and your staff on this matter.

Sincerely,

A handwritten signature in blue ink that reads "Lily Mei".

Lily Mei
Mayor
City of Fremont

Cc: The Honorable Ben Hueso, Chair, Senate Energy, Utilities & Communications

Nidia Bautista, Chief Consultant, Senate