



City of Encinitas City Council's Office

505 S. Vulcan Ave, Encinitas, CA 92024

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www.encinitasca.gov

July 25, 2024

Tony Kranz
Mayor

The Honorable Robert Rivas
Speaker, California State Assembly
California State Senate
1021 O Street, Suite 8518
Sacramento, CA 95814

The Honorable Mike McGuire
President Pro Tempore,
1021 O Street, Suite 8330
Sacramento, CA 95814

Allison Blackwell
Deputy Mayor

Re: Protecting Energy Efficiency Funding in Public Purpose Programs

Dear Speaker Rivas and President Pro Tem McGuire,

On behalf of the City of Encinitas, I write to respectfully oppose legislation or any budget trailer bill that would eliminate non-cost-effective energy efficiency program funding from Public Purpose Program (PPP) Funds. We too are concerned about rising electric rates and bills, and the need for the Legislature to ensure that ratepayer funded programs are effective. However, strict adherence to stringent traditional cost-effectiveness tests as the only way to evaluate a program's value would mean that most of the hardest-to-reach, underserved, low-income customers may no longer benefit from energy efficiency programs that are not deemed sufficiently "cost-effective" by the California Public Utilities Commission. Sometimes, the true value of an investment in improving the lives of people cannot be quantified merely through "cost."

Bruce Ehlers
Council Member

Kellie Shay Hinze
Council Member

PPP-funded energy efficiency programs have saved customers more than \$100 billion in utility bills since the 1970s, benefiting ratepayers, the environment, and California's economy. Specifically, PPP programs:

Joy Lyndes
Council Member

- Lower customer energy bills;
- Support more than 300,000 jobs throughout the state;
- Reduce pressure on the electric grid and support equitable building decarbonization;
- Serve low-income, environmental justice, small business, and other hard-to-reach customers and communities; and
- Provide critical support to state and local jurisdictions in reaching carbon reduction and electrification goals.

Pamela Antil
City Manager

The City of Encinitas is a proud member of San Diego Community Power, a community choice aggregator that not only supplies clean power to our community, but also intends to offer a full suite of energy efficiency programs via

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the newly formed San Diego Regional Energy Network (SDREN). The investment in these programs will help our community reduce electric and gas usage, reduce greenhouse gas emissions, and put downward pressure on energy rates and bills. These benefits will not be realized without PPP funding.

Unfortunately, proposals to reduce PPP funding would move California further away from our energy, climate, and equity goals. For these reasons, we urge the Legislature to find other ways to reduce electric rates and bills.

If you have any questions, please feel free to call me at (760) 633-2618.

Sincerely,

A handwritten signature in blue ink that reads "A.J. Kranz". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Tony Kranz
Mayor
City of Encinitas

cc: Kip Lipper, Office of Senate President Pro Tem
Chase Hopkins, Policy Consultant, California State Assembly
Grant Mack, Deputy Legislative Secretary, Office of Governor Newsom
Christine Hironaka, Senior Advisor for Energy, Office of Governor Newsom

