



City of Encinitas City Council's Office

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May 24, 2023

Assemblymember Eduardo Garcia
Chair, Assembly Utilities and Energy Committee
1020 N Street, Suite 408A
Sacramento, CA 95814

Tony Kranz
Mayor

RE: AB 1373: Energy (As amended 5/22/2023) - Oppose Unless Amended

Dear Chair Garcia,

Joy Lyndes
Deputy Mayor

On behalf of the City of Encinitas, we want to thank you for your recent amendments which place specific guardrails around the Central Procurement Entity to procure geothermal and offshore wind resources. The City of Encinitas applauds your commitment and leadership to improve California's energy security, especially in the wake of the extreme weather events that are becoming more common. Though we greatly appreciate the bill's amendments as of May 22, 2023, some of our concerns remain and we must unfortunately express our position to oppose AB 1373 unless it is further amended.

Allison Blackwell
Council Member

The City of Encinitas is a member of San Diego Community Power (SDCP), California's second largest Community Choice Aggregator (CCA). We joined SDPCP to help meet the State's climate goals of a swift transition to renewable energy.

Bruce Ehlers
Council Member

Remove the Expansion of CPUC Jurisdiction Over Community Choice

As currently drafted, AB 1373 would give the CPUC expanded Integrated Resource Plan (IRP) jurisdiction over CCA procurement autonomy. A community choice aggregator's core role is to serve our communities, including deciding the mix of resources to be procured. This change does nothing to address the immediate and overriding goals we share—to increase clean energy and improve reliability while lowering rates. Instead, it strips CCAs of their ability to be nimble in the procurement of resources, which is especially necessary in this market as projects continue to encounter delays and cost increases. Additionally, considering the many energy issues facing our communities, we believe the CPUC's resources are better placed elsewhere.

Kellie Shay Hinze
Council Member

Pamela Antil
City Manager

Customers Should Not Have to Pay Additional Penalties for Resource Adequacy

San Diegans already pay the highest energy rates in the continental United States. As public officials we understand how our constituents are struggling, and high energy bills hurt our most vulnerable communities. Increased penalties

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will not bring additional supply to the market and will only further increase rates. The proposed penalties for Resource Adequacy (RA) deficiencies fail to recognize current market conditions. If the policy rationale of penalties is to compel behavior—this proposal will not result in any new RA because there is none to be had. We don't want to see consumer rates increase and certainly not increase without one more megawatt of clean energy procured.

If you have any questions, please contact San Diego Community Power lobbyist, Amy Costa at (916) 384-6948 or amy@fullmoonstrategies.com

Sincerely,



Tony Kranz
Mayor

cc: Senator Toni Atkins, President pro Tempore
Senator Nancy Skinner, Chair, Budget and Fiscal Review
Assemblymember Phil Ting, Chair, Budget
Senator Josh Becker, Chair, Budget and Fiscal Review Subcommittee no.2
Assemblymember Steve Bennett, Chair, Budget Subcommittee no.3
Assemblymember Tasha Boerner Horvath
Assemblymember Chris Ward
Assemblymember Akilah Weber
Assemblymember David Alvarez
Senator Steve Padilla
Senator Catherine Blakespear
Joe Stephenshaw, Director, Department of Finance
Christine Hironaka, Deputy Cabinet Secretary, Office of the Governor
Grant Mack, Deputy Legislative Secretary, Office of the Governor