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Support for California Marketing Plan

The California Alliance for Competitive Energy Solutions (CACES), The Alliance for Retail Energy Markets (AReM), TURN, Southern California Edison and others have come together in support of ALJ's proposal to reopen the market and want to see it adopted with minor changes.

The PUC is under legislative mandate to reopen the market in April, even so

CACES, AReM, TURN, Sothern California Edison and the others have expressed their support for the promptness of the ruling in their filings. The market has been still since it was closed down to all but grandfathered consumers after the state's Energy Crisis.

CACES , along with the others, would like to see the proposal altered to require utilities to file advice letters to notify their Direct Access (DA) rules

to be in compliance with the final decision of the PUC. We would like to see the effective date of the re-opening pushed ahead to April 1 (currently April 11) to allow a full 90-day open enrollment window.

To read more on this topic please refer to the March 4 article at: <http://www.restructuringtoday.com>

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CALIFORNIA PROPOSITION 16

Proposition 16, the New Two-Thirds Requirement for Local Public Electricity Providers Act is on the June 8, 2010 ballot in California as an initiated constitutional amendment. If the initiative is approved by voters, it will make it more difficult than it is currently for local entities to form either municipal utilities, or community wide clean electricity districts called Community Choice Aggregators (CCAs). Forming a local municipal utility or a CCA, if this measure is enacted, will require the approval, through election, of 2/3rds of the voters who live in the area of the would-be local municipal utility or CCA.

Pacific Gas & Electric is the primary financial sponsor of the initiative, having contributed \$15.5 million through the end of February 2010.

The proposed constitutional amendment would require a two-thirds majority vote of local voters before a local government could:

- Establish a Community Choice Aggregation (CCA) program.
- Use public funding to implement a plan to become a CCA provider
- Expand electric service to new territory or new customers.

The CCA program, established in 2002, allows local governments to purchase blocks of power to sell to residents, and to construct municipal electricity generation facilities, which means that cities and counties can become competitors to private utilities.

Supporters

The name of the campaign committee sponsoring the measure is "Californians to Protect Our Right to Vote."

The official proponent of the initiative is Robert Lee Pence, who was listed as an opponent of California Proposition 80 (2005).

Donors

As of February 26, 2010, utility company Pacific Gas & Electric has given \$15.5 million to the campaign for a "yes" vote, and are the only donors to the "yes" campaign.

A spokesman for PG&E said in February that PG&E expects to spend somewhere between \$25-\$35 million on its campaign to get voters to say "yes" to Proposition 16.

Please visit the following link to read this article in full and for more information: [http://ballotpedia.org/wiki/index.php/California_Proposition_16_\(June_2010\)](http://ballotpedia.org/wiki/index.php/California_Proposition_16_(June_2010))

Recent Amendments to CEQA Guidelines

On December 29, 2009, the California Natural Resources Agency ("Resources Agency") adopted amendments to the guidelines implementing the California Environmental Quality Act ("CEQA").

The amendments were filed with the Secretary of State on February 16, 2010 and will assist lead agencies in complying with CEQA's existing requirements when analyzing and mitigating the impacts of greenhouse gas ("GHG") emissions associated with a proposed project. The amendments implement Senate Bill 97 which required the Resources Agency to clarify how GHG emissions should be analyzed and mitigated during the CEQA process.

Recent legislation and issuance of the California Air Resource Board's ("CARB's") Scoping Plan pursuant to Assembly Bill

32, the Global Warming Solutions Bill, created uncertainty regarding CEQA compliance. CARB approved the Scoping Plan a year ago. It presents strategies for achieving the statewide goal of reducing GHG emissions to 1990 levels by 2020.

The Legislature passed SB 97 to give greater certainty to CEQA lead agencies as to whether CEQA requirements have been met. According to the Resource Agency's Final Statement of Reasons for Regulatory Action (dated Dec. 2009), they do not add substantive requirements.

The amendments provide guidance to lead agencies regarding how to determine whether GHG emissions are significant, how to analyze significant impacts, how to develop appropriate mitigation measures to address significant impacts, and how to address significant impacts that cannot

be mitigated to below a level of significance. The changes affect 14 sections of the existing CEQA Guidelines, Appendix F regarding Energy Conservation, and Appendix G which presents the Environmental Checklist Form

The amendments become effective March 18th of this year. Only time will tell if the amendments achieve their goal of providing greater clarity to lead agencies on how to analyze the effects of project-related GHG emissions. On a parallel track, the CARB is developing new information and criteria pursuant to Assembly Bill 32, The Global Warming Solutions Bill.



In The Know...

✓ 2010 Governor Election Updates

- Former U.S. Secretary of State Condoleezza Rice announced her endorsement of candidate Meg Whitman.
- Steve Poizner was scheduled to file his candidacy papers in San Jose on March 1st, putting to rest, his campaign says, questions about whether he would drop out of the race.
- Jerry Brown will declare his Democratic candidacy for governor Tuesday online, ending months of speculation about his intentions in which Brown insisted he had not yet decided whether to run.

✓ Gov. Schwarzenegger Signs Legislation to Grow Solar Investment and Create Jobs in California:

Governor Arnold Schwarzenegger signed AB 510 by Assemblymember Nancy Skinner (D-Berkeley) to raise the requirement on net metering in California, ensuring home and business owners continue to invest in solar power.

- ✓ **Senate Bill (SB) 722 becomes the new RPS proposed bill:** As anticipated the amendments to Senate Bill 722 - the new RPS proposed bill - went across the Assembly on Tuesday, March 2nd. It is CACES understanding that the bill, once amended, will be referred to the Rules Committee for referral to the appropriate policy committee(s) and that the process will start from there. The proposed amendments are verbatim 2009 legislation SB 14 (Simitian)/AB 64 (Krekorian) with a few minor tweaks. *More to come on this in the coming months...*