



California Alliance for Competitive
Energy Solutions

Senate Bill (SB) 656, Rod Wright

Senate Bill (SB) 656, Rod Wright: This legislation that would increase some of the customer protection rules for gas providers. Senate Bill (SB) 656 extends many of the customer protection in the direct access power residential market to the natural gas market:

Specifically, the bill:

1. Requires natural gas suppliers to Register with the PUC;
2. Directs the PUC to investigate customer complaints against natural gas providers;
3. Requires the PUC to issue alerts to any supplier or entity that is acting fraudulently or in a manner not compliant with this bill
4. Requires the PUC to develop informational tools to help consumers make informed

decisions about competitive provider's, including the financial solvency of a provider.

The bill is being carried by Senator Rod Wright because he authored the original bill that allowed for competition in the California's natural gas market. According to the PUC there has been a large increase in customer complaints because of overly-aggressive marketing practices by a few companies.

The bill has wide bi-partisan support and is likely to pass and get signed by the Governor this Session.

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Direct Energy Buys Hess Energy Marketing for \$1.03 Billion

U.K. power and gas giant Centrica said Tuesday it will buy a U.S. energy supplier for more than \$700 million, as it continues to build up its North American operations and find ways to invest the cash on its balance sheet. Centrica is to buy the Energy Marketing operations of Hess Corp. (HESS), which supplies energy to businesses on the U.S. East Coast, the utility said. It will pay \$731 million in cash for the New Jersey-headquartered firm, and will look to invest a further \$300 million in the business. "This transaction...marks a significant step towards delivering on our strategy--substantially increasing the scale of our North American downstream business and integrating along the gas value chain--with the aim of doubling the profitability of our North American downstream business over the next three-to-five years," said Sam Laidlaw, Centrica's chief executive, in a statement. The acquisition will be made through Centrica's subsidiary, Direct Energy Business LLC. Earlier in July Direct Energy paid \$46 million for retail electricity provider Bounce Energy Inc., and last year it completed a \$110 million deal for New York-based energy retailers Energetix Inc. and NYSEG Solutions from a unit of Spain's Iberdrola SA.

Buying Hess's Energy Marketing operations will bring 23,000 new business customers into the pool, and make Direct Energy the largest business gas supplier on the U.S. East Coast and the second largest business supplier in the U.S. retail power market, Centrica said. The transaction is subject to regulatory approval, and the company said it expected to close the deal later this year. Centrica has made several investments in the U.S. already this year. In March, it announced a contract to export liquefied natural gas from Louisiana to the U.K., and in April it agreed to buy part of Suncor Energy Inc.'s (SU) Canadian oil and gas assets.

Earlier in the year Centrica said it would return 500 million pounds (\$769 million) to shareholders via a share repurchase scheme--a strategy that some analysts saw as indicating that Centrica had a large surplus of cash that it saw few opportunities to invest. The company has said that it intends to focus investment on its U.S. operations.



Energy Bill Could Alter Electricity Rates for Millions of Californians

California lawmakers are poised to pass legislation that could dramatically affect bills for millions of residential customers of Southern California Edison Co. and other state-regulated utilities.

People living in temperate climates along the coast would probably see higher bills. Those in torrid regions — the San Joaquin Valley, the Inland Empire and the Mojave Desert — would get some rate relief.

Exactly how much rates would change would be left to the Public Utilities Commission after it conducts a detailed, technical investigation. Additionally, the PUC would have the authority to charge all ratepayers a fixed monthly fee of up to \$10 each.

The legislation also would authorize the PUC to rewrite rules for solar power users selling excess power back to the grid and to require utilities to generate even more electricity from wind, solar and other renewable sources. The state now requires utilities to get 33% of their power from renewable sources by 2020.

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PUC fails to set rates for CleanPowerSF

San Francisco's plans for creating a renewable power program, nine years in the making, are in jeopardy after the city's Public Utilities Commission voted against setting rates for CleanPowerSF on Tuesday. CleanPowerSF was approved last fall when the Board of Supervisors authorized a five-year, \$19.5 million contract with Shell Energy North America, with the goal of creating a customer base to build city-owned renewable power facilities. The program was supposed to automatically enroll half of the city's 375,000 residential customers who get their power from Pacific Gas and Electric Co. in CleanPowerSF. The customers would have to pay more for greener energy unless they opted out. But by a 3-2 vote that followed months of delays, the commission said it was not prepared to determine how much the program should cost San Franciscans because of continued opposition from labor groups and few details about how a future city-owned power program would be implemented.

"The program we have now is not the program that the commission wants," said PUC spokesman Tyrone Jue, who said a contract with Shell can't be signed until not-to-exceed rates are set. "There is nothing to move forward with."

Seeking Alternatives

"At the end of the day, this is not what San Francisco residents anticipated," Torres said. "There are alternatives out there that we need to be looking at."

The vote was devastating to environmental groups that rallied earlier on the steps of City Hall, urging San Francisco to be an example to other cities by adopting CleanPowerSF.

"I feel disappointed in the PUC; they didn't uphold their responsibility to work toward implementing this program," said Jess Dervin-Ackerman, conservation organizer with the San Francisco Bay chapter of the Sierra Club.

To read this article in its entirety please go to: <http://www.sfgate.com/bayarea/article/PUC-fails-to-set-rates-for-CleanPowerSF-4730442.php>