

FLOOR ALERT

SLOW DOWN AND GET IT RIGHT!



To: Honorable Members, California State Assembly

From:

Alliance for Retail Energy Markets

California Alliance for Competitive Energy Solutions

California Grocers Association

California Manufacturers and Technology Association

California Retailers Association

Direct Access Customer Coalition

School Project for Utility Rate Reduction

Re: **SBX1 2 (Simitian/Kehoe/Steinberg) – Oppose**

Despite widespread recognition among legislators and stakeholders that certain inequitable aspects in the bill should be remedied, the SBX1 2 is before you for vote. We urge you to **slow this fast-tracked process down** and work with your colleagues in the legislature so that legitimate business and fairness concerns are addressed in the regular session version of this bill in order to obtain your vote.

Provisions of SBX1 2 which are particularly problematic:

- SBX1 2 would eviscerate the renewable energy value of contracts with a retroactive contract effective date. Not recognizing the full value of the renewable energy contracts executed to date is bad policy, is unnecessary and counterproductive to business competitiveness. Moreover, legal ramifications will ensue as a result of the retroactive impairment of the value of renewable energy contracts that have been executed.
- SBX1 2 severely restricts flexibility with respect to banking excess procurement, and therefore limits the ability of energy service providers to meet their renewable energy obligations across compliance periods.
- SBX1 2 will compromise the development of in-state distributed renewable generation resources as it limits the definition of “in-state” resources to those resources directly connected to the California power grid, a requirement that most, if not all, distributed renewable generating resources do not meet.
- SBX1 2 provides cost containment provisions for the IOUs but not for ESPs.

For the reasons cited above, the coalition of organizations listed above respectfully request your **NO VOTE** on SBX1 2.