



April 6, 2021

The Honorable Ben Hueso
Chair, Senate Energy, Utilities and Communications Committee
State Capitol Building, Room 4035
Sacramento, CA 95814

**RE: SB 612 (Portantino) Electrical Corporations and Other Load-Serving Entities:
Allocation of Legacy Resources
Notice of SUPPORT (As Amended 03/09/21)**

Dear Senator Hueso,

The League of California Cities (Cal Cities) is pleased to **support** SB 612 (Portantino), related to the allocation of legacy resources and Community Choice Aggregators (CCAs).

Specifically, SB 612 would ensure fair and equal access to the benefits of legacy resources and ensure resources held in Investor-Owned Utilities (IOU) portfolios are managed to maximize value for all customers. Currently, CCA customers in IOU territory continue to pay for legacy resource products that were procured on their behalf, even though only IOU customers have the right to access the benefits of these contracts. This change would not only ensure fair and equal access to these resources, but will save CCA's and their customers millions of dollars.

This measure also would require the California Public Utilities Commission (CPUC) to recognize the value of greenhouse gas free energy and any new products in assigning cost responsibility for above-market legacy resources. Any remaining excess legacy resource products not taken by IOU, CCA, or direct access customers, could also return to the wholesale market in an annual solicitation.

Overall, Cal Cities believes this will help CCAs save their customers money, while continuing to provide clean, reliable energy. Cal Cities continues to support fair competition in statewide energy markets for CCAs and works to ensure that legislation and regulatory policies protect CCA customers from improper cost allocations. SB 612 would address longstanding inequities that have unfairly increased costs to CCA's and their customers.

For these reasons, the League **supports** SB 612 (Portantino). If you have any questions, do not hesitate to contact me at (916) 658-8218.

Sincerely,

A handwritten signature in blue ink that reads "Derek Dolfie".

Derek Dolfie
Legislative Representative

cc: The Honorable Anthony Portantino
Members, Senate Energy, Utilities & Communications Committee
Nidia Bautista, Chief Consultant, Senate Energy, Utilities & Communications Committee
Kerry Yoshida Consultant, Senate Republican Caucus