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May 18, 2021

The Honorable Anthony Portantino
Chair, Senate Appropriations Committee
State Capitol Building, Room 4203
Sacramento, CA 95814

**RE: SB 612 (Portantino) Electrical Corporations and Other Load-Serving Entities. Allocation of Legacy Resources
Notice of SUPPORT (As Amended 05/04/21)**

Dear Senator Portantino,

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

Specifically, SB 612 would require the California Public Utilities Commission (CPUC) to require investor-owned utilities (IOUs) to offer to CCAs and electric service providers (ESPs) an allocation of product attributes from legacy electrical resources paid for through exit fees of the departing load.

Currently, CCA customers in IOU territories continue to pay for legacy resource products procured on their behalf, even though only IOU customers have the right to access the benefits of these contracts. Additionally, any remaining excess legacy resource products not taken by IOU, CCA, or direct access customers, could return to the wholesale market in an annual solicitation. SB 612 seeks to provide fairness by ensuring that both IOU and CCA customers are treated equally.

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 moves the state towards addressing longstanding inequities that have unfairly increased costs to CCA's and their customers.

For these reasons, the League **supports** SB 612 (Portantino) and thanks you for your leadership on this issue. If you have any questions, do not hesitate to contact me at (916) 658-8218.

Sincerely,



Derek Dolfie
Legislative Representative



cc: The Honorable Anthony Portantino
Members, Senate Appropriations Committee
Ashley Ames, Chief Consultant, Senate Appropriations Committee
Kirk Feely, Consultant, Senate Republican Caucus