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Mayors London Breed, Sam Liccardo, and Libby Schaaf Oppose State Proposal Derailing Clean Energy Program and Raising Utility Rates for Customers Statewide

*California Public Utilities Commission Proposed Fee Structure Turns Back Clock
on State's Climate Change Goals*

San Francisco, CA—San Francisco Mayor London Breed, San Jose Mayor Sam Liccardo and Oakland Mayor Libby Schaaf today voiced their concerns about a proposal under consideration by the California Public Utilities Commission (CPUC) that could disrupt the state's clean power programs and increase energy fees on customers.

On September 13, the CPUC is scheduled to vote on one of two proposals for the state's Power Charge Indifference Adjustment (PCIA), an exit fee that energy customers pay when they switch to community-based clean power program providers—known as Community Choice Aggregators (CCAs)—in lieu of investor owned utilities (IOUs).

One proposal, put forth by CPUC Commissioner Carla Peterman would immediately increase exit fees charged by PG&E and other IOUs by as much as 25 percent, according to preliminary analysis based on the data CalCCA (the state's CCA association) has, creating volatility and uncertainty in these fees, and threatening the future of our community choice clean energy programs. The other proposal, by the judge overseeing the proceeding, properly balances the elements that make up the exit fees creating a level playing field for CCAs.

“At a time when President Trump is dismantling environmental regulations that address global climate change, California and our cities must continue to lead,” said San Francisco Mayor London Breed. “CleanPowerSF is central to San Francisco's efforts to reduce our greenhouse gas emissions and make our electricity 100% carbon-free by 2030. This proposal makes it more expensive for San Franciscans to choose clean energy over dirty fossil fuels.”

Run by local governments, CCAs are key to the state and region's ambitious climate change goals, including a proposal passed by state lawmakers last week to move California to 100 percent renewable energy by 2045. There are 19 CCA programs throughout the state, operated by and accountable to individual cities and counties, each using innovative private-public partnerships to offer cleaner, cheaper energy options.

If adopted by the CPUC, Commissioner Peterman's PCIA fee proposal would shift costs to CCA customers, hampering CCA programs' effort to expand their programmatic offerings, such as battery storage and energy efficiency, and enroll more customers. Several CCA programs are in their early

stages, and this exit fee proposal is expected to halt or slow those programs before their scheduled launch dates.

“This proposal would raise energy prices for all Oaklanders, but it would cost our most vulnerable customers the most,” said Oakland Mayor Libby Schaaf. “Delivering clean energy at a low cost to all Oakland residents and businesses is an equity issue. I urge all Commissioners to make the right choice for fair and equitable energy regulations, and to allow us to meet our city’s ambitious climate goals while keeping our customers rooted in Oakland.”

"At a time when climate change has wrought natural disasters throughout our state, this utility-backed proposal threatens to deprive cities like San Jose of their most impactful tool for dramatically reducing GHG emissions: Community Choice Energy programs," said San Jose Mayor Sam Liccardo. "This manipulation of the PUC rule-making process by PG&E and other utilities will handcuff our residents from making sustainable choices, undermine local control of green energy production, and harm our planet. "

In addition to rolling back clean energy efforts by local communities, the PCIA fee increase would lead to rate hikes and price volatility for customers across California. The rate increase would be particularly burdensome for low-income customers, raising significant concerns about equity issues in marginalized communities. This proposal would also continue to incentivize resource mismanagement by investor-owned utilities, further increasing all customers’ rates.

San Francisco has announced plans to rely on 100 percent renewable energy sources by 2030 and to be carbon neutral by 2050. To date, the City’s CCA program, [CleanPowerSF](#), has enrolled more than 108,000 customers, and reduced San Francisco’s greenhouse gas footprint by an estimated 82,000 metric tons of carbon dioxide, equivalent to removing more than 17,000 passenger cars from the road for a year, during only its first two years of operation. An additional 257,000 customers are anticipated to enroll in CleanPowerSF in 2019.

Last year, the San Jose City Council unanimously approved the creation of [San Jose Clean Energy](#) in response to overwhelming community support. [East Bay Community Energy](#) (EBCE) began serving its municipal and commercial customers throughout Alameda County and eleven of its cities earlier this year. EBCE was formed to accelerate voluntary local actions to reduce greenhouse gas emissions and provide local community benefits including through support of the programs outlined in its innovative and stakeholder-driven Local Development Business plan. EBCE will enroll its residential customers this November.

Mayors Breed, Liccardo and Schaaf urge the CPUC to adopt the Administrative Law Judge’s proposed decision and not Commissioner Peterman’s alternate decision. The proposed decision would create a much more balanced and fair exit fee structure for customers and would maintain exit fees at reasonable levels while transitioning to a long-term solution intended to reduce costs for all customers, which will be designed during a second phase.

The CPUC vote is expected to take place on September 13, as San Francisco is hosting environmental leaders from across the world for the [Global Climate Action Summit](#).

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