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MONTEREY BAY COUNTY SUPERVISORS REJECT STATE PROPOSAL DERAILING CLEAN ENERGY PROGRAMS AND RAISING UTILITY RATES FOR CUSTOMERS STATEWIDE

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

Monterey, CA September 5, 2018 – Monterey County Supervisor Jane Parker, San Benito County Supervisor Jerry Muenzer and Santa Cruz Supervisor Bruce McPherson today issued statements voicing their concerns about a proposal under consideration by the California Public Utilities Commission (CPUC) that could derail the state's clean power programs and increase energy fees on residents, businesses and families.

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. One proposal, put forth by CPUC Commissioner Carla Peterman would immediately increase exit fees by as much as 25 percent, creating volatility and uncertainty in these fees, and threatening the future of our community choice clean energy programs. The second proposal, issued by the Administrative Law Judge Stephen Roscow overseeing the proceeding, properly balances the elements that make up the exit fee, creating a level playing field for CCAs.

"After years of investigation, research and community input, I know Community Choice Aggregators (CCAs) provide the greatest hope for economic, environmental and social benefits in the community," said Santa Cruz Supervisor Bruce McPherson. "Monterey Bay Community Power is central to the Monterey Bay's efforts to reduce our greenhouse gas emissions through delivering carbon free electricity as well as drive economic opportunities through our one-of-a-kind customer rebate model and customer energy and electrification programming. This proposal will create a more expensive and unequitable marketplace which will impact the pocket books of all Californians."

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 carbon free energy by 2045. There are 18 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' efforts to enroll more residents and expand their programmatic offerings, such as transportation electrification, low income solar, energy storage and energy efficiency. Several CCA programs are in startup phase and this exit fee proposal is expected to halt or slow these programs before their scheduled launch dates.

"This proposal would raise energy prices for all customers in the Monterey Bay region and it would hit our most vulnerable residents the hardest," said San Benito County Supervisor Jerry Muenzer. "Delivering clean energy

at a low cost to all Monterey Bay residents and businesses is an equity issue as well as an economic issue. I urge all Commissioners to make the right choice for fair and equitable energy regulations.”

“At a time when our communities are facing ever-increasing and more dangerous natural disasters throughout our state, this utility-backed proposal threatens to deprive the Monterey Bay region of our most impactful tool for dramatically reducing GHG emissions: Community Choice Energy programs,” said Monterey County Supervisor Jane Parker. “Our residents and businesses deserve a local program that meets their needs and the most recent PUC rule-making process by the investor-owned utilities (IOUs) will deny our region of choice, undermine local control of green energy production, and seriously impact economic development.”

In addition to stifling local communities’ efforts to embrace clean energy, 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 residents, raising significant concerns about equity issues in marginalized communities. This proposal would also continue to incentivize the mismanagement of resources by investor-owned utilities, further increasing all customers’ rates.

Supervisors McPherson, Muenzer and Parker 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 also maintain exit fees at reasonable levels while transitioning to a long-term solution intended to reduce costs for all customers, to 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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About Monterey Bay Community Power

Monterey Bay Community Power is a Community Choice Energy agency established by local communities to source carbon-free electricity for Monterey, San Benito and Santa Cruz counties while retaining PG&E’s traditional role delivering power and maintaining electric infrastructure. As a locally controlled not-for-profit, MBCP is not taxpayer funded and supports Tri-County economic vitality by providing cleaner energy at a lower cost, supporting low-income rate payers, and funding local renewable energy projects. For more information, visit www.mbcommunitypower.org

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