

COUNCIL AGENDA: 06-07-11
ITEM: 2.13

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Dennis Hawkins, CMC
City Clerk

SUBJECT: SEE BELOW

DATE: 06-01-11

**SUBJECT: SB 790 (LENO) – ELECTRICITY: COMMUNITY CHOICE
AGGREGATORS**

RECOMMENDATION

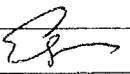
As recommended by the Rules and Open Government Committee on June 1, 2011 and outlined in the attached memo previously submitted to the Rules and Open Government Committee, approve a support position for SB 790 (Leno) – Electricity: Community Choice Aggregators.



Subject: **SB 790 (Leno)**
Electricity: Community Choice Aggregation

RULES COMMITTEE: 6-01-11
ITEM: D.1.d

Recommend Position: Support

City Council Action Request			
Department: ESD	CEQA: N/A	Coordination: City Mgr/City Atty/Legis. Rep in Sacramento	CMO Approval:  Dept. Approval: /s/ John Stufflebean
RECOMMENDED ACTION:			
<ol style="list-style-type: none"> 1. Pursuant to the City's streamlined bill process for responding quickly to legislative proposals, approve support for SB 790 (Leno) 2. Recommend a one-week turnaround to the City Council so that the City's legislative staff can advocate the City's support for SB 790. 			
BILL SYNOPSIS:			
<p>Cities and counties have become increasingly involved in implementing energy efficiency programs, advocating for their communities in power plant and transmission line siting cases, and developing distributed generation and renewable resource energy supplies. The Community Choice Aggregation (CCA) program takes these efforts one step further by enabling government entities to purchase power on behalf of the community. This bill establishes new rules and procedures aimed at improving the ability of government entities to utilize CCA. The bill would restrict the ability of existing electrical corporations to oppose CCA formation in their service territory, protect the autonomy of CCA power procurement agreements, grant CCAs access to non-bypassable charges for funding customer energy efficiency programs, and ensure customer data access between CCAs and existing electrical corporations.</p>			
IMPACTS TO CITY OF SAN JOSÉ:			
<p>This bill would improve the conditions for initiating a CCA arrangement by strengthening existing law as a result of clarifying, amending and adding key provisions that enable CCA's to function as originally intended, foster fair market competition, and allow jurisdictions to pursue CCA without undue barriers and excessive burdens. While the City of San Jose is not actively pursuing the formation of a CCA at this time, staff believes there is significant value in maintaining and supporting this potential opportunity for local governments throughout California. Supporting the continued growth of CCAs will foster healthy competition in a business dominated by monopolies, increase the use of renewable power resources, help achieve substantial reductions in greenhouse gas emissions, and create new local jobs. These benefits would directly support the achievement of the City's Green Vision goals, if a CCA were to eventually be pursued.</p>			

POLICY ALIGNMENT:

Included in the Council approved 2011 Legislative Guiding Principles and Priorities under Principle F (Promote Livability, Sustainable Development, and Environmental Protection) is language supporting state and federal incentives that foster energy innovation, including clean renewable energy.

F. Promote Livability, Sustainable Development, and Environmental Protection

The City supports legislation and policies that emphasize sustainable development; improve environmental standards and the regulatory process; provide incentives and financial measures for preservation of natural resources; promote sustainable energy policies; and are consistent with the Green Vision:

[1] Advances initiatives and secures funding to address climate change, and supports San Jose's Green Vision efforts to become a Sustainable City, through Green Building initiatives, pollution prevention practices, water, waste and energy efficiency, and regional, state and global initiatives.

[17] Supports state and federal incentives that foster energy innovations including energy efficiency, smart grid, clean renewable energy, energy conversion and storage technological development.

Included under Principle H (Promote Investment in Infrastructure Maintenance and Rehabilitation) is language promoting increased local control of utility infrastructure.

H. Promote Investment in Infrastructure Maintenance and Rehabilitation

The City supports legislation and policies that promote investing in the rehabilitation of aging utility infrastructure and system capacity expansion to support smart growth principles:

[1] Promote legislation and policies that increase local control of utility infrastructure.

SUPPORTERS/OPPONENTS:

Sponsors: Sierra Club California, San Francisco Public Utilities Commission.

Supporters: AARP, California State Association of Counties, Climate Protection Campaign, League of California Cities, Local Clean Energy Alliance of the Bay Area, Marin County Council of Mayors and Council Members, Marin Energy Authority, San Francisco Local Agency Formation Commission, Sonoma County Water Agency, Sonoma County Conservation Action, The Utility Reform Network (TURN).

Oppose: Coalition of California Utility Employees (unless amended), San Diego Gas & Electric Company (unless amended).

STATUS OF BILL:

Read and amended (2nd time) in Appropriations Committee on 5/11/11. Re-referred to Appropriations Committee for hearing on 5/26/11.

FOR QUESTIONS, CONTACT: Mary Tucker – 408-975-2581