

**Our mission**

To inspire, align, and mobilize action in response to the climate crisis. We work with business, government, youth and the broader community to advance practical, science-based solutions for significant greenhouse gas emission reductions.

**Board of Directors**

Efren Carrillo, President  
Larry Robinson, Vice President  
Jim McGreen, Secretary  
Jonathan Weintraub, Treasurer  
Jane Bender  
Tim Holmes  
Carl Mears  
Susan Thomas  
Ann Hancock, Executive Director

**Strategic Advisors**

Peter Barnes, Co-founder,  
Working Assets  
Dave Brennan, Former  
Sebastopol City Manager  
Rick Brown, TerraVerde Renewable Partners  
Jeff Byron, Former CA Energy  
Commissioner  
Ernie Carpenter, Former Sonoma  
County Supervisor  
Kimberly Clement, Attorney  
Connie Coddling, Developer  
Joe Como, Former Director, CA Office of  
Ratepayer Advocates  
Andy Ferguson, Communications  
John Garn, Business Consultant  
Elizabeth C. Herron, PhD, Writer  
Hunter Lovins, President  
Natural Capitalism Solutions  
Alan Strachan, Developer  
Greg Thomson, Pathion  
Herb Williams, Government Relations  
Shirlee Zane, Sonoma Co. Supervisor

**Science & Technical Advisors**

Fred Euphrat, Ph.D.  
Dorothy Freidel, Ph.D.  
Edward C. Myers, M.S.Ch.E.  
Edwin Orrett, P.E.  
John Rosenblum, Ph.D.  
Zeno Swijtink, Ph.D.  
Alexandra von Meier, Ph.D.  
Mathis Wackernagel, Ph.D.  
Ken Wells, E.I.T.  
Ai-Chu Wu, Ph.D.

**Contact**

[www.climateprotection.org](http://www.climateprotection.org)  
P.O. Box 3785, Santa Rosa, CA 95402  
707-525-1665

July 31, 2018

To Whom It May Concern

Re: Opposition to SB 237 (Hertzberg)

On behalf of the Center for Climate Protection, I write in strong opposition to SB 237. This bill is bad public policy because it imperils both California's successful transition to carbon-free energy and the State's most vulnerable populations. It replaces local electricity providers who are providing beneficial energy related programs to communities with out-of-state companies who have no incentive to provide these public goods.

SB 237 would eliminate the cap on direct access for non-residential electric customers by July 1, 2019, allowing *all* nonresidential electricity consumers to migrate away from investor-owned utilities (IOUs) and community choice aggregators (CCAs) to contract for the cheapest (and most polluting) power they can obtain.

While CCAs have accelerated progress towards the State's climate goals, meeting the Legislature's targets well in advance of mandates, direct access providers have demonstrated the kind of minimal compliance that limits California's progress. Even though they are subject to the RPS and other laws, the Electric Service Providers (ESPs) that provide direct access typically do not develop their own resources. They seek out short-term procurement contracts for excess capacity and energy from projects built under long-term contracts with other service providers. That "leave the progress to others" procurement strategy serves short-term customer contracts that range from month-to-month agreements up to three years, with customers able to switch back to IOU service when the economics favor them doing so.

The transient nature of both ESPs' procurement practices and customer base hurts California. Without a consistent, long-term foundation, their business model fails to foster the type of lasting commitments renewable energy developers need to obtain financing and drive new resource development. If the Legislature wants to expand the role that renewable and preferred resources will play in the future, increasing direct access will directly frustrate the achievement of these objectives by spreading the uncertainty inherent in their business model to other energy market participants.

SB 237 also lacks any commitment to California's communities, including its most disadvantaged populations. IOUs and CCAs serve all customers in their communities, including low-income residential customers, through direct access ESPs serve only commercial and industrial customers. Many CCAs serve their communities with programs that go beyond generation to support a range of local priorities and support State goals including programs to accelerate electric vehicle adoption, incentives to support rebuilding Zero Net Energy homes in fire ravaged areas, expanded energy efficiency and local solar programs and robust job training programs. These are all put at risk by this proposed legislation because ESPs will not be serving the needs of the broader community.

The expansion of direct access would also remove critical information from public view and prevent meaningful public oversight. The procurement transactions executed by ESPs are not subject to CPUC approval or local government approval and are often shrouded in secrecy. ESPs routinely assert claims of confidentiality with respect to basic information that is publicly disclosed by IOUs, publicly-owned utilities, and CCAs. Adopting SB 237 into law would result in less transparency in energy markets and more information being deemed confidential trade secrets that cannot be shared with the public or the Legislature.

Given these serious problems with the bill, I hope that you will oppose it. Let's keep California as a leader on climate and energy. Our nation needs this example now more than ever.

Best regards,

A handwritten signature in black ink, appearing to read "Ann Hancock", with a long horizontal flourish extending to the right.

Ann Hancock