From:	Alexandra Berenter
To:	ESD Sustainability
Subject:	DSDP Public Comment Letter
Date:	Friday, September 08, 2017 9:05:18 AM
Attachments:	DSDP Public Comment_CCA Feasibility Study.pdf

Good Morning –

Please find the Downtown San Diego Partnership's letter for public comment on the City's Community Choice Aggregation feasibility study attached.

If you have any questions, please do not hesitate to let me know.

Thank you,

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DOWNTOWN
SAN DIEGO
PARTNERSHIP

August 31, 2017

Honorable Kevin Faulconer
Mayor, City of San Diego
202 C Street, 11th Floor
San Diego, CA 92101

Dear Mayor Faulconer:

On behalf of the Downtown San Diego Partnership, I respectfully submit these comments in response to the City of San Diego's final draft feasibility study for a Community Choice Aggregate released on July 12, 2017. As an organization, we are fully supportive of the City's Climate Action Plan (CAP), having endorsed it in its initial adoption, and as such, we are wholly committed to assisting the City as it seeks strategies for achieving 100% renewable energy citywide by 2035 and truly reducing GHG emissions.

The Downtown San Diego Partnership recognizes the importance of customer choice, including the Community Choice Aggregation (CCA) option, and understands that such growth has potential opportunities for local control over environmental policy and renewable resources. However, the CCA landscape is currently facing uncertainties that could have profound implications for the City of San Diego. Additionally, we are particularly concerned that key assumptions inherent in the study will undergo change by the California Public Utilities Commission (CPUC). As such, we urge the City to delay both time and treasury until the following critical factors have been resolved.

As you are aware, on June 29, 2017, the CPUC announced it will evaluate the Power Charge Indifference Adjustment (PCIA) through a rulemaking proceeding. Acknowledging the growth of CCA, CPUC will closely analyze cost sharing and consider alternatives to the amount that CCA and Direct Access customers pay in order to keep remaining utility customers financially unaffected by their departure, which is a statutory obligation.

While the feasibility study contemplates five scenarios, it assumes that SDG&E will not go beyond the State-mandated Renewable Portfolio Standard (RPS) requirements of attaining 50% by 2030. We believe that a complete evaluation of the financial and economic viability of a City CCA must include a forecast where SDG&E achieves a higher renewable portfolio.

CCA growth also tends to exacerbate cost-shifting to remaining bundled service customers, which is currently taking place and will continue to grow if not addressed. This is significant because as the feasibility study indicates, the City CCA would be drastically larger than all CCA programs currently in existence. Given the sheer size of the City CCA, the study notes that the impact of SDG&E departing load is difficult to predict given the lack of comparable examples.

In addition to potential increased costs due to departing load, as a business organization, our members are also concerned with the lack of clarity regarding how much a City CCA will really cost local energy customers. As stated above, it is impossible to tell currently with the CPUC still determining fee structures. The cost uncertainty outlined in the feasibility study is nearly $3 billion and the majority of scenarios examined indicate that a CCA is unable to generate positive returns. We cannot overstate the importance of having a clear picture of the true costs and benefits before making a decision.

Furthermore, Senator Kevin De León's legislation, SB 100, is likely to be considered by the California State Assembly and in turn, by the Governor. This legislation, which has been passed by the California State Senate, sets California on a path to 100 percent clean renewable energy by the year 2045. Should SB 100 become law, an update to the City's feasibility study would need to be updated since a 100 percent renewable portfolio would not create additional emissions reductions under CCA.

There is simply too much at stake to rush through the process for developing San Diego's future approach to power San Diego with renewable energy. We strongly encourage the City to give serious consideration to the factors outlined above so that its constituents are not negatively impacted. Lastly, we recommend that any future adoption of an energy procurement program be based on building new renewable resources from the beginning and not rely on purchases from existing resources. Anything short of this approach will not achieve incremental GHG emission reductions.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact Alexandra Berenter at (619) 234-0201 or aberenter@downtownsandiego.org.

Sincerely,

Kris Michell
President & CEO
Downtown San Diego Partnership

Cc:
Councilmember Barbara Bry, District 1
Councilmember Lorie Zapf, District 2
Councilmember Chris Ward, District 3
Council President Myrtle Cole, District 4
Council President Pro Tem, District 5
Councilmember Chris Cate, District 6
Councilmember Scott Sherman, District 7
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Councilmember Georgette Gómez, District 9
Mara Elliott, City Attorney of San Diego
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