**RUBEN BARRALES**

November 14, 2017

Mayor Faulconer and City Council

202 C Street

San Diego, CA 92105

RE: The City of San Diego’s 100 percent renewable electricity efforts

Dear Mayor and Council,

As a resident of the city of San Diego, I want to thank you for your leadership in addressing climate change and moving our city toward a 100 percent clean energy future.

I encourage you to move forward in a fiscally responsible manner, and to please avoid efforts that could lead to higher utility costs for San Diego residents and potential financial strain on the city of San Diego. A review of the Community Choice Energy Technical Feasibility Study and any consideration of a potential Community Choice Aggregation (CCA) should include answers to these basic questions:

1. Is the City’s General Fund immune to financial risks from CCA?

2. What happens if the CCA program does not have enough working capital to meet its obligations?

3. How would the CCA collateralize bonds necessary to fund its operation?

4. Has the City analyzed the potential debt impacts of CCA on the cost of borrowing money for other City programs?

5. The feasibility study notes that over-procuring or under-procuring energy resources are both risks facing the CCA program. What are the consequences to San Diegans?

6. Would San Diego face the same risks as Illinois, which found customers fleeing the CCA and returning to the local utility provider when CCA rates increased?

7. The feasibility study indicated a negative NPV of $2.8 billion if the PCIA increases at an annual rate of 10 percent. Would the CCA program be financially feasible if the PCIA increases annually by 9 percent, 8 percent, 7 percent or 6 percent?

Thank you for your attention and due diligence on this important matter.

Sincerely,

/s/

Ruben Barrales