

# A Petition

*Relative to the energy industry urging the California Senate to amend Assembly Bill 117 to include the “Fair & Actual Costs-based DWR Exit Fee Assessment” amendment proposed by Local Power:*

*We the undersigned hereby do register our support for Local Power’s “Fair & Actual Costs-Based DWR Exit Fee Assessment” amendment to Assembly Bill 117: “The 2002 Community Choice Bill”*

Initially passed by both the Assembly and Senate (AB48x, AB9xx) with only one opposing vote in 2001, but vetoed by Governor Davis out of concern for contracts being negotiated last Summer that Community Choice customers departing the Department of Water Resources’s (DWR) customer rolls might “strand” the state government with un-needed long-term power supply contracts, AB117 faces the Senate, and will authorize whole regional communities to combine their private and public sector electricity purchasing power to locally control energy decision-making and run energy efficiency programs as standard components of competitively-bid power supply services to whole communities in much the same way that curbside recycling has become standard fare in municipal waste collection contracts throughout the United States;

*We agree that California’s cities and towns should pay their fair share of costs, but maintain that they should not have to pay a gross or generic (flat per kilowatt hour) fee that penalizes them for choosing an alternative power provider irrespective of whether they have actually burdened the state by doing so;*

*We assert that electricity supply is largely a zero sum game, so that much of the electrical generation capacity that will be competitively bid, chosen and made available to Community Choice aggregators comes from power plants now under contract with the Department of Water Resources, and which may therefore lead to the dissolution of those contracts;*

*Therefore, we declare that the determination of exit fees for each Community Choice aggregator should be treated on a case-by-case basis so that actual cost impositions can be accounted for; we call on the Department of Water Resources to assess the actual costs impacts of Community Choice aggregators on a case-by-case basis and submit exit fee recommendations to the Governor for approval; and*

*In particular, we the undersigned call on the California Senate, Senate President, Assembly Speaker and Senate Energy, Utilities and Communications Committee to accept Local Power’s following language giving the Department of Water Resources and the Governor the ultimate decision on any exit fees to be imposed, but requiring that they base any exit fees on an assessment of the actual costs and benefits being imposed by a Community Choice aggregator’s transfer of customers on the Department of Water Resources. Accordingly, the following language also provides that the Department of Water Resources shall provide a monetary assessment of the actual net cost imposed on the state, and shall submit its recommended exit fee on a case-by-case basis to the Governor for approval.*

## *Proposed Fair & Actual Costs-based DWR Exit Fee Assessment Amendment:*

“Ratepayers participating in Community Choice aggregators’ contracts shall pay an additional non-bypassable monthly bill surcharge fee to compensate the California Department of Water Resources (DWR) for actual debits resulting from said ratepayers’ removal to an aggregator from default service provided under security of the DWR and the state of California as a result of its assumption of the obligation to serve from the former utility monopolies in 2001; provided that, in the event that the transfer of power and capacity reserves from a DWR contract to a Community Choice contract results in the dissolution of existing obligations made by the DWR for that power and capacity reserves, customers participating in that contract shall not be required pay any such fees. Accordingly, the DWR shall estimate impacts on the state debt burden resulting from each Community Choice contract on a case-by-case basis, and accordingly recommend on an appropriate monthly bill surcharge to be imposed on each Community Choice aggregator’s participating customers, for approval by the Governor on a case-by-case basis.”

*Signed,*

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Print Name (First, Middle, Last)

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Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

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City or Organization

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Address