



July 10, 2017

The Honorable Chris R. Holden, Chair
Assembly Utilities & Energy Committee
State Capitol, Room 5132
Sacramento, CA 95814
VIA FAX (916) 319-3099

**Re: SB 692—CITY OF HAYWARD Notice of Support
Transmission: Access Charge**

Dear Assembly Member Holden,

The City of Hayward writes to support SB 692 (Allen), which fixes the current Transmission Access Charge (TAC) market distortion.

Currently, all electricity customers in the service territories of the State's investor-owned utilities are levied with a transmission access charge, even for electricity that is not delivered over transmission lines. SB 692 fixes this by assessing transmission access charges only on energy delivered through the transmission system.

This means that local renewable projects avoid unfair charges for a transmission system they do not use, increasing the value of these projects and spurring their development.

The growing impacts of climate change require the state to transition to a decarbonized energy model. This provides the opportunity to transition to a more decentralized and democratized energy system, one that allows our communities to build more resilient infrastructure and economic stability. As a result, Community Choice energy is increasingly seen as a preferred electricity procurement model by communities across the state.

Locally, the City of Hayward, along with eleven cities and the County of Alameda are currently pursuing the establishment of Community Choice Aggregation. This is something we, as elected officials and as residents, wish to establish as this model has proven successful in several other states like Ohio, Massachusetts, New York, and Illinois. Community Choice Aggregation is in direct alignment with our Council Priority of "Green" specifically supporting the use of cleaner and renewable energy sources.

The development of local renewable energy resources is key to many of the benefits a Community Choice program can deliver, and it contributes significantly to the long-term stability of such

programs. It represents an investment in local energy assets that creates new business opportunities, local jobs, community wealth, and stronger, more resilient, and equitable local economies. As such, it is strongly supported by many labor organizations as well as social and environmental justice organizations.

An additional benefit of local renewable energy generation is that it avoids the economic and environmental costs of inefficient long-distance transmission infrastructure. Shifting from remote, centralized generation of electricity to local decentralized generation of renewable electricity could avoid billions of dollars in new and/or upgraded transmission infrastructure, providing cost-savings benefits not only to Community Choice ratepayers, but to electricity consumers throughout the state. The future of electricity is renewable, local, and decentralized, and, once again, California is leading the way.

SB 692 will promote the community-based renewable energy development needed to achieve California's renewable energy and climate justice goals, and help Community Choice programs deliver environmental, economic, and social benefits to the communities they serve. We urge you to support SB 692, as a key contribution to achieving California's climate goals and a renewable energy future for our communities.

Sincerely,



Barbara Halliday
Mayor

CC: Assembly Member Bill Quirk, 20th District
Hayward City Council
Kelly McAdoo, City Manager
Richard Harmon, Townsend Public Affairs
Sam Caygill, League of California Cities, East Bay Division, scaygill@cacities.org
Meg Desmond, League of California Cities, mdesmond@cacities.org