

April 4, 2023

Assemblymember Eduardo Garcia
Chair, Assembly Utilities and Energy Committee
State Capitol, Legislative Office Building
1020 N Street, Room 408A
Sacramento, CA 95814

RE: AB 1538 (Muratsuchi) – SUPPORT

Dear Chair Garcia,

The City of Carson is pleased to submit a letter of support for AB 1538 (Muratsuchi), the Clean Energy Reliability Program. If passed, AB 1538 would create a catalyst program to incentivize getting clean, zero-carbon capacity resources online to decrease electricity rates and increase grid reliability.

The City of Carson is a member of Clean Power Alliance, a CCA stretching throughout Ventura and Los Angeles Counties and the sponsor of this bill. As the 3rd largest load serving entity (LSE) in the California Independent System Operator (CAISO) and with 29% of its customer base residing in a disadvantaged community, CPA takes its commitment to reliability and affordability seriously.

Our City of Carson leadership, through our representation on the CPA Board of Directors, has seen firsthand the increasing cost of capacity, and the impacts that it has on customers. A combination of key resources going offline, regulatory changes, and other issues have reduced system capacity to critical levels. At the same time, demand continues to increase due to climate change, and will increase even further as the state pushes towards increasing vehicle and building electrification. Like the rest of the state, our community has seen electricity costs increase over the past several years, while the risks of rotating outages during the hot summer months have increased.

Without a steady and predictable influx of new clean resources in the market, prices will continue to go up, electricity bills will continue to rise, and grid emergencies or rotating outages will become more frequent.

AB 1538 is a two-pronged solution. First, it would establish the Clean Energy Reliability Program to be administered by the CPUC. This program would provide incentive payments to LSEs that bring clean energy resources online, above their compliance requirements. This will

help to get more capacity online, which will bring increased competition to the RA market and reduce RA prices. Together, the incentive payments paired with the reduced RA prices will help relieve near-term upward pressure on electricity rates. Increased capacity also means increased reliability, and fewer threats of outages.

Second, AB 1538 would work in conjunction with an open proceeding at the CPUC that is creating a long-term framework and target for new clean energy resources by 2035 to ensure there is enough capacity to meet reliability needs. This bill will send a signal to the CPUC to set a big, bold target that is a floor and not a ceiling, in order to create the necessary competition that will drive down prices in the RA market.

Steady, reliable incentives for LSEs to make the necessary capacity investments, in combination with long-term capacity targets set by the CPUC, will lead to electricity reliability, lower rates, and a smooth transition to a clean electric grid.

For these reasons, City of Carson, supports AB 1538 and requests your AYE vote.

Sincerely,

Carson City Council

CC:

Assemblymember Mike Gipson
Assemblymember Josh Lowenthal
Senator Steven Bradford