



LETTERS REVEAL WIDE SUPPORT FOR MORE DIRECT ACCESS DIVERSE SPECTRUM OF CONSUMERS CALL FOR COMPETITIVELY PRICED ELECTRICITY

SACRAMENTO, CA — California schools, hospitals, retailers, hotels, restaurant chains, grocers, manufacturers, government facilities and many others have united to write state lawmakers urging support for pending legislation to increase opportunities for access to the competitive retail electricity market for customers in California.

Known in California as “direct access,” the ability to choose among competitive energy suppliers allows customers to select the retail electricity product or service that best meets their individual energy needs and objectives.

“The ability to choose direct access should be made available to more of the businesses and institutions that are vital contributors to California’s economy,” the diverse group of electricity customers and jobs providers said in letters sent to members of the California Assembly Utilities and Commerce Committee.

The letters urge support for Assembly Bill 1350, sponsored by Assembly member Roger Hernandez. They note that expanding direct access allows more customers access to retail choice without harming customers who remain on utility service; nor does direct access negatively impact the state’s renewable energy and environmental policy objectives.

The bill is similar to previously passed legislation that provided for a limited increase in the amount of commercial and industrial load that could choose direct access. When those new opportunities for direct access were made available, they were oversubscribed within a matter of seconds.

“We’ve consistently seen customer demand for competitive electricity supply options in California far exceed the extremely limited amount permissible under the statutory cap. California electricity customers are being denied their right to choose competitive retail product offerings due to arbitrary limits that are completely overwhelmed by pent-up demand for choice,” said Tim LoCascio, California State Chair for the Retail Energy Supply Association (RESA).

“Demand for electric choice in California is substantial and long-standing,” said Andrea Morrison, President of the Alliance for Retail Energy Markets. “The limited access to competitive options is far too low and frustrates thousands of customers in California who demand the right to choose their own electricity provider.”

“Many of our customer members are active in the effort to persuade California lawmakers to expand opportunities for direct access. They know the value and the innovative products and services that are available to them when they are allowed to choose among competitive supply options, and they want California lawmakers to know the economic and jobs benefits that expanding direct access can provide,” said COMPETE Coalition Executive Director Joel Malina.

Please visit the AReM website (<http://www.retailenergymarkets.com/>) to read this press release in its entirety.

Inside this issue:

Direct Access	1
Bidders for Sonoma County	2
CPUC faces legislative Heat	2

BIDDERS FOR SONOMA COUNTY PUBLIC POWER AGENCY NARROWED TO 4

Four energy companies have emerged from a group of 11 competing to become the main electricity supplier to Sonoma County's planned public power agency.

The short list of candidates, released Friday by the county, does not include Shell Energy North America, a subsidiary of the Dutch fossil fuel giant and the controversial main supplier to both Marin County's public power program and the proposed agency in San Francisco.

It also does not include Calpine Corp., the Houston-based operator of The Geysers, the geothermal field on the Sonoma-Lake county border that supplies about a quarter of California's renewable energy.

The four final candidates are:

- NRG Energy, based in Houston and Princeton, New Jersey, one of the country's largest power producers and retailers.
- Direct Energy, an energy retailer based in Canada and the U.S., a subsidiary of the British multinational Centrica.
- ConEdison Solutions, based in Valhalla, New York, a subsidiary of Consolidated Edison.
- Constellation, a power and natural gas supplier and subsidiary of Exelon, the Chicago energy producer, trader and distributor.

The list was disclosed four days before the county begins a series of public presentations before local city councils urging them to join the power agency. County officials have said they intend to award a power-supply contract by September and begin delivery to homes and businesses Jan. 1.

By BRETT WILKISON
THE PRESS DEMOCRAT

Published: Friday, May 3, 2013 at 4:54 p.m.

To read this article in its entirety go to: <http://www.pressdemocrat.com/article/20130503/ARTICLES/130509804?p=3&tc=pg>

California's Public Utilities Commission Faces Legislative Heat

Legislators are turning up the heat on the California Public Utilities Commission, withholding money and lambasting the state agency over the past few months for failing to prioritize its core mission of ensuring safe and reliable utility service.

Calls for Gov. Jerry Brown to replace the commission's top leader, Michael Peevey, have gone unanswered, even as new allegations of mismanagement surface. Peevey's appointment is through Jan. 1, 2015.

Among the issues highlighted during multiple hearings on the commission in the Senate and Assembly were findings from a state audit that exposed lax financial controls, a scandal

involving a covert recording of a private meeting and an unanswered demand that Peevey testify in a legislative hearing.

"The only way this commission is going to change the culture of complacency is to change the leadership," said Sen. Jerry Hill, D-San Mateo, who has led the charge to oust Peevey since the 2010 San Bruno gas pipeline explosion killed eight people and injured 60 in his district. The commission, which did not respond to a call for comment, was criticized following the San Bruno blast for failing to uncover "the pervasive and long-standing problems" within PG&E, owner of the line that caused the explosion, according to a 2011 National Transportation Safety Board report.

In the aftermath of San Bruno, criticisms of the commission, which regulates privately owned public utilities, are appearing from multiple directions:

- The Department of Finance's Office of State Audits and Evaluations found "significant weaknesses with the CPUC's budget operations that negatively affect the commission's ability to prepare and present reliable and accurate budget information." As an example, the auditors said commission records did not include certain fund transactions that ranged from roughly \$40,000 to \$275 million.
- The commission has created auxiliary organizations in recent years, which some say circumvents legislative authority. A Senate budget

committee staff report found the nonprofit and for-profit entities took up considerable time and effort, while using ratepayer funds that are outside the state budget process.

The Senate committee is requesting that the Fair Political Practices Commission look into the nonprofits for possible conflicts of interest or requesting violations. The same committee approved bill language to prohibit the commission from creating such entities without legislative approval.

Among the nonprofits created by the commission is the California Emerging Technology Fund, which Peevey chairs.

To read this article in full go to: <http://www.sacbee.com/2013/05/05/5395671/californias-public-utilities-commission.html>