



Our mission

Deliver rapid greenhouse gas reductions at scale, starting in California.

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Via email, Attn:
Girish Balachandran, Chair
Tim Haines, Interim General Manager

October 14, 2021

RE: Comments of The Climate Center re California Community Power Competitive Rates, Labor, Environmental, and Environmental Justice Policy

Dear Chair Balachandran and California Community Power Governing Board:

The Climate Center is a California 501(c)3 nonprofit organization with a mission to rapidly reduce climate pollution at scale, starting in California. The Climate Center has been a strong supporter, advocate, and defender of Community Choice Aggregation (CCA) since 2005 when it identified CCA as the most powerful tool available to local government to rapidly reduce greenhouse gases. In 2007 we introduced CCA to Sonoma County leaders and helped lead the effort that resulted in Sonoma Clean Power becoming the second CCA to launch in California in 2014.

Over the past seven years The Climate Center has worked to expand CCAs in other parts of the state. In 2013 we began work to bring Community Choice Energy to Silicon Valley. That work culminated after four years of work when the City of San Jose voted unanimously to move forward with establishing a CCA in 2017. From 2014 to 2019 we convened the annual Business of Local Energy Symposium, bringing together CCA leaders from throughout the state to share best practices and navigate the way forward for CCA. In 2016 we began work to bring CCA to the Central Valley and continue that work to this day. We provide this background in order to substantiate our longtime support for Community Choice Aggregation.

We offer the following recommendations for your prospective Competitive Rates, Labor, Environmental, and Environmental Justice Policy in a spirit of constructive support. As CC Power emerges on the scene, we are hopeful that its activities will in no way harm the

valuable reputation CCAs have built over the past eleven years as leaders in the transformation toward a just and sustainable clean energy economy.

Individual CCAs, governed by elected officials, establish policies regarding labor, rates, and climate considerations for their own organizations. It is not clear to us that the best practices, policies, and standards of the member CCAs carry over in any formal or binding way to CC Power. We think they should. Such carryover should be explicitly stated in the articles of the CC Power JPA. If they are not, we see that as a gap in the safeguards needed to ensure that CC Power is operating in a way that is consistent with member CCA policies.

Some California Community (CC) Power Governing Board members have stated that CC Power is not a policy-making entity. However, even if this is correct, it does not mean that CC Power is not guided by policy or that it is free of best practice standards. The fact alone that CC Power is in the process of developing labor and environmental policies belies this assertion.

Furthermore, de facto policy will be set over time based on actions of CC Power. Allowing this kind of unplanned policy-setting runs the risk of low bar precedents setting such low bars as acceptable policy. At a minimum, each member CCA representative on the CC Power Governing Board must approach prospective contracts and other programs and activities in which CC Power might engage bound by the policies of their respective CCA.

RECOMMENDATIONS:

1. **Greenhouse Gas Reductions**

We applaud the commitment of CC Power to further the goals of its CCA Members of providing low carbon power supply at competitive rates. The Climate Center, in consultation with leading energy and climate scientists, has found that California's current policy targets are inadequate and are not in alignment with the latest climate science. The current 2045 goals of 80% reductions below 1990 levels need to be accelerated to 2030. Information and substantiation for this policy can be found in the "Potential Pathways" section of our flagship "Climate Safe California" campaign: <https://theclimatecenter.org/potential-pathways-to-a-climate-safe-california/>

RECOMMENDATION: We strongly recommend that CC Power member CCAs and CC Power itself commit to contracting for resources that will help bring the power content of its member CCAs' portfolios to 100% RPS-eligible and greenhouse gas-free on a 24/7/365 time-coincident basis by 2030, 15 years earlier than the current 2045 goal.

2. **Community Engagement/Public Participation**

One of the hallmarks of Community Choice is the degree to which it opens up the energy decision-making process to the public. Community members are empowered by statute to be able to attend decisionmaking meetings, unlike the closed boardroom doors of the large for-profit utilities. This *energy democracy* aspect of CCA is one of the

key reasons that The Climate Center has supported it. Being public agencies subject to the Ralph M. Brown Act is a helpful step in this regard, but a further and substantially helpful best practice among many CCAs, including many of the CCA Power membership, is to establish Community Advisory Committees.

One of the primary purposes of an advisory committee for CC Power would be to help assess impacts of specific projects on nearby communities. We recognize that projects will have undergone environmental clearance under CEQA, however, the CEQA process has often proven to be inadequate to fully engaging with potentially impacted communities and addressing community concerns. Engagement with community based organizations and environmental justice organizations would be helpful in this regard. (See more in 3. Environmental Justice below)

RECOMMENDATION: We strongly recommend that CC Power establish an Advisory Committee. Such a committee could be made up of liaisons from the Advisory Committee members of the Member CCAs. For those members that do not have an Community Advisory Committee, the Member CCA may appoint an at large member of the community. Some other formulation for such a committee may be workable and meaningful, but some kind of mechanism that parallels the CCA advisory committee role of the member CCAs for CC Power should be adopted.

3. Environmental Justice

The final section 4 on Environmental Justice (EJ) is inadequate. Swearing off forced labor and listing community benefits of a given project does not constitute sound 21st Century environmental justice or equity policy. We strongly suggest that CC Power engage with established statewide EJ groups such as the California Environmental Justice Alliance, the Asian Pacific Environmental Network, Communities for a Better Environment, and others in order to craft appropriate policy of this kind. Another organization that is not an EJ group, per se, but that may have helpful recommendations, is the California Alliance for Community Energy.

RECOMMENDATION: At a minimum, such a policy should include some kind of commitment on the part of project developers with which CC Power might sign contracts, or CC Power itself, to engage with potentially impacted communities for specific projects. In this way, safeguards for human health, quality of life, and community benefits might be ensured.

4. Use of Category 3 unbundled Renewable Energy Credits (Cat 3 RECs)

The Climate Center has long held that the benefits of Cat 3 RECs are dubious at best and are always controversial. In terms of verifiable greenhouse gas reductions they have proven to be difficult to trace, verify, and confirm any kind of real benefit. They also undermine efforts to create jobs by avoiding the need to construct new renewable power projects.

RECOMMENDATION: Prohibit contracting for projects that involve the use of Cat 3 RECs to meet member renewable energy goals.

5. Labor

The Climate Center is strongly supportive of a just transition to the clean energy economy of the future. Such a transition must include high road labor standards that will enable workers, their families, and their communities to thrive. We are pleased to see that the current draft labor policy includes prevailing wage provisions applicable to public works projects in California. We urge you to adopt such a policy for *all* projects. We are also pleased to see the provision for a preference for Project Labor Agreements. We understand that our labor community friends would like to see stronger provisions on these and other labor-related policies. We urge you to take these recommendations into serious consideration.

One of the reasons that The Climate Center has been a big supporter of Community Choice is that we see CCA as a vehicle not meant to simply meet, but to advance beyond the environmental, labor, and social justice standards of the existing IOUs and publicly-owned utilities. CCAs can and should blaze a trail on these policies. These expectations should be clearly stated at the very beginning of the procurement process in the RFP/RFQ so that all potential project developers have a clear understanding of expectations relative to labor, EJ, Cat 3 RECs, etc.

Thank you for your consideration. We would be happy to make ourselves available to discuss these issues and recommendations with you and do our best to respond to any questions you might have.

Sincerely,



Ellie Cohen, Chief Executive Officer

cc:

Tom Habashi – Central Coast Community Energy

Barbara Hale – CleanPowerSF

Nick Chaset – East Bay Community Energy

Dawn Weisz – MCE

Jan Pepper – Peninsula Clean Energy

Matthew Marshall – Redwood Coast Energy Authority

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Geof Syphers – Sonoma Clean Power

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