# RESOLUTION NO. <u>30-14</u>

## RESOLUTION OF THE COUNCIL OF THE CITY OF RICHMOND, CALIFORNIA IN OPPOSITION OF THE MONOPOLY PROTECTION BILL, AB 2145

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**WHEREAS,** the proposed legislation limits community choice, violates the original intent of AB 117, thwarts California's environmental goals, infringes upon local government decision-making, and is unnecessary, and,

**WHEREAS,** the Monopoly Protection Bill limits community choice; No customer in California has ever voted to choose their utility company. Over 90% of residential customers in California, who are the majority of those served by a Community Choice Aggregator (CCA), do not have the opportunity to choose an alternate utility provider in California. The state should not value the profits of an investor-owned utility over the environmental interests of a community who have chosen to create a local, public, not-for-profit, and government alternative, and,

**WHEREAS,** the Monopoly Protection Bill violates the original intent of AB 117, which authorized Community Choice Aggregation in California.  AB 117 intentionally structured CCAs as an opt-out program to respond to the closing of the open market and the return to a monopoly utility service model. The goal of AB 117 was to level the playing field for CCAs who might attempt to enter a monopoly market so there could be a viable choice for customers. Indeed, the inherent market power of utilities against CCAs as a threat has been recognized by the legislature in SB 790 (2011). To date, the monopoly providers have dominated the industry, leaving little to no choice for other market entrants with motivations other than profit. The Monopoly Protection Bill further serves the interest of these for-profit utilities by locking in the utility stranglehold on the entire state, and,

**WHEREAS,** the Monopoly Protection Bill thwarts California's environmental goals. A CCA opt-in program would not allow for the dramatic increase in renewable energy purchases and greenhouse gas emissions benefits that are present throughout the planning and implementation stages of CCAs throughout California. For example, Marin Clean Energy provides more than twice as much renewable energy as PG&E to its customers, and MCE's most recent published emissions rate is 19% lower than PG&E. Sonoma Clean Power has offered a 100% local renewable energy source to its customers. Defaulting customers to a utility provider with a higher emissions rate runs counter to AB 32 goals and would undermine California's climate change prevention initiatives, many of which are spearheaded by local governments and,

**WHEREAS,** the Monopoly Protection Bill infringes upon local government decision-making. AB 2145 is a repeat attack on CCAs similar to that of Proposition 16, a PG&E-funded initiative that failed in 2010. The issues present in Proposition 16, of monopoly protection against clean energy and local choice, were already addressed through the ballot process. The Monopoly Protection Bill is another transparent attempt to limit local government decision making on climate action and greenhouse gas emissions, and,

**WHEREAS,** the Monopoly Protection Bill is unnecessary.  Customers can easily make a choice when a CCA begins offering services in a new community. There is a five month public noticing process with a state requirement of at least four opt-out notices served upon every customer. In addition, customers can easily opt out during or after the public noticing process. There is no such requirement for customers of for-profit utility companies.

**NOW THEREFORE BE IT RESOLVED,** that the City Council of the City of Richmond hereby urge you to oppose the Monopoly Protection Bill, AB 2145, and support community choice.

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I certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond at a regular meeting thereof held on **April 22, 2014**, by the following vote:

AYES:    Councilmembers Butt, Rogers, Vice Mayor Beckles, and Mayor McLaughlin.

NOES:    Councilmembers Bates and Boozé.

ABSENT:   Councilmember Myrick.

ABSTENTION:  None.


                DIANE HOLMES
             CLERK OF THE CITY OF RICHMOND

             (SEAL)

Approved:


GAYLE MCLAUGHLIN
Mayor

Approved as to form:


BRUCE GOODMILLER
City Attorney


State of California  }
County of Contra Costa  : ss.
City of Richmond  }


   I certify that the foregoing is a true copy of **Resolution No. 30-14**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on April 22, 2014.