



Building a nation where communities of color thrive and race is never a barrier to economic opportunity

September 12, 2017

Senator Ben Hueso
Chairman Senate Energy, Utilities & Communications Committee
Capitol Building
Sacramento, CA 95814

Transmitted via Email Re: AB 726/AB 813 (Holden)—Grid Regionalization—OPPOSE

Dear Chairman Hueso:

The Greenlining Institute is writing to oppose the western grid regionalization language proposed in AB 726 and AB 813 (Holden). Greenlining is a racial justice nonprofit in Oakland, CA committed to ensuring race is never a barrier to economic opportunity. Greenlining is very concerned about the potential impacts of grid regionalization, as written, on low-income and communities of color who overwhelmingly reside closest to the dirtiest emitters on our grid. Greenlining is not opposed to the concept of regionalization of the western grid, but finds significant problems with the language and process of AB 726/813 for the following reasons:

Far Reaching Implications Without Meaningful Public Review: Regionalization of the western grid has tremendous potential implications on how, where and what energy California produces. A concept this large and significant requires a meaningful public process that the legislature should provide all bills. The late session overhaul of AB 726/813 functionally denied all public review, opportunity for amendment, and ability for any member of the public or their representative to meaningfully weigh in. A bill package that will alter California's future and the lives of millions of its residents for decades to come demands a meaningful public review and participation process. No such process occurred here and Greenlining believes the contents of bills are inadequate, in part, because of this altered and exclusive process.

Continues to Enshrine Barriers to Community Participation at CAISO: As it stands, it is very difficult for residents, community groups, or community-based organizations to influence and participate in CAISO's energy decisions that impact their lives. This package does nothing to redress these existing barriers and misses an essential opportunity to support formalized community input at CAISO. The lack of formalized community participation mechanism is of even greater importance under a western regional grid because even more interests, entities and individuals stand to be impacted. The voices of California's residents must be heard by our grid's controlling body.

Risks State and Local Power to Make Important Energy Decisions: The language of the package states an intent for the bill to provide climate, economic, and improved air quality benefits to California ratepayers—especially disadvantaged communities—with a clear plan towards achieving it. The creation of a new state and interstate governing bodies risks more



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limitations on local actions to achieving these very same goals. These goals may be abstract to some, but low-income and communities of color live with their daily impacts. Until the proponents of this legislative package can detail the plan for how California will achieve these goals under a new structure without impacting state/local control of energy decision-making, the bill proposal is premature.

Risks Increased Federal Oversight from Trump Administration Federal Energy

Regulatory Commission: In general, interstate energy activities are subject to more legal oversight from the Federal Energy Regulatory Commission than intrastate energy activities. While the federal Courts have not settled the full confines of this authority or all the actions that trigger it, creating a new interstate governance body during a federal administration that explicitly does not share California's aggressive climate and clean energy goals is concerning. California should not jeopardize its ability to enforce and expand its existing climate policies. At a minimum, California should not rush into this significantly risky decision without more extensive legal research.

For these reasons, Greenlining urges you and the members of the Senate Energy, Utilities & Communications Committee to reject this regionalization proposal. If you have any questions, please do not hesitate to contact me at madelines@greenlining.org.

Thank you for your time and consideration.

Sincerely,

Madeline Stano
Legal Counsel