

April 4, 2023

Mayor Jung and Council Members 303 W Commonwealth Avenue Fullerton, CA 92832

Via email

RE: Please vote to reform and retain membership in Orange County Power Authority

Honorable Mayor Jung and Council Members,

Climate Action Campaign is a nonprofit climate watchdog whose mission is to end the climate crisis through effective, equitable policy action. We are writing today to urge the City of Fullerton to retain its membership in the Orange County Power Authority (OCPA).

OCPA continues to have numerous governance and transparency issues that must be addressed, as explained in our recent <u>coalition letter</u> signed by 24 local organizations dedicated to climate and social justice. However, leaving OCPA would cause more harm to families and our climate goals. OCPA is the only path to energy choice, competition, community reinvestment (including rate relief through bill credits), economic development, and renewables.

Orange County families have no access to policy decisions or revenue from investor-owned utilities. In contrast, Community Choice Energy (CCE) provides a proven, non-profit, community-led alternative to the investor-owned utilities that have enjoyed monopoly status in Orange County for more than a century.

CCE is also the only path to reinvesting ratepayer money into our neighborhoods and offering rate relief instead of lining the pockets of shareholders and utility executives. We have seen CCE programs in San Diego, Los Angeles and elsewhere in California thrive, and Orange County families deserve access to these same benefits.

Please consider the following crucial facts regarding this decision:

Community investment: OCPA is Orange County's only pathway to tens millions of dollars in annual funding to help reduce rates and protect communities from climate impacts

By staying in OCPA, families and businesses will benefit from tens of millions of dollars in annual discretionary program funding in the next few years, which investor-owned utilities such as Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E) will never provide. SCE and SDG&E are for-profit corporations and are therefore obligated to use excess revenue to pay shareholder dividends. In contrast, CCE programs such as OCPA are non-profits, which are required by law to use excess revenue for community programs related to energy use, such as providing rate relief to low income families, as the Clean Power Alliance in Los Angeles has done since its inception.

Without revenue from OCPA, it will not be possible to offer rate relief through bill credits and create the local energy projects, high road jobs and community investment necessary to protect Fullerton families from climate impacts.

Choice and competition: OCPA is our only path to energy choice

Investor-owned utilities (IOUS) have been given monopoly status in Orange County for over a century with the understanding that they would provide reliable, affordable energy to everyone, but they have not kept that bargain. SDG&E has increased rates for Orange County families by 58% since 2016 and plans to increase them another 50% by 2030. SCE has raised rates 45% since 2016 and plans to increase them another 45% by 2030, according to plans shared with the California Public Utilities Commission by both IOUS.

OCPA's Basic Choice product is now priced 2% below SCE, with more renewable energy than the SCE product. This illustrates the reality that CCE is the only pathway to electricity competition in California. A rate comparison between Marin Clean Energy, California's oldest CCE, and PG&E shows considerable savings for CCE customers. As CCEs mature, they can provide rate relief and customer programs that meet critical community needs.

Clean electricity now: OCPA is our only path to renewable energy that meets the climate crisis

SCE's 2021 power content <u>label</u> states that their default energy product last year was 33.6% renewable. SCE plans to reach 100% clean electricity by 2045 - more than a generation from now. OCPA offers 100% clean electricity today.

Allowing the continued use of fossil fuel-based electricity harms low income families and communities of color first and worst because fossil fuel extraction and generation facilities are located primarily in their communities. Research has demonstrated that prenatal exposure to pollution impacts fetal DNA, creating higher likelihoods of developmental disorders and disease manifesting in childhood, over the lifespan, and across generations.

According to the 2021 IPCC report update, acting now to eliminate climate pollution, especially methane, which is a primary source of electricity generation for SCE and SDG&E, is key to a climate-safe future and clean air. Unfortunately, we do not have years to wait for Orange County to rejoin OCPA because the climate crisis is a true emergency that requires action to slash emissions now.

Today, CCE programs serve more than 11 million California customers, providing countless benefits to those communities, including ten times more renewable electricity than investor-owned utilities. According to the California Public Utilities Commission (CPUC), the state will not meet its clean energy goals without CCE.

If Fullerton exits OCPA and rejoins OCPA later this year, Orange County families would not be able to begin receiving electricity from OCPA until 2025 at the earliest. If Orange County votes to rejoin in 2024, the county could begin receiving electricity from OCPA in 2026 at the earliest.

As Orange County's first and only CCE, OCPA must succeed, which is why Climate Action Campaign has consistently advocated for transparency and best practice-based decision-making by OCPA. We know what is possible with a healthy, thriving CCE. That is what Orange County deserves and what this council should work toward.

Please vote to retain Fullerton's membership in OCPA and thereby enable development of resilient local renewable energy resources, creation of middle class jobs, local economic development, protection for communities of concern, and a more equitable and sustainable 100% clean energy future.

Thank you,

Ayn Craciun
Orange County Policy Manager
Climate Action Campaign