

April 10, 2018

The Honorable Chris Holden
Chair, Assembly Utilities and Energy Committee
State Capitol, Room 5136
Sacramento, CA 95814

Assembly Bill 2068 (Chu)
Position: SUPPORT

Dear Assembly Member Holden:

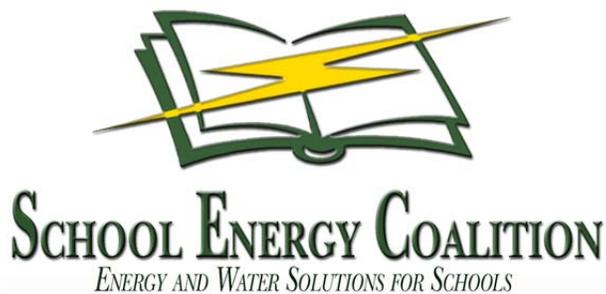
The School Energy Coalition (SEC), a statewide organization made up of K-12 schools, community colleges, energy and school construction professionals, focused on electricity and water efficiency and renewable generation projects for California's students, requests your support for Assembly Bill 2068 (Chu) when the bill is next heard in the Assembly Utilities and Energy Committee.

AB 2068 requires the California Public Utilities Commission (CPUC) to direct the gas and electrical utilities under its jurisdiction to evaluate the impact and establish a public school rate that would reflect a discount of at least 15% from the current commercial and industrial class rate for public schools. This report shall be submitted to the Legislature, by January 1, 2020, and includes specified requirements.

SEC supports AB 2068 as this bill recognizes the unique nature and energy load profile of school districts and county offices of education. Electricity rates are often one of the top five most costly items in a school district's discretionary budget. In addition, schools cannot change the way they do business if their electricity rates significantly increase, as can manufacturing or other types of businesses.

During the fiscal year 2014-15, San Diego County school districts experienced, on average, rate increases of over 35% resulting in a year over year increase of \$25 - \$30 million collectively, according to the San Diego County Office of Education. Schools in that area had to make cuts in other budget areas in order to pay for their electricity bill.

In August 2017, the CPUC made a recommendation for a "schools-only" rate as part of its Decision Revenue Allocation and Rate Design for the San Diego Gas & Electric Company (D17-08-030). This school-only rate would be separate from the medium or large commercial and industrial class rates to which it currently belongs. AB 2068 asks the Commission to make a similar recommendation to all the utilities under its jurisdiction statewide.



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Electricity rate increases erase savings and impact investments local education agencies (LEAs) have made under statewide voter approved Proposition 39. This five-year program funding was approved by California voters in November 2012. LEAs have spoken for over 90% of the taxpayer dollars made available for cost-effective energy projects, replacing lighting and inefficient air-conditioning and heating units, controls and sensors, and installing solar panels. At the end of the program, after project completion, they must show cost and energy savings as a result of these installations. Electricity rate increases erode these cost savings.

California's schools are more aware than ever of their energy usage and the cost and energy savings possible when they install energy efficiency and renewable projects due in part to this program. Their win at the local level translates to a bigger win at the statewide level as the collective impact of these local projects create a better environment for all of our citizens.

AB 2068 would ask that the CPUC study whether a school rate would make sense, taking into account an LEA's unique energy usage and vulnerability to react to rate increases, so that LEAs may be considered in a similar fashion to other electricity customers that receive discounted rates.

Please contact me with questions or concerns regarding this letter.

Sincerely,

Anna Ferrera
School Energy Coalition

cc: Members, Assembly Utilities and Energy Committee