

**AB 893 (GARCIA, E.) CALIFORNIA RENEWABLES PORTFOLIO STANDARD  
OPPOSE  
JOB KILLER**



**\*\*SENATE FLOOR ALERT\*\***

August 27, 2018

TO: Members, California State Senate

FROM: California Chamber of Commerce *UBS*  
 African-American Farmers of California  
 Agricultural Energy Consumers Association  
 American Pistachio Growers  
 Building Owners and Managers Association of California  
 California Business Properties Association  
 California Business Roundtable  
 California Citrus Mutual  
 California Cotton Ginners and Growers Association  
 California Independent Petroleum Association  
 California Large Energy Consumers Association  
 California League of Food Producers  
 California Manufacturers & Technology Association  
 California Tomato Growers Association  
 Greater Riverside Chambers of Commerce  
 International Council of Shopping Centers  
 Modesto Irrigation District  
 NAIOP – Commercial Real Estate Development Association

National Federation of Independent Business  
Nisei Farmers League  
Turlock Irrigation District Water & Power  
Western Agricultural Processors Association  
Western Growers Association  
Western States Petroleum Association

**SUBJECT: AB 893 (GARCIA, E.) CALIFORNIA RENEWABLES PORTFOLIO STANDARD PROGRAM  
OPPOSE/JOB KILLER – AS AMENDED AUGUST 24, 2018**

The California Chamber of Commerce and the organizations listed above must **OPPOSE AB 893 (Garcia, E.)**, which CalChamber has labeled a **JOB KILLER**. **AB 893** would impose an extreme 5,000-megawatt (MW) procurement mandate on both public and investor-owned utilities, regardless of the cost to ratepayers.

#### **UNREALISTIC PROCUREMENT NUMBERS**

California's IOUs and POUs already use a diverse mix of renewable resources and are on track to meet and exceed our aggressive Renewable Portfolio Standard (RPS) goals. **AB 893's** procurement mandate significantly increases costs by removing the utilities' ability to meet RPS goals in a cost-effective manner. **AB 893** will inevitably increase energy costs for constituents in your district and requires all of this procurement on an expedited timeline—some utilities must submit a plan a mere **nine or ten months from now**, giving the Public Utilities Commission a deadline of just 30 days to evaluate.

#### **SIGNIFICANT COST INCREASES**

Per kilowatt hour electricity rates in California are already among the highest in the nation. As of April 2017, some ratepayers pay a premium of 68% for electricity and 73% for natural gas over the national average, which impacts businesses' ability to be competitive if they continue to be located in California. The RPS standard uses the "least-cost, best-fit" project selection to meet California's ambitious goals in a cost-effective manner. **AB 893** thwarts that process by forcing utilities to purchase more expensive power and pass along increased rates to California ratepayers.

The new mandate created by **AB 893** would discourage energy-dependent businesses from growing in California and would add new overhead costs for all California employers.

For these reasons and others, we must respectfully **OPPOSE AB 893 (Garcia, E.)** as a **JOB KILLER**.

cc: The Honorable Eduardo Garcia  
The Honorable Ben Hueso  
The Honorable Henry Stern  
Catalina Hayes-Bautista, Office of the Governor  
Nidia Bautista, Senate Energy, Utilities & Communications Committee  
Senate Republican Caucus  
District Office, Members, California State Senate

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