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

JOB KILLER





















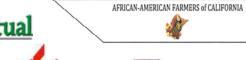




























SENATE FLOOR ALERT

August 27, 2018

TO: Members, California State Senate

FROM: California Chamber of Commerce

LBS

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

LBS: mm