



April 29, 2021

Mayor Lincoln and City Council
425 N El Dorado St, Stockton, CA 95202
Via email: City.Clerk@stocktonca.gov

Subject: Community Choice Energy for Stockton - Continue the Evaluation

Dear Mayor Lincoln and City Council members:

Thank you for your work to address a number of pressing issues facing our community at this time. We know that you have a lot on your plate.

We, the undersigned, are writing to express our concern in how the Community Choice Aggregation (CCA) issue was addressed at your meeting of March 23 and to request that you bring the issue back for further discussion. Eighteen speakers attended the meeting and every one spoke in support of the city continuing its evaluation of CCA. We strongly urge you to do so.

Citing the feasibility study, speakers pointed out that the City would be drawing in an existing \$100 million annual revenue stream to procure from cleaner energy sources at competitive rates. This could help speed up the phase out of fossil fuel plants that both drive climate change and pollute low-income neighborhoods and communities of color every day.

As with most government programs, especially those that operate in a competitive arena, there are risks. However, there are also risks associated with a failure to act. Formerly redlined communities in Stockton suffer from some of the worst air quality in the state. Many

neighborhoods are also disproportionately vulnerable to the impacts of power outages and extreme heat, which can also stress the grid. The number of extreme heat days is projected to rise in Stockton over the course of the century due to climate change, and we must do everything we can to adapt. Reliable access to affordable energy will be crucial. Right now, our local government is limited in its ability to address these issues, but that could change with a CCA.

Because of CCA's ability to control how the roughly \$100 million revenue stream made available via the new CCA would be spent, the City would be able to generate reserve funds that could be reinvested back into the community to advance environmental justice. CCAs can launch incentive programs to help bring electric vehicles and charging infrastructure to low-income neighborhoods. They can also offer programs that incentivize energy efficiency improvements and local renewable energy projects that offer storage at little to no cost for low-income families and struggling small businesses. This would save people money, create jobs, and make communities more resilient.

During the March 23 meeting, the potential impacts of a CCA start-up on staff capacity and existing city projects were overstated; costs, risk and potential credit impacts of the various governance structure options were misrepresented; and the reliability of the CCA business model was not accurately conveyed.

Some issues and questions that require further discussion include, but are not limited to:

- Cost of start-up, single entity vs. joining an existing CCA
- Potential impacts on Stockton's credit rating if starting or joining a CCA
- Staff capacity required for establishing a single entity CCA or joining an existing one
- Status of the 24 CCAs in California (170+ cities and about 20 counties)
- Information on CCAs with demographics similar to Stockton
- Minimum customer retention needed in order to maintain a viable program (Maximum allowable opt-out rate)
- A Stockton CCA's zero emissions trajectory and other environmental benefits

The best way to get clarity on some of these questions is to invite elected officials from cities or counties where CCA is operational to come to the council meeting in order to share their experience in evaluating, launching, and operating their CCA.

We request that you place CCA back on the agenda at the earliest possible date in order to obtain accurate information regarding several key issues and questions that were raised on March 23. We stand ready to help arrange for elected leaders from the 170 California Cities and 20 counties where CCA is operational to attend and share their knowledge and experience about CCA.

For our future, we urge you to continue the evaluation.

Sincerely,

Davis Harper, Stockton Regional Coordinator
The Climate Center

Barbara Barrigan-Parrilla, Executive Director
Restore the Delta

Dillon Delvo, Executive Director
Little Manila Rising

Dave Atherton, President
Electric Auto Association San Joaquin Valley

Maria Alcazar, Programs Supervisor
STAND Affordable Housing

Jonathan Pruitt, Environmental Justice Program Coordinator
Catholic Charities of the Diocese of Stockton

Jasmine Leek, Managing Director
Third City Coalition

Kenda Templeton, Executive Director
PUENTES

Rising Sun Center for Opportunity

Irene Calimlim, Health and Environmental Justice Program Manager
Fathers and Families of San Joaquin

Nancy Huante-Tzintzun, PhD, community organizer

Susan M. Schneider, PhD, climate activist, behavioral psychologist

Liszet Burgueno, Stockton resident

Cc:
Senior Policy Advisor to the Mayor Rajan Nathaniel
City Manager Harry Black
Program Manager Grant Kirkpatrick
Budget Officer Kimberly Trammel
Deputy City Manager Maraskeshia Smith
Deputy City Manager John Alita