



Honorable Cottie Petrie-Norris, Chair
Assembly Utilities and Energy Committee
1020 N Street, Room 408A
Sacramento, CA 95814
Via Committee Comment Portal

March 27, 2024

Subject: AB 2054 (Rebecca Bauer-Kahan) SUPPORT

Dear Chair Petrie-Norris and Committee Members,

We write in support of Assembly Bill 2054 by Rebecca Bauer-Kahan, which will codify a ten-year prohibition on commissioners at the Public Utilities Commission (CPUC) and the Energy Commission (CEC) from accepting employment from any entity regulated by those agencies. Though California has many required disclosures for commissioners while in office, there are no restrictions on what these officials can do once their term expires.

California's regulators are currently allowed to take high-paying jobs at the utilities they regulate immediately following their terms. This "cooling-off" period as proposed by AB 2054 will better insulate regulators from conflicts of interest and reduce the pressure to acquiesce to opposition to effective regulation and questionable rate increases.

California has ambitious climate and clean energy goals and must do more to improve air quality throughout the state, which is still home to the worst air quality in the nation in places like Los Angeles and the Central Valley. In order to achieve these goals, strong rules and regulations must be imposed on an industry that, more often than not, fights such regulation. Allowing commissioners to take jobs with members of the regulated community creates an incentive for a commissioner to use their role to act on behalf of a regulated entity, with the prospect of a lucrative position after their tenure as a commissioner.

This dynamic poses significant risks to the integrity and effectiveness of regulatory oversight. Permitting commissioners to take jobs with regulated companies creates not just the perception, but the reality of a "revolving door" between regulators and the entities they are tasked with overseeing. There are many examples of this career dynamic occurring in California. This situation erodes public trust in the independence and impartiality of regulatory decisions, raising valid questions about conflicts of interest and undue influence.

The prospect of lucrative job opportunities with regulated companies incentivizes commissioners to prioritize the interests of these companies over the public good during their tenure. This leads to

regulatory capture, where regulatory agencies become more aligned with the interests of the industries they regulate rather than serving the broader public interest.

Lastly, the knowledge and insights gained by commissioners during their time in regulatory roles, if they are hired by a regulated entity, provides that entity with an unfair advantage in navigating regulatory processes and influencing future policy decisions. This asymmetry of information undermines the level playing field that is essential for fair competition and innovation among the regulated community.

By enacting AB 2054, the CPUC and CEC can uphold the public trust, maintain the independence and effectiveness of regulatory oversight, and ensure that decisions are made in the best interests of all Californians. When AB 2054 comes to your committee for a vote, we respectfully urge your “aye” vote.

Sincerely,

Ellie Cohen, Chief Executive Officer, The Climate Center
Roger Lin, Senior Attorney, Center for Biological Diversity
Pauline Seales, Organizer, Santa Cruz Climate Action Network
Gregory Stevens, Northern California Director, California Interfaith Power and Light
Ronnie Lipschutz, President & Co-director, Sustainable Systems Research Foundation
Bill Allayaud, Vice President, California Government Affairs, Environmental Working Group
Kyoko Takayama, Steering Committee Member, Livermore Indivisible
Jose Torre-Bueno, Executive Director, Center for Community Energy
Robert M. Gould, MD, President, Physicians for Social Responsibility, San Francisco Bay
Rebecca Elliot, Administrator, Indivisible San Jose
Andrea León-Grossmann, Deputy Program Director - West, Vote Solar
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Nicole Capretz, Founder and CEO, Climate Action Campaign
Will Brieger, Chair, Legislation & Policy Team, 350 Sacramento
Suzanne Hume, Educational Director & Founder, CleanEarth4kids.org
Janet Cox, Chief Executive Officer, Climate Action California
Nathan Taft, Senior Campaigner, Stand.earth
Liza Tucker, Consumer Advocate, Consumer Watchdog
Lane Sharman, San Diego Energy District
Audrey Ichinose, East Bay Clean Power Alliance
Mark C. Woods, California Citizen, Member, California Alliance for Community Energy
Shannon Edwards, Leader, Santa Cruz Mountains Indivisible
Mary Perner, Livermore Indivisible
Doug Bender, Member of Steering Committee, Indivisible South Bay LA
Virginia Greenwald, Cloverdale Indivisible
Ellen Chapman, Indivisible Sacramento
Jessica Tovar, Director, Local Clean Energy Alliance

Laura Neish, Executive Director, 350 Bay Area Action
Keiko Mertz, Policy Director, Friends of the River
Cheryl Auger, President, Ban Single Use Plastics
Eric Veium, Chair and Co-Executive Director, SLO Climate Coalition
Cara Robin, President, West L.A. Democratic Club
Ruth Merino, Chair, San José Community Energy Advocates
Adam Sweeney, Chair, The Climate Reality Project, Silicon Valley Chapter
Karinna Gonzalez, Hammond Climate Solutions Foundation
John Smigelski, Steering Committee, California Alliance for Community Energy
Rick DeGolia, Board Chair, Peninsula Clean Energy
Sheilah Fish, Founder, Contra Costa MoveOn
Aaron Lehmer, Co-Founder, California Trade Justice Coalition
David Diaz, Executive Director, Active San Gabriel Valley
Cherry Robinson, Coalitions Chairs, Climate Reality Project, San Diego Chapter
Emi Yoko-Young, Energy Justice Policy Organizer, Reclaim Our Power

cc:

Committee members:

Jim Patterson, Vice Chair
Rebecca Bauer-Kahan
Lisa Calderon
Phillip Chen
Damon Connolly
Laura Friedman
Chris R. Holden
Joe Patterson
Eloise Gómez Reyes
Miguel Santiago
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