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May 19, 2011

The Honorable Christine Kehoe
California State Senate
State Capitol, Room 5050
Sacramento, CA 95814

Re: SB 790 (Leno) – Position: Support

Dear Senator Kehoe:

The Kings River Conservation District (KRCOD) requests your support of SB 790 (Leno), an act to amend Sections 331.1, 365.1, 366.2, 380, 381.1, 395.5, 1802, and 8380 of, and to add Section 707 to, the Public Utilities Code, relating to electricity.

KRCOD is a public agency responsible for flood control, energy generation, environmental programs and on-farm and groundwater management. KRCOD is actively involved in regional power issues and is a key player in the ongoing development of a Community Choice Aggregation (CCA) program in the central San Joaquin Valley through participation in the San Joaquin Valley Power Authority. Our popularly elected Board of Directors recently adopted the attached Resolution in support of SB 790.

AB117 (Migden) passed in 2002 created an opportunity for local governments to develop Community Choice Aggregation programs that meet local and regional objectives, providing customer choice and competition in the energy marketplace. CCA programs have been studied in many areas of the state. In our effort to implement CCA in the San Joaquin Valley, KRCOD experienced several obstacles, including conduct of the incumbent investor-owned utility that prevented us from reaching our objectives of customer choice, discounted and stable energy price, and local investment in generation infrastructure. SB 790 would promote competition by lifting many of the barriers that have prevented local agencies including KRCOD and its surrounding communities from implementing CCA in their regions. SB 790 would also expand authorization to implement CCA to limited number of special districts, including KRCOD, which are authorized and qualified to generate and deliver electricity.

Please contact me at (559) 237-5567 if you have any questions.

Sincerely,

DAVID ORTH
General Manager

Attachment

BOARD OF DIRECTORS

Division I, NORMAN B. WALDNER, Dinuba • **Division II**, MASARU YOSHIMOTO, Fowler • **Division III**, GILDO NONINI, Fresno • **Division IV**, MARK McKEAN, Riverdale • **Division V**, BRENT GRAHAM, Hanford
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BRENT GRAHAM, President • DR. DAVID CEHRS, Vice President • DAVID ORTH, General Manager-Secretary • RANDY SHILLING, Auditor

cc: Honorable Members, Senate Committee on Appropriations
The Honorable Mark Leno
Mr. Brendan McCarthy
Ms. Rocel Bettencourt
KRCD Board of Directors
Ms. Cristel Tufenkjian

BEFORE THE BOARD OF DIRECTORS
OF THE KINGS RIVER CONSERVATION DISTRICT
FRESNO, CALIFORNIA

RESOLUTION NO. 11-05

In Support of Senate Bill 790, Electricity: Community Choice Aggregation

WHEREAS, on September 24, 2002, the Governor signed into law Assembly Bill 117 (Stat. 2002, Ch. 838), which authorizes any California city or county, whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation (CCA); and

WHEREAS, Community Choice Aggregation enables any city or county or combination thereof to purchase electricity on behalf of its residences and businesses, and can require and obtain a higher percentage of renewable energy in its energy portfolio than that provided by investor-owned utility; and

WHEREAS, Community Choice Aggregation programs are certified by the California Public Utilities Commission (CPUC) and must comply with basic requirements in order to ensure public confidence in the program; and

WHEREAS, The CPUC submitted a report to the California State Legislature on the issues and progress of CCA on January 31, 2011, which raised concerns needing to be addressed by the State Legislature; and

WHEREAS, On February 22, 2011, Senator Mark Leno introduced Senate Bill 790 to address some of the concerns raised in the CPUC's report and issues that other government entities, including Kings River Conservation District and the San Joaquin Valley Power Authority, have raised in the past;

WHEREAS, Senate Bill 790 strengthens existing CCA law, giving local governments the right to pursue community choice aggregation.

NOW, THEREFORE, BE IT RESOLVED, The Board of Directors of the Kings River Conservation District fully supports Senate Bill 790 and encourages the State Legislature to pass Senate Bill 790, as introduced by Senator Leno; and,

THE FOREGOING RESOLUTION was passed and adopted by the Board of Directors of the Kings River Conservation District this 15th day of April, 2011, by the following vote:

AYES: President Graham, Vice President Cehrs, Directors McKean, Nonini, Waldner, and Yoshimoto

NOES: None

ABSENT: Director Howe

ATTEST:


Secretary


President

SECRETARY'S CERTIFICATE

I, David Orth, Secretary of Kings River Conservation District, hereby certify that the foregoing is a full, true and correct copy of a Resolution duly adopted at a Regular Monthly Meeting of the Board of Directors of said District duly and regularly held at the regular meeting place thereof on the 15th day of April 2011, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

WITNESS my hand and the seal of Kings River Conservation District this 15th day of April 2011.



Secretary

(Seal)