



ORA

*Office of Ratepayer Advocates
California Public Utilities Commission*

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April 7, 2015

Honorable Kevin Mullin
California State Assembly
State Capitol, Room 3160
Sacramento, CA 95814

RE: AB 674 (Mullin) – Oppose

Dear Assemblymember Mullin:

The Office of Ratepayer Advocates (ORA) is the independent consumer advocate within the California Public Utilities Commission (CPUC). ORA's statutory mandate is to obtain the lowest possible rates for utility services consistent with reliable and safe service levels. ORA also advocates for customer and environmental protections in connection with utility service.

ORA respectfully opposes AB 674, which would exempt large utility customers using distributed electric generation or combined heat and power technologies from paying the State's non-bypassable charges, as specified. While ORA supports the intent of AB 674 to promote the use of clean on-site generation technologies, it would unfairly burden other utility customers with paying for the resulting revenue shortfall. It would also set a precedent for other customer groups to seek similar exemptions to non-bypassable charges.

Currently, non-bypassable charges are collected from all customers to fund programs that benefit *all* utility customers and society as a whole. These include costs for nuclear decommissioning, Department of Water and Resources bonds to finance costs from the energy crisis, and other public purpose programs. By allowing a subset of customers to escape this cost responsibility, your bill may have the unintended consequence of adding cost pressure on all other customers.

ORA looks forward to working with you on setting clear, achievable, and measurable standards to reduce the State's greenhouse gas emissions in the most cost-effective manner possible.

If you have any questions or would like to discuss this matter further, please call ORA's Legislative Advisor, Rebecca Lee, at (916) 327-1407 or me at (415) 703-2381.

Respectfully,

Joseph P. Como, Acting Director
Office of Ratepayer Advocates