

# ADVANCED ENERGY BUYERS GROUP

the policy voice of advanced energy purchasers

September 7, 2018

The Honorable Edmund G. Brown  
Governor of California  
California State Capitol  
Sacramento, CA 95814

## **Re: SB 237 (Hertzberg): Direct Access – Request for Signature**

Dear Governor Brown,

The Advanced Energy Buyers Group writes to request your signature on SB 237, which would make California a more attractive place to do business and open up new opportunities for nonresidential customers to meet their electricity needs while driving innovation and supporting the reliability, affordability, and decarbonization of California's electric grid.

The AE Buyers Group is a business-led coalition of large energy users engaging on policies to expand opportunities for corporate customers to procure energy that is secure, clean, and affordable.<sup>1</sup> In 2017, members of the AE Buyers Group totaled over \$1.2 trillion in revenue and collectively consumed over 18 terawatt hours (TWh) of electricity, roughly equal to the electricity consumption of San Diego county, and more than three-times that of San Francisco county.<sup>2</sup> Members of the AE Buyers group have offices, data centers, retail stores, and manufacturing facilities throughout California.

AE Buyers Group members share a common interest in expanding their use of advanced energy in order to make their businesses more competitive, resilient, and sustainable enterprises far into the future while also meeting the needs and expectations of their customers, employees, shareholders, and other key stakeholders. Last year, members of the Buyers Group purchased over 11 TWh of renewable electricity, including from onsite and offsite projects in California, and our companies intend to continue and accelerate this progress. When armed with increased choice and control over our electricity mix, our companies can meet our clean energy

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<sup>1</sup> This letter represents the consensus view of the Advanced Energy Buyers Group, but does not necessarily reflect the position of any individual member. See [www.advancedenergybuyersgroup.org](http://www.advancedenergybuyersgroup.org) for more information.

<sup>2</sup> For electricity use by county in California, see <http://ecdms.energy.ca.gov/elecbycounty.aspx>.

goals more quickly and cost-effectively, relying on solutions tailored to our individual needs. We support passage of SB 237 for three key reasons.

**First, passage of SB 237 will enable members of the AE Buyers Group and other businesses with clean energy targets to make progress on these goals quickly and cost-effectively.** This is because an expanded Direct Access market will open up new opportunities for nonresidential customers to pursue renewable and other advanced energy projects, including through power purchase agreements with renewable energy suppliers, self-supply, contracts with electric service providers, and other individualized solutions.

**Second, the flexibility provided by SB 237 will not only address business needs, but also support and even accelerate California's efforts to increase the reliability, affordability, and decarbonization of its electricity grid.** With 71% of Fortune 100 companies now driving toward clean energy and energy-related sustainability goals, large customers play an increasingly important role in driving advanced energy growth.<sup>3</sup> Policies such as SB 237 that enable additional customer choice also enable customer-driven clean energy deployment.

**Third, expansion of California's Direct Access market is also an economic development opportunity for the state.** The long waiting list for California's limited direct access allowance makes clear that members of the AE Buyers Group are not alone in our desire for additional choice and control when it comes to our electricity purchases. Expansion of California's limited direct access cap will give California businesses the flexibility they require to meet their specific electricity needs and preferences, leveling the playing field for companies already here and providing new opportunities for those considering expanding or relocating to California.

Members of the AE Buyers Group also recognize and take seriously the need to protect residential customers not eligible to participate under direct access. These concerns can be addressed while meeting the needs of California businesses. We note that the California Public Utilities Commission is undergoing a thorough regulatory process to ensure that customers served by investor-owned utilities are left indifferent when other customers depart to be served by Community Choice Aggregation or an Electricity Service Provider. We believe this process is an appropriate avenue to address such concerns.

For all the reasons stated above, we support SB 237 and request that you sign this important bill into law.

Sincerely,

**The Advanced Energy Buyers Group**  
[www.advancedenergybuyersgroup.org](http://www.advancedenergybuyersgroup.org)

cc: Catalina Hayes-Bautista, Deputy Legislative Affairs Secretary, Office of the Governor

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<sup>3</sup> See <https://www.advancedenergybuyersgroup.org/resources>.