



CLEAR THE AIR COALITION LAUNCHES IN SAN DIEGO

Group aims to ensure costs and benefits of Climate Action programs are fully understood before critical decisions are made

SAN DIEGO (September 14, 2017)---A new coalition, Clear the Air, has been formed to urge the City of San Diego to achieve its ambitious Climate Action goals in a cost-effective manner that benefits our environment, stimulates the economy and protects local families and businesses. The City's consideration of a government-run energy program, or Community Choice Aggregation (CCA), is the first major opportunity to ensure costs and benefits are fully considered before critical climate decisions are made.

"The City of San Diego's unanimous passage of a landmark Climate Action Plan is something we can all be proud of," said coalition member Ruben Barrales, President of the Latino Leadership & Policy Forum. "It's now time to build on that collaborative effort and have a robust discussion that helps achieve our climate goals in a way that benefits all San Diegans."

The City of San Diego recently released a draft report on CCA, a proposed program that would place the city in charge of buying and selling energy for its residents. Clear the Air believes CCA should achieve these two requirements for it to gain support of the San Diego City Council and Mayor Kevin Faulconer:

1. Fulfill the 100 percent renewable energy goals in the city's Climate Action Plan through real and additional GHG emission reductions.
2. Not burden taxpayers with significant financial risk in the short- or long-term.

"We want to reduce GHG emissions and increase renewable energy sources, but we want to make sure we're doing it the right way," said Haney Hong, a coalition member and President/CEO of the San Diego County Taxpayers Association. "The plan before the City of San Diego might be good idea, but it also might be a bad one. We simply don't know because there are too many unknowns. Ultimately, we need to know much more about what this government-controlled energy operation would cost taxpayers and whether it would really result in emissions reductions."

The coalition was formed this month and includes the following members:

- **Ruben Barrales**, Latino Leadership & Policy Forum
- **Pastor Terry Brooks**, Bayview Baptist Church
- **Rev. Gerald Brown**, United African American Ministerial Action Council
- **Jerry Sanders**, San Diego Regional Chamber of Commerce
- **Haney Hong**, San Diego County Taxpayers Association
- **Earl Wong**, Asian Business Association
- **Jack Monger**, Industrial Environmental Association
- **Joe Panetta**, BIOCOM
- **Stephen Cushman**, Local Businessman
- **Lani Lutar**, Responsible Solutions
- **Dan Hom**, Focuscom
- **Catherine Arambula**, Community Leader
- **Frank Urtasun**, Sempra Services

“The City of San Diego’s Draft CCA Report raises several important questions – the most significant being cost,” Sanders said. “It’s impossible to tell right now what the cost would be because the California Public Utilities Commission is still determining fee structures that would impact local governments deciding to launch a CCA program.”

A clear picture of the true costs and benefits of CCA is expected to emerge within 18 months, and depending on what the CPUC decides, the Draft Report points out San Diego taxpayers could conservatively face a \$2.8 billion bill under CCA – and possibly much more.

“If that happens, it would not be any different from the pension crisis our city is still digging out of,” Lutar said.

The city’s report also notes that the earliest a government-operated CCA could begin to incrementally reduce GHG emissions in San Diego is 2026, and nothing modeled in the report meets the city’s 100% renewable goal.

“What you can say about existing CCAs is, at best, they’re underwhelming,” Monger said. “They’re simply not doing what they promise to do – reduce greenhouse gas emissions. Marin Clean Energy is the only CCA in California, through 2016, that has had any of its energy generated from newly constructed renewable energy sources. Marin began serving customers in 2011. Since then, in no one year has it generated more than 10 percent of its power from new renewable sources.”

It is also important to point out that a legislative bill moving forward in Sacramento, SB 100, would establish a policy goal requiring utilities in California to use zero carbon energy sources by 2045. It could be law this year.

“If SB 100 is signed into law, the cost-benefit-risk analysis of CCA would change overnight,” Lutar said.

She added: “Does it make sense for the city to put its balance sheet on the line? To put politicians and bureaucrats in charge of buying and selling our energy, especially when you

consider there is pending legislation in Sacramento that would essentially achieve the same renewable goals without any of the financial risks the city would incur under CCA?

Lutar also noted that, “the projections in the Draft Report are all over the map. We must have more certainty before handing over our energy-procurement keys to politicians inexperienced with managing the risks of the complex energy commodity market. The public has a right to scrutinize the modeling that was used to determine whether CCA is feasible for the city. Using secretive, proprietary modeling with billions of tax dollars on the line is unacceptable.”

Pastor Brooks said: “The city’s draft report does a nice job of pointing out potential risks and rewards. Now it’s important that we have a community discussion featuring a diverse range of voices before critical decisions are made about our city’s future that will affect generations to come.”

Learn more about the Clear the Air coalition at: www.clearair.us

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About

The Clear the Air Coalition is a group of business, environmental, civic and taxpayer leaders working to ensure a diverse range of voices is heard and important questions are answered before critical decisions are made about San Diego’s climate future.