



August 7, 2020

Senate Pro Tem Toni Atkins  
 Assembly Speaker Anthony Rendon  
 State Capitol  
 Sacramento, CA 95814

**Re: OPPOSE “Eagle Crest Bailout” – Economic Harm Legislation Should Not Be Considered**

Pro Tem Atkins and Speaker Rendon,

Thank you for your leadership to keep Californians safe and healthy throughout the COVID-19 pandemic and for your considerable efforts to put forward ideas and legislation to help stimulate California’s economy. Our diverse coalition of organizations representing environmental, publicly owned utility, community choice aggregation, renewable energy, industrial ratepayer, agricultural, tribal, and veteran interests write to respectfully state our strong opposition to the Legislature dedicating any further time this session to the consideration of the NextEra Eagle Crest Pumped Storage Bailout proposal. Earlier this week, the “gut & amend” AB 1720 (Carrillo) advancing this multi-billion dollar, ratepayer-funded bailout of Eagle Crest was halted due to lack of support. **This follows the proposal dying twice in the Assembly earlier this year, marking three failures this year and five failures since 2018.** Cost-of-living and affordability problems are worsening for Californians, and the Legislature has very limited days to pass critical, well-vetted legislation, which the Eagle Crest proposal is not. It’s past time to say “enough is enough.”

**Let’s be clear: Eagle Crest Bailout is not economic stimulus, but economic harm. It should have no place in your plans to help California’s economy and residents rebound.**

We respectfully urge you to consider the strong cautions issued by the California Public Utilities Commission (CPUC) concerning the Eagle Crest Bailout and the additional financial pressures that will soon impact many electric ratepayers as the result of investments in wildfire safety, and renewable procurement to meet the state’s climate goals. Now is not the time to add an additional and significant cost pressure through a legislative mandate:

- The CPUC unanimously voted to OPPOSE AB 1720 (Carrillo), writing the bill “would far exceed the optimal amount of long-duration energy storage identified” and “will likely lead to hundreds of millions, if not billions, of dollars in additional, unnecessary and avoidable long-term costs that will ultimately be borne by all LSE ratepayers.”
- The CPUC continues, “Wildfire Mitigation Plans submitted pursuant to SB 901 (Dodd, 2018) and AB 1054 (Holden, 2019) roughly translate to a 7 percent to 8 percent increase in residential ratepayer rates for every \$1 billion in corresponding revenue requirement not yet in rates. PG&E is projecting to spend a little over \$3 billion per year for the next three years including in 2020 and SCE is projecting to spend about \$1.5 billion per year for the next three years including 2020. SDG&E is planning to spend about \$500 million per year for the next three years including 2020.”
- In a recent Sac Bee Op-ed, CPUC Commissioner Rechtschaffen wrote that “financial projections show electric utility costs are likely to increase 15-35% over the next three years.”

Unlike the Eagle Crest Bailout, the CPUC Integrated Resource Plan (IRP), will generate economic stimulus and by law must protect ratepayers. The March 2020 IRP Decision calls for the construction of 14,500 MW of new supply-side renewables, 8,900 MW of new battery storage and 973 MW of new long-duration energy storage resources by 2030. These projects are designed to meet California’s aggressive carbon reduction goals.

This is no small construction endeavor. It represents an approximately 30 percent increase in wind capacity, a more-than doubling of solar capacity, a tripling of battery storage capacity, and a doubling of long-duration storage capacity, compared to current levels.

These numbers confirm that NextEra is seeking special treatment – to the detriment of ratepayers – after failing to persuade the CPUC to force procurement of its oversized, costly 1,300 MW Eagle Crest project. The Legislature should swiftly discard these continued efforts.

Thank you for considering our position. Our coalition would be happy to meet with you or your staff at any time to discuss why we strongly oppose the Eagle Crest Bailout proposal.

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Kevin Emmerich  
**Basin and Range Watch**

Sean MacNeil  
**California Community Choice Association**

Kelly Catlett  
**California Hydropower Reform Coalition**

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**California Large Energy Consumers Association**

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Trudi Hughes  
**California League of Food Producers**

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Chris Shutes  
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Tanya DeRivi  
**Southern California Public Power Authority**

Lucas Frerichs  
**The Nature Conservancy**

Kate Hoit  
**Vet Voice Foundation**

**Cc:**

Governor Gavin Newsom

Tom Steyer, co-chair Task Force on Business and Jobs Recovery

Ann O'Leary, co-chair Task Force on Business and Jobs Recovery

California Public Utilities Commissioners

U.S. Senator Dianne Feinstein

U.S. Senator Kamala Harris

California State Legislature