

POLICY & ACTION FROM CONSUMER REPORTS

August 22, 2015

Senator Kevin de León Senate President Pro Tem State Capitol, Room 205 Sacramento, CA 95814

Re: SUPPORT for SB 350 (De León and Leno) Clean Energy and Pollution Reduction Act of 2015

Dear Senator de León:

Consumers Union reiterates its strong support for SB 350 and the financial and health benefits its 50-50-50 framework is likely to deliver for Californian consumers. The oil industry's misleading opposition requires us to underscore how this bill would promote greater choices, cleaner options, and more long-term savings for consumers.

<u>SB 350's first target to increase the Renewable Portfolio Standard from 33% by</u> <u>2020 to 50% by 2030 builds upon the remarkable progress that California has</u> <u>already made to ramp up renewable energy.</u> Thanks to California policy, technological improvements and economies of scale, costs of renewable power generation in California are often competitive with or cheaper than fossil fuelbased power plants. In addition to more stable and lower operating costs, increasing renewables' share helps reduce air pollution, which saves lives and reduces missed work days and health care costs. However, managing greater renewable capacity will require more sophisticated demand response, coordination and energy storage. Therefore, setting renewable targets well in advance aligns utility investments and efficiency programs for a smooth transition toward a more reliable, cleaner, and smarter grid.

<u>SB 350's second target to reduce petroleum use by 50% by 2030 provides</u> <u>financial, public health, and quality of life benefits for consumers.</u> There are many practical approaches to reach this goal, most of which California has already started. As vehicles become more fuel efficient and neighborhoods better designed, transportation costs decline. Promoting the availability of less expensive alt-fuel choices saves consumers money on their fuel bills, which they can then spend on other goods and services in the California. On the public health front, this initiative will be an enormous help in reducing greenhouse gas (GHG) emissions, smog-forming pollution, and cancer-causing diesel particulate matter. Improving traffic flows and enhancing mobility options also help consumers avoid wasting time in traffic, which drains productivity and takes away from personally fulfilling and healthier activities.

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<u>SB 350's third target to cut energy use in buildings by 50% by 2030 is also a</u> <u>boon to consumers.</u> More efficient homes, appliances and electronics save consumers billions of dollars in electricity and natural gas bills. Efficient homes are more comfortable because they are better insulated and the desired temperature is more uniform, keeping seniors and other vulnerable populations safer from extreme outside temperatures. In addition, improved efficiency strengthens reliability of the grid and reduces the burden on the electric system, especially during peak demand. Reducing energy use minimizes the need for additional power plants, avoiding associated air pollution and lowering electricity costs overall.

SB 350 supports a much-needed transition to a cleaner, better, and more diverse energy supply in California and beyond. Thank you for your strong leadership.

Sincerely,

Shan M. Bok Branth

Shannon Baker-Branstetter Policy Counsel, Consumers Union

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