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California State Senate

SENATOR
BRIAN DAHLE
FIRST SENATE DISTRICT



VICE CHAIR
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BUDGET & FISCAL REVIEW
SUBCOMMITTEE #2 ON
RESOURCES, ENVIRONMENTAL
PROTECTION, & ENERGY
GOVERNANCE & FINANCE
NATURAL RESOURCES
& WATER
TRANSPORTATION

September 29, 2023

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

RE: Request for Veto of AB 1373 (Garcia)

Dear Governor Newsom:

I respectfully request your veto of Assembly Bill 1373 (Garcia), which authorizes the Department of Water Resources (DWR) to act as the central procurement entity for eligible energy resources.

While this bill claims to support a diverse portfolio of energy resources, AB 1373 is narrowly tailored to only include wind and geothermal energy. Fossil fuels and fossil fuel derivatives and combustion generators not used for geothermal generation are specifically excluded meaning despite being clean and renewable, biomass and hydrogen cannot be procured by DWR. AB 1373 is another example of California picking winners and losers. California will continue to rely on fossil fuels as its primary energy source for the foreseeable future, regardless of the goals we set and targets we have. Limiting our energy grid to a few hand-picked industries will do nothing but harm our energy reliability. Despite wind energy being unproven and with unknown (but certain) negative environmental impacts, California has 100% fully committed to it regardless of the consequences.

California's current energy crisis mirrors the 2001 energy crisis in which DWR was authorized to procure power on behalf of three investor owned utilities. During the crisis, Californians saw sky rocketing electricity rates as DWR entered into 57 long term contracts at an estimated cost of \$42.6 billion. Now, DWR will once again be authorized to procure power, but only for wind and geothermal generation. Limiting the scope of this bill to unproven and unreliable sources does nothing but harm ratepayers and our grid reliability for the future.

AB 1373 will increase costs to **all** ratepayers. Additionally, this bill authorizes DWR to increase rates for all consumers regardless of which utility they have to cover the procurement costs. Due to the nature of the eligible projects, the contracts will need to be long term. Wind infrastructure is still developing so electricity rates are only

going to get higher as the projects continue. Furthermore, this bill has increased labor requirements including a skilled and trained workforce, which also increases costs for consumers. Ratepayers are once again on the hook for funding California's race to reach its climate goals despite the lack of proper planning to reach those goals.

For these reasons, I respectfully request your veto of AB 1373.

Sincerely,

A handwritten signature in blue ink that reads "Brian Dahle". The signature is written in a cursive, slightly slanted style.

Brian Dahle, Senator
1st Senate District