



July 8, 2019

Governor Gavin Newsom
Senate President Pro Tem Toni Atkins
Assembly Speaker Anthony Rendon

RE: AB 1054 (Holden) – Wildfires – CONCERNS and Request for Amendments

Dear Governor Newsom, President Pro Tem Atkins, and Speaker Rendon:

As mayors of three of the state's largest cities, we believe local governments can and should play a leading role in ensuring that our electricity is safe, reliable, affordable, and clean. We support your efforts to ensure that the victims of the recent devastating California wildfires are made whole and that the state government does everything it can to reduce the likelihood and severity of future wildfires.

We respectfully express our significant concerns about the July 5 version of AB 1054 (Holden), which would expand the California Public Utilities Commission's (CPUC's) authority over local government decision-making when considering the acquisition of assets from an electrical corporation. This proposed expansion of CPUC authority is unnecessary to achieve the goals of the bill and would not meaningfully address the risk of future catastrophic wildfires. Additionally, this section of the bill would set a dangerous precedent by limiting local government autonomy over its own employee relationships established through locally-negotiated collective bargaining agreements. To our knowledge, this specific language was added to the bill on July 5, was not circulated to potentially impacted stakeholders, including in our cities, and had not been publicly discussed prior to being amended into the bill.

AB 1054 would amend Public Utilities Code (PUC) Sections 854 and 854.2 to require a "voluntary or involuntary change in ownership of assets from an electrical or gas corporation to ownership by a public entity" to first secure authorization to do so from the CPUC. This language would expand CPUC authority and impinge on local governments' ability to provide utility service, something they are empowered to do by the California Constitution (Article XI, Sections 5 and 9).

The amended section (PUC Sec. 854.2) is entirely unrelated to the state's wildfire crisis. Nor is it needed to protect utility customers. PUC Sec. 851 already empowers the CPUC to analyze the acquisition of utility assets to ensure that remaining bundled customers are not adversely impacted.

We appreciate that this bill's intent is to reduce the risk of future catastrophic wildfires. However, the amendments described above do not help the state achieve a safer electric grid and would impede local

control. We encourage you and your colleagues in the Legislature to remove these amendments from AB 1054.


Sincerely,



Mayor London Breed, San Francisco



Mayor Sam Liccardo, San Jose



Mayor Libby Schaaf, Oakland

cc. San Francisco State Delegation
San Jose State Delegation
Oakland State Delegation