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Senator Ben Allen, Chair
Senate Committee on Energy, Utilities and Communications
1021 O Street, Suite 3350
Sacramento, CA 95814

Re: SB 1138 (Padilla) – SUPPORT

Dear Chair Allen:

On behalf of the City of Burlingame, I write in support of SB 1138 by Senator Steve Padilla, a measure that would improve affordability for California electricity customers by modernizing the state's Resource Adequacy (RA) program.

California's RA program ensures there is enough electricity supply to meet customer demand and maintain grid reliability. Recently, the state transitioned to a "slice-of-day" framework, which requires load-serving entities (LSEs) to meet their reliability obligations on an hourly basis. However, under current rules, entities responsible for meeting those obligations can only buy or sell RA products on a monthly basis, even though the obligations themselves are hourly. As a member of Peninsula Clean Energy (PCE), a Community Choice Aggregator (CCA) serving approximately 800,000 Californians in San Mateo County and the City of Los Banos in Merced County, we are concerned that this mismatch forces LSEs like PCE to purchase more RA than is actually needed, creating artificial scarcity in the market and driving up costs for our residents.

SB 1138 would address this inefficiency by allowing hourly transactions of RA obligations, aligning procurement rules with the state's new reliability framework. This reform would allow entities with excess capacity in a given hour to trade with those that are short, reducing unnecessary over-procurement while maintaining reliability standards.

At a time when electricity affordability is a growing concern for households and businesses in communities across the state, improving the efficiency of the RA program is an important step toward reducing costs for residents while maintaining a reliable grid.

For these reasons, the City of Burlingame strongly supports SB 1138.

If you have any questions, please contact Lisa Goldman, City Manager, at lgoldman@burlingame.org or 650-558-7204.

Sincerely,

Michael Brownrigg
Mayor

c: State Senator Josh Becker
Assemblymember Diane Papan
Peninsula Clean Energy