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April 20, 2015

The Honorable Ben Hueso  
Chair, Senate Energy, Utilities and Communications Committee  
State Capitol, Room 4035  
Sacramento, CA 95814

**RE: SB 286 (Hertzberg), as amended April 14, 2015**  
***Scheduled to be heard by the Senate Energy, Utilities and Communications Committee***  
***on April 21, 2015***  
***Position: SUPPORT***

Dear Senator Hueso:

The University of California (UC) is pleased to support SB 286 (Hertzberg). If passed, the bill would double current limits on Direct Access (DA) service and require that 51 percent of new DA transactions be eligible for Renewable Portfolio Standard (RPS) credit, allowing a greater number of nonresidential customers to purchase electric commodities from an entity other than an Investor Owned Utility (IOU).

The University has a number of DA accounts, and in 2014 UC became a registered Energy Service Provider (ESP), allowing our Wholesale Power Program to serve as the primary energy supplier to UC Irvine and its medical center, UC San Diego and its medical center, UC San Francisco and a portion of its medical center, UC Santa Cruz, UC Merced and a number of other facilities systemwide. In January 2015, the University began directly supplying electricity to these accounts as part of an initiative to become the first research university to achieve carbon neutrality by 2025.

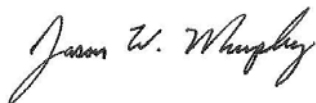
Direct Access has allowed the University to procure cost-effective green energy for our eligible accounts—last year we made the largest solar energy purchase by any U.S. higher education institution, helping to power our campuses and medical centers more sustainably. When this solar project is completed, the new supply will allow campuses served by the Wholesale Power Program to receive energy that is 60 percent sourced from a renewable supply—far beyond current RPS standards. Furthermore, the ability for the University to enter into its own long-term contracts as an ESP has helped UC to increase transparency and control costs: we estimate the Wholesale Power Program could trim the University's power bills by as much as 10 percent in 2015.

Unfortunately, only a portion of UC's accounts are eligible for participation in the wholesale program due to the current cap on DA participation and the associated limitations of the current lottery system. Although UC has entered into the lottery every year, high demand for customer choice has meant that UC has been locked out of additional participation. If DA is expanded as proposed in SB 286 and UC successful in the lottery system, the University would be able to bring more cost savings and more green energy to campuses such as UC Berkeley and UC Santa Barbara.

The University thanks Senator Hertzberg for his efforts to expand Direct Access for nonresidential customers and his commitment to increasing the amount of renewable energy used in California. UC has created what we believe is a best practice for direct access use, and we hope the expansion of DA under SB 286 will allow the University to serve as a model for sustainable procurement for both the private and public sectors.

Thank you for your consideration of the University's views. Should you have any questions on the University's position on SB 286, please do not hesitate to contact me at (916) 445-9924.

Sincerely,



Jason Murphy  
Legislative Director

cc: Senator Hertzberg  
Vice Chair and Members, Senate Energy, Utilities and Communications Committee  
President Janet Napolitano  
Provost and Executive Vice President Aimée Dorr  
Executive Vice President & CFO Nathan Brostrom  
Senior Vice President Nelson Peacock  
Associate Vice President and Director Steve Juarez