

ASSEMBLY MEMBER ISADORE HALL, III

52ND ASSEMBLY DISTRICT
STATE CAPITOL, ROOM 3123 ★ SACRAMENTO, CA 95814
WWW.ASSEMBLY.CA.GOV/HALL

AB 976 (Hall) Community Choice Aggregation: conflict of interest FACT SHEET

Sponsor: Coalition of California Utility Employees, Scott Wetch, 916-446-3413

Staff Contact: Terry Schanz, (916) 319-2052

ISSUE

Community Choice Aggregation (CCA) is a program available within the service areas of investor-owned utilities, which allow cities and counties to purchase and/or generate electricity for their residents and businesses. Local governments exploring the feasibility of forming a CCA often seek the expertise and advice of third party energy consultants to assist them in their decision making process.

While these private-sector consulting firms can provide local governments with important information on the potential pros and cons of creating a CCA, current law fails to provide consumers with a number of important consumer protections.

Firms recommending the creation of a CCA often seek contracts to implement the very project recommendations that they were initially hired to provide. This clear conflict of interest generally benefits only the consulting or energy firm providing the recommendation and does not protect taxpayers or the rate paying public.

SOLUTION

AB 976 would prohibit an individual or business that has been contracted to advise a local government on establishing a CCA from bidding on subsequent contracts that were influenced by their previous contract.

Just as other private sector entities are prohibited from seeking, bidding or being granted public contracts on which they provided consulting services, the same conflict of interest standards should apply to private entities seeking to consult then implement a CCA proposal.

SUPPORT

Coalition of California Utility Employees – Sponsor

(As amended April 25, 2011)