

**From:** [Warren Barr](#)  
**To:** [Councilmember Mary Campbell](#); [Councilmember Justin Massey](#); [Councilmember Stacey Armato](#); [City Clerk](#); [Mayor Michael Detoy](#); [Suja Lowenthal](#); [Mayor Pro Tem Ray Jackson](#)  
**Subject:** JPA, CPA, CCA  
**Date:** Monday, September 19, 2022 9:20:57 PM

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DATE: 9-19-22

TO: Hermosa Beach City Council

FROM: Warren Barr

RE: Joint Powers Agreement (JPA) for Clean Power Alliance (CPA)  
a Community Choice Aggregation (CCA) Program

POSITION: Opposed

CCA seems to be the zombie of bad ideas that just won't die. The Hermosa Beach City Council has wasted more time and money on this topic than is reasonable. It was brought it up in October of 2015 and Council did not pursue it. It was re-addressed in July 2016 and council did not pursue it. It was re-introduced in December of 2017 and Council still heard the wrath of it's citizenry and did not pursue it. Now, again. Really? You are being (repeatedly) sold a bill of goods by self serving consultants who will benefit by "assisting" in running the CCA.

Government run projects are invariably more costly and inefficient than private enterprise. People who think a CCA can provide less expensive energy than SCE because there is no profit motive, are sadly mistaken. If they think they can wave a magic wand and produce 100% renewable energy where the professionals at SCE cannot, they are equally mistaken. (Although SCE renewable percentage has gone from 25% in 2014 to 35% in 2019). Purchasing carbon offsets to make it look green on paper just wastes the green paper (money).

There is no motivation for cost savings when you are spending other peoples (taxpayers) money. There is no incentive for innovation. Why not just advocate a complete government takeover of the means of production? Can't government do a better, cheaper job? The answer (no) should be obvious, but I fear it is not based on your fixation on CCA.

Tesla did not come about without a profit motive. SpaceX (with a profit motive) produces lower cost space vehicles than NASA could without a profit motive.

While SCE is highly regulated, it still is a public company and offers a better alternative than CCA. Please do not waste any more taxpayer time and money pursuing JPA, CPA, CCA or whatever the acronym du jour..

Please do not move forward with JPA, CPA, CCA. While you may "want" to do a CCA, we as a city do not have a compelling "need" to do a CCA. "Startup costs" can be better spent on things we actually "need"--public safety staffing, new police station, and pensions (when you get these fully funded, we can talk). As a reminder to my previous comments, there are a multitude of reasons not to do this. Pick the one you like.

#### FISCAL

Hermosa Beach cannot afford the millions of dollars needed to set up a CCA. We have an oil settlement to pay, sewers to fix and pensions to

fund. Since you didn't have the money to fix the sewers (hence the new property tax), you certainly don't have the money to set up a CCA. While touted as an "investment" like most investments it is not FDIC insured, and may lose value. Just ask San Francisco. They lost over \$4 million on their failed CCA.

#### PHILOSOPHICAL

Despite the warm fuzzy name, Community Choice Aggregation does not offer choice. If the Devil offers you the "choice" of hot tea or coffee, it's not much of a choice. You're still in Hell. We currently have a choice to have a clothes dryer operating on natural gas or electricity. You have a choice to put solar panels on your roof and generate your own electricity with no transmission loss. With a CCA its electric only and you have a choice of paying 50% more or 90% more than you pay currently. And you're still in Hell.

#### DEFYING THE LAWS OF PHYSICS

Are you smarter than a 5th grader? Try a 5th grade science experiment. Hook a battery up to a flash light bulb 1 foot away. (For the sake of this experiment, use an illegal tungsten bulb). Let's say you get 10 lumens of light. Now put 20 feet of wire between the bulb and the battery. You will get 1 lumen, if that. To get back your 10 lumens, you will need to buy 9 more batteries. This is the difference between solar panels on your roof, and a solar farm in Lancaster. This is not cost effective electricity generation.

#### MORE LAYERS OF BUREAUCRACY

How anyone can expect to reduce costs by adding a board of directors, salaries, pensions and associated costs to a system is beyond comprehension. This is such a common sense no-go it should not even be on your agenda for consideration. This is why your meetings go to 1:00am. You should direct the City Manager to stop padding your agenda with such non-starters. (See FISCAL).