



September 2, 2025

Senate Pro Tem Mike McGuire  
Senate Pro Tem Elect Monique Limon  
Speaker Robert Rivas  
1021 O Street  
Sacramento, CA 95814

Re: End of Session Power Grab To Increase Energy Costs And Benefit Prop 50 Donors Is Unbecoming For A Party Fighting Trump's Autocracy

California Leaders,

You want the electorate to believe that a one-time gerrymander through Prop 50 will restore checks and balances to government and keep democracy alive. Yet, an effort is underway to forgo the democratic rules of the legislature in favor of an end-of-the-session, gut-and-amend proposal that will undermine energy affordability in the favor of big donors to Prop 50.

To ramrod controversial utility-backed legislation, that could not survive the regular legislative because it threatened the state's interests in cleaner and cheaper electricity, in the last ten days of the legislature, is to betray the trust of the electorate. To do it for Prop 50 donors is a double betrayal.

SB 540, the controversial proposal for a Western grid, failed to meet the deadline for passage because of concerns about the state's checks and balances on the new regional market and the Trump Administration's preemption of clean energy laws. Despite the bluster of proponents about creating affordable electricity, evidence from other regional markets show exactly the opposite: skyrocketing rates in the Eastern grid PJM and the New England ISO. A bipartisan group of 9 governors are in open revolt and the outgoing head of FERC Mark Christie questions the viability of the regional grid model.

Nonetheless, we understand that a gut-and-amended proposal is due any day that does not reflect the safeguards put in place by the state senate, such as observance of the state's anti-price gouging law (Public Utility Code Section Law 345.5).

This plan will directly benefit the 10<sup>th</sup> largest donor to Prop 50, AES US Services, LLC, which trades energy as a market participant in regional grids, is a subsidiary of the global energy conglomerate AES and is on the board of the American Clean Power Association, a trade group that is a principal backer of SB 540.

No doubt, other SB 540 backers will pitch in for Prop 50 in the coming days as well. This leaves party leaders with the dilemma of taking their money and looking like it is buying special privileges with the legislature, or refuse their money for Prop 50.

What will it say about the abuse of power in Sacramento that a proposal to rewrite the rules of electricity and throw out anti-price gouging prohibitions would be introduced in the last days of session while its backers lavish contributions on the Prop 50 campaign?

Doesn't this send the message to the public that Democratic leaders can't be trusted?

Worse, we understand the gut-and-amended proposal is being negotiated in combination with another eleventh-hour cap and trade proposal with the power to drive up fuel costs more.

As the Legislative Analyst reports, absent a lower ceiling on credit prices, cap and trade could easily add another 50 cents per gallon to gas prices when California is already paying the highest prices in the nation and just decided to freeze its price gouging protections for five years. Among the big beneficiaries of "cap and invest" are many of the people behind the Big Green groups supporting SB 540.

You made energy affordability a top priority this year, yet you are willing to violate the protocols of the legislative process for two proposals that will almost certainly increase energy costs?

Can you maintain the public's trust if you suspend legislative rules for proposals that can drive up gas prices by 50 cents and spike electricity prices, then take money from the proposals' backers?

This is the wrong year to flex your power in anti-democratic ways in Sacramento. We urge you not to attempt a last-minute rewrite of state electricity laws on behalf of the utilities and traders who will profit from the new system.

Sincerely,

A handwritten signature in black ink that reads "Jamie Court". The script is fluid and cursive, with the first letters of "Jamie" and "Court" being capitalized and prominent.

Jamie Court  
President