



County of Monterey

Board of Supervisors

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April 13, 2026

The Honorable Steve Padilla
Senator, California State Senate
1021 O Street, Suite 7630
Sacramento, CA 95814

Re: SB 1138 (Padilla) Load-Serving entities: resource adequacy requirements. – Notice of Support

Dear Senator Padilla,

The County of Monterey is pleased to **support** Senate Bill 1138 (Padilla) regarding California's Resource Adequacy (RA) program.

California's RA program, which ensures there is enough electricity supply to meet customer demand, recently transitioned to a new "Slice-of-Day (SOD)" compliance framework, which requires load-serving entities (LSEs), such as community choice aggregators (CCAs), investor-owned utilities (IOUs) and energy service providers (ESPs), to procure enough RA to meet load obligations in each hour rather than monthly. While this aligns resources more precisely with load, under current rules, LSEs can only buy or sell RA products for the whole month even though obligations are unique to each hour.

The mismatch between the procurement obligations and transaction rules forces LSEs to purchase more RA than they need to meet their obligations, creating artificial market scarcity and unnecessarily driving up RA demand (and prices). It's akin to having to buy a crate of oranges when you only need a few slices. These unnecessary costs fall directly on California ratepayers, totaling tens of millions of dollars annually.

SB 1138 would lower the costs to consumers of California's RA trading program by allowing LSEs to transact RA load obligations on an hourly basis to align with the new slice-of-day RA program. By allowing hourly transactions, CCAs can better match supply to local demand, reduce over-procurement, and protect customers from inflated electricity costs. The system becomes more transparent, predictable, and fair.

For these reasons, we are pleased to support SB 1138. Should you have any questions regarding our position please contact Senior Policy Advisor, Ashley Walker at 916-930-7780.

Sincerely,

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Wendy Root Askew, Chair
Board of Supervisors

