



California Wind Energy Association

April 16, 2009

The Honorable Alex Padilla
Chair, Senate Committee on Energy, Utilities and Communications
State Capitol, Room 2195
Sacramento, CA 95814

RE: SB 805 (Wright) – Renewables Portfolio Standard – **Oppose Unless Amended**

Dear Senator Padilla:

On behalf of the California Wind Energy Association (CalWEA), which is comprised of over 20 wind energy companies, including wind project developers and operators, manufacturers and related vendors, I am writing to regrettably convey CalWEA's opposition to SB 805 (Wright) in its current form.

CalWEA supports some aspects of the bill, including:

- Increasing the RPS to 33% by 2020 applied to all load-serving entities (LSEs).
- Maintaining the highly functional and transparent procurement and cost containment processes.
- Maintaining the eligibility of shaped deliveries from out-of-state.

CalWEA believes that the RPS policy is generally working, and that the major barriers to achieving the existing RPS goals are (a) lack of adequate transmission to provide market access and promote competition, and (b) expensive and difficult land-use processes. SB 805 does not address these issues. Other concerns include:

- Elimination of *all* interim targets. While we recognize the difficulty with the current 1% per year target, we believe there should be some targets in place and would support the establishment of interim targets in view of expected completion of major transmission lines.
- The inclusion of indirect costs, such as transmission and integration costs, in the three percent cost cap. This would include all indirect costs, rather than costs above status-quo transmission and integration costs, consistent with the MPR concept. At a minimum, only above-status-quo indirect costs should be included. However, these costs are less easily measured than the MPR and thus would complicate RPS implementation for costs which are known to be a small fraction of direct renewable energy costs.
- Introduction of the undefined terms “good faith” and “uncompetitive offers” as excuses for non-compliance. There are already more than sufficient provisions in the RPS law for legitimate non-compliance.
- Allowing the PUC to require an electrical corporation to own and operate eligible renewable energy resources, which would create conflicts of interest in the procurement process.

Although CalWEA strongly supports increasing the RPS to 33% by 2020, for the reasons stated above, we must respectfully oppose this measure unless it is amended to address our specific concerns. Please feel free to contact either me or CalWEA's lobbyists Scott Govanar and Melissa Cortez-Roth at Governmental Advocates if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "Nancy Rader". The signature is written in a cursive, flowing style.

Nancy Rader
Executive Director

cc: The Honorable Rod Wright
Members of the Senate Committee on Energy, Utilities and Communications