



California Wind Energy Association

February 11, 2011

The Honorable Alex Padilla
Chair, Senate Committee on Energy
State Capitol, Room 5046
Sacramento, CA 95814

RE: SB 2X – 33% Renewables Portfolio Standard – **Support**

Dear Chairman Padilla:

On behalf of the California Wind Energy Association (CalWEA), a trade association comprised of 25 wind energy companies focused on the California market, including wind project developers and operators, manufacturers and related vendors, I am writing to convey our support of SB 2X (Simitian).

CalWEA strongly supports the basic framework of this bill, which would:

- Raise the RPS requirement to 33% by 2020 on a defined schedule, extending uniform requirements to all load-serving entities (LSEs) in the state;
- Preserve the current, well-functioning RPS program structure, continuing the market-based policy framework that has been successful both in producing substantial development activity and financeable contracts for a variety of renewable energy technologies and in promoting the institutional changes necessary to accommodate a greater penetration of renewables on the electric grid;
- Strike a reasonable balance on the very contentious issue of tradable renewable energy credits (RECs) from renewable energy facilities that do not deliver energy to California. The bill provides a reasonable allowance for TRECs, recognizes higher-value “firmed & shaped” imports, and otherwise promotes renewable electricity that is directly delivered to California.
- Limit opportunities to delay the defined compliance targets to those barriers not under the control of LSEs – in particular: (1) lack of available transmission capacity taking into account the California ISO’s operational protocols and requiring transmission-owning utilities to undertake reasonable measures to develop and construct transmission in a timely fashion, and (2) unanticipated permitting and interconnection delays for procured generation projects, while requiring the retail seller to prudently manage portfolio risks. These barriers are real and largely account for the inability to timely meet the current 20%-by-2010 RPS requirement;

- Ensure that a statistically sound methodology is used to determine the capacity value of renewable resources to ensure that overall resource planning is efficient.

As with probably any other interest group, there are areas of the bill that we would like to see improved. In particular, we believe that the “cost-cap” provision (section 399.15(c)) fails to provide the CPUC with clear direction and is therefore subject to considerable argument, subjectivity, and complexity; and we would like to see the “compliance outs” section 399.15(e) drafted more tightly. Nevertheless, we believe that what is most important – after three years of debating this legislation – is to put this policy in law so that we can move on to implementing it and achieving its goals.

Please feel free to contact either me or CalWEA’s lobbyists Scott Govenar and Melissa Cortez-Roth at Governmental Advocates if you have any questions.

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 Joe Simitian
Honorable Members of the Senate Committee on Energy, Utilities and Communications