



California Wind Energy Association

April 2, 2021

The Honorable Chris R. Holden
Chair, Assembly Committee on Utilities and Energy
State Capitol, Room 5132
Sacramento, CA 95814

RE: AB 1088 (Mayes) – OPPOSE

Dear Chair Holden:

The California Wind Energy Association (CalWEA) is a 21-year-old trade association representing wind energy and related companies focused on the California market, including owners and operators of wind energy projects located in California and entities promoting and pursuing development off California's coast.

CalWEA is sympathetic to the concerns underlying AB 1088 (Mayes) – that investor-owned utilities (IOUs) could abruptly become responsible for meeting the needs of returning customers whose load-serving entities (LSEs) are no longer able to serve them, potentially imposing costs on the IOU and its bundled customers (customers who continued to take generation service from the IOU). We can understand why an IOU might want to escape that challenging obligation and place it on a (as-yet-unidentified) central procurement entity.

CalWEA nevertheless opposes AB 1088 for two primary reasons. First, CalWEA supported SB 520 (Hertzberg; 2019, Ch. 408), which designated each IOU as the provider of last resort (POLR) in its service territory, while allowing other entities to apply to become the POLR for a specific area. CalWEA believes that the IOUs are best equipped to serve as POLRs, given their institutional history, resources, knowledge and experience with procurement activities. CalWEA is also concerned about the added complexity created by introducing yet another entity in an already fragmented field of actors in California's electricity market.

Second, the Public Utilities Commission (PUC) has just begun to implement SB 520, which aims to ensure continuity of electrical service for customers in the event an LSE is unable to provide service and to establish cost allocation and cost recovery for the POLR. The proceeding will look to fill any gaps in existing proceedings and programs that seek to ensure that each LSE is fulfilling its obligations to maintain system reliability and to address the costs of a potential unplanned mass migration of non-IOU customers to utility service. The PUC acknowledged at the outset of that proceeding that, "If multiple LSEs were to fail to provide, or to deny service to any retail end-use customers, the existing

procurement framework is not structured in a manner that could meet the system reliability needs and ensure uninterrupted service for returning customers.” (See PUC Rulemaking 21-03-011, p. 13, issued on March 25, 2021.) Adding the responsibility of identifying and developing a new central procurement entity to the PUC’s already complicated and difficult task would add another layer of complexity yielding uncertain, if any, benefits.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Rader".

Nancy Rader
Executive Director

cc: Members and Staff, Assembly Utilities and Energy Committee
Assembly Member Chad Mayes