

August 8, 2022

Assembly Member Chris R. Holden Chair, Appropriations Committee 1021 O Street, Room 8220 Sacramento, CA 95814

RE: SB 1020 (Laird) - SUPPORT IF AMENDED

Dear Chair Holden:

The California Wind Energy Association (CalWEA) wishes to express its support for SB 1020 if it were to be amended to narrow the scope of the Department of Water Resources' authority to procure resources on behalf of other load-serving entities. Otherwise, among other things, SB 1020 would establish interim targets to reach the statewide 100% clean energy by 2045 goal established under SB 100, accelerate the 100% clean energy goal for state agencies (except the State Waters Project) from 2045 to 2030, require all state agency procurements to be located within, or directly interconnected to, California or interconnected in front of a customer meter, and use multi craft project labor agreements for construction.

CalWEA is a 22-year-old trade association. Our wind energy industry members are focused on developing wind energy resources within and directly interconnected to California and off the coast of California, as well as capturing the related economic and workforce development benefits for California. Thus, we appreciate the bill's focus on procuring resources located in California that bring benefits to California's workforce.

Sec. 7 of SB 1020 would require DWR to invite all electrical corporations, community choice aggregators, electric service providers, and local publicly owned electric utilities to voluntarily subscribe to its procurement commitments, with subscriptions made available at the department's cost. As load-serving entities (LSEs) have not demonstrated any difficulty in procuring resources and should generally be expected to perform this basic function, CalWEA recommends that this provision be strictly limited to projects with unique characteristics that make it impracticable for individual LSEs to procure them, such as projects with large economies of scale, discernibly high direct costs (while providing important systemwide benefits), or of a pre-commercial nature.

Such projects are, in fact, where DWR procurement could play a very useful role where other LSEs are unable or unwilling to step in. For example, initial offshore wind projects will be few and come at a relatively high direct cost. The output from these initial projects

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will need to be spread across many, if not all, of California's LSEs, which number somewhere over 50.

We therefore encourage the Committee to consider narrowing DWR's potential role.

Sincerely,

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cc: Senator Laird