

April 11, 2017

The Honorable Nancy Skinner California State Senate State Capitol Sacramento, CA 95814

RE: SB 338 - Concern

Dear Senator Skinner:

The California Wind Energy Association (CalWEA) is a 17-year-old trade association representing wind energy companies focused on the California market, including owners and operators of projects located in California. CalWEA has concerns regarding your Senate Bill 338, which would require the PUC and the Energy Commission, in consultation with the Independent System Operator, to ensure that electrical service providers meet "net-load peak" energy and reliability needs while minimizing the use of fossil fuels and utilizing low-carbon technologies and electrical grid management strategies.

CalWEA agrees with you that the costs and greenhouse gases associated with serving net load are an increasing source of concern that deserves attention. However, we expect that the state energy agencies' implementation of the Integrated Resource Planning (IRP) requirements established in 2015 under SB 350 will study these issues and plan a resource portfolio that cost-effectively balances the resource portfolio so as to minimize the cost and GHGs associated with grid-integration services, including ramping requirements and minimum load issues. Adding the goal of minimizing the use of fossil fuels during particular periods of time will add a constraint on an already complex IRP process that could raise costs unless the bill specifies otherwise. In addition, the definition of "net-load-peak" should made consistent with the concerns represented by the CAISO's "duck curve."

We would welcome the opportunity to discuss these issues with you.

Sincerely,

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Nancy Rader Executive Director

Cc: Members of the Senate Committee on Energy, Utilities and Communications Members of the Senate Committee on Environmental Quality