



California Wind Energy Association

April 2, 2018

The Honorable Christopher Holden
Chair, Assembly Committee on Utilities and Energy
State Capitol Room 5136
Sacramento, CA 95814

RE: AB 2208 (Aguiar-Curry and Garcia) as amended 3/23/18 – Oppose

Dear Chair Holden,

The California Wind Energy Association (CalWEA) is an 18-year-old trade association representing wind energy companies focused on the California market, including owners and operators of projects located in California. CalWEA regrettably must oppose Assembly Bill 2208, which would require all retail sellers to acquire at least 20% of their 2030 50% Renewables Portfolio Standard (RPS) requirement (10% of retail sales) from “renewable grid-balancing generation” resources, beginning with at least 25% of any incremental procurement requirements for each retailer in each RPS compliance period. “Renewable grid-balancing generation,” as defined, would include only geothermal and biomass resources – used flexibly or not, and 40% of the requirement would have to be met with particular geothermal resources located near the Salton Sea.

In 2015, the landmark bill, SB 350, which raised the RPS requirement to 50% by 2030, also required the state’s load-serving entities, under the direction of the Public Utilities Commission and the Energy Commission, to develop Integrated Resource Plans. The purpose of Integrated Resource Planning (IRP) is to achieve California’s renewable energy and greenhouse-gas-reduction goals at the least total cost, while maintaining system reliability and achieving other specified objectives. While the process is still in its infancy and improvements are still necessary, the CPUC’s initial IRP study showed that geothermal resources were not required to achieve a reliable grid at least cost under the adopted 42 MMT carbon target. Further, the study found that forcing-in 1,000 MW of geothermal in 2022 – a small fraction of what would ultimately be required under AB 2208 – would add \$188 million/year in ratepayer costs. Given this analysis, the CPUC appropriately declined, at this time, to add baseload resources to the incremental portfolio.

Moreover, we note that at least 500 MW of existing California wind energy projects, primarily in Kern and Riverside Counties, like many existing baseload projects, are without long-term RPS contracts and are thus at risk of closure. Many of these projects are located in economically and environmentally challenged areas. AB 2208’s baseload RPS carve-out would make it more difficult for these resources to find buyers.

For all of these reasons, we respectfully oppose AB 2208.

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: Members and Staff, Assembly Committee on Utilities & Energy
Assembly Member Aguiar-Curry
Assembly Member Eduardo Garcia