



California Wind Energy Association

April 5, 2017

The Honorable Cecilia Aguiar-Curry
California State Assembly
State Capitol
Sacramento, CA 95814

RE: AB 920 – Oppose

Dear Assemblymember Aguiar-Curry,

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 regrettably must oppose your Assembly Bill 920, which would require all retail sellers to acquire at least 20% of their Renewables Portfolio Standard (RPS) requirement from baseload generation resources, beginning with the RPS compliance period ending December 31, 2024.

In 2015, the landmark bill, SB 350, raised the RPS requirement to 50% by 2030. Importantly, that bill 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 unfolding, CalWEA expects that the energy agencies are in the process of developing long-term future renewable resource portfolios that will be optimized for these objectives, along with alternative portfolios that explore the costs of achieving these goals with alternative resource mixes. In this way, the agencies can explore the costs associated with various portfolios, such as portfolios that achieve greater resource diversity, and determine whether their higher costs are justified by the added benefits.

CalWEA urges the Legislature to allow the IRP process to play out before making assumptions about the costs and benefits of forcing 20% of the portfolio to be comprised of baseload resources. At this point, we do not even have information on the various trade-offs involved. However, the added cost of a 20% baseload requirement can be expected to be substantial, given the much higher cost of baseload resources (particularly new such resources) as compared to wind and solar resources, as several studies have already concluded.

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. Your proposed baseload RPS carve-out will make it more difficult for these resources to find buyers.

For all of these reasons, we respectfully oppose AB 920.

Sincerely,

A handwritten signature in black ink that reads "Nancy Rader". The signature is written in a cursive, flowing style.

Nancy Rader
Executive Director

Members of the Assembly Committee on Utilities and Energy
Members of the Assembly Committee on Natural Resources