



## California Wind Energy Association

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April 16, 2015

The Honorable Anthony Rendon  
Chair, Assembly Committee on Utilities  
State Capitol, Room 5136  
Sacramento, CA 95814

**RE: AB 197 (E. Garcia)**

Dear Assemblymember Rendon:

The California Wind Energy Association (CalWEA) shares many of the objectives of AB 197 (E. Garcia), namely, to promote consideration of greenhouse gases in the electric sector and to ensure full consideration of the capacity and reliability services that each type of renewable resource brings to the utilities' electric resource portfolios. While we have concerns about AB 197, we look forward to further discussions about how these objectives can be most effectively achieved.

CalWEA is a trade association representing wind energy companies focused on the California market, including wind project developers, owners and operators. As one of the lowest-cost sources of renewable energy, wind energy currently accounts for 38% of the state's Renewables Portfolio Standard (RPS) resources, with almost 6,000 MW of generating capacity operating from Shasta to Imperial Counties, and many in between.

AB 197 would require the RPS least-cost, best-fit (LCBF) bid evaluation process to take into account any statewide greenhouse gas emissions (GHG) limit established pursuant to the California Global Warming Solutions Act of 2006. However, there is very little difference among the various renewable energy generators in terms of the GHG impacts from their operations, even when integration resources are considered. Therefore (unless the bill is aimed at the fuel-related impacts of biomass generators), we believe that considering GHG emissions in the LCBF process would consume Public Utilities Commission (PUC) resources without adding value.

The bill would require consideration, in the LCBF process, of the capacity and essential reliability services of eligible renewable energy resource. These values are already integral components of the LCBF evaluation process. However, we whole-heartedly agree that these values could be updated and improved. While the PUC is actively pursuing these objectives, it would be beneficial for the RPS statute to specifically state that capacity values must be based on a methodology that takes into account the projected penetrations of each technology on the grid (since capacity values will decline as penetrations increase), and also takes into account expected over-generation. Getting these values right will be

essential for the LCBF process to produce a portfolio of renewable and non-renewable resources that together meet the state's GHG needs and grid-reliability objectives at least-cost. We would like to see AB 197 address these specific points.

Finally, the bill would require consideration of statewide greenhouse gas emissions limits and essential reliability services in the PUC's overall procurement process. While this is an important long-term goal, it is a very complicated one. It is important to recognize that the progress that the PUC is making now, in terms of getting the LCBF process right, will also be needed to get the overall procurement process right for "all source" procurement. CalWEA believes that making incremental progress on this front will be more productive than making a wholesale change to the overall procurement process at this time, which could be quite disruptive to the progress that is underway. Meanwhile, establishing a higher RPS target is the most effective thing that the state could do towards achievement of the state's long-term GHG goals. As indicated by the recent California Pathways study that was conducted for California's energy agencies and the Air Resources Board, 50% renewables will be needed by 2030 to achieve that state's GHG goals. Further, the Pathways study, using LCBF evaluation techniques, shows that achieving 50% renewables is likely to require all types of renewable energy resources, baseload and intermittent.

We look forward to further discussions on these important topics.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy Rader". The signature is fluid and cursive, with a large initial "N" and a long, sweeping underline.

Nancy Rader  
Executive Director

cc: The Honorable Eduardo Garcia  
Members of the Assembly Committee on Utilities and Commerce

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