



California Wind Energy Association

April 16, 2015

The Honorable Ben Hueso
Chair, Senate Committee on Energy
State Capitol, Room 4035
Sacramento, CA 95814

RE: SB 286 (Hertzberg) – Support-if-Amend

Dear Senator Hueso:

The California Wind Energy Association (CalWEA) supports SB 286 if amended to address our concerns. As we understand it, SB 286 would double the current direct access limit for nonresidential customers, starting in 2016, provided that “not less than 51 percent of the new direct transactions” are for electricity products from eligible renewable energy resources.

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.

CalWEA believes that providing opportunities for customers to obtain electricity service from retailers offering a higher fraction of renewable energy than the utilities currently provide will offer important market opportunities to existing renewable resources and projects in development at a time when market demand for renewables has slowed considerably. However, we have two concerns.

First, due to the short-term nature of their arrangements with customers, electricity service providers (ESPs) are generally unable to sign the long-term contracts that are necessary to support either the development of new projects or re-powering of existing projects. In addition, the Public Utilities Commission has yet to determine whether ESPs and other retail sellers were in compliance with the RPS during the first compliance period (2011-2013). Therefore, we do not know whether all ESPs have been able to fully comply, and whether any noncompliance penalties will be sufficient to encourage full compliance in the future. Therefore, we would like to see some assurances in the bill that compliance determinations will be timely and enforcement of any noncompliance will be swift and effective.

Second, the bill is not clear with regard to whether each “transaction” must be comprised of 51% renewables, or whether 51% of products sold must be comprised of renewables, which could enable 100% renewable and 100% non-renewable products to be sold. To ensure that the overall goal is met, each new direct access customer should be supplied with a product containing at least 51% renewables.

We would welcome the opportunity to discuss specific solutions to these concerns.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Rader".

Nancy Rader
Executive Director

cc: The Honorable Robert Hertzberg
Members of the Senate Committee on Energy, Utilities and Communications
