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Subject: DRA Applauds CPUC Action to Establish Need, Cost and Risk Criteria for Renewable Power Owned by Utilities

FOR IMMEDIATE RELEASE

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DRA Applauds CPUC Action to Establish Need, Cost, and Risk Criteria for Renewable Power Owned by Utilities

SAN FRANCISCO, March 24, 2011 – The Division of Ratepayer Advocates (DRA), an independent consumer advocacy division of the California Public Utilities Commission (CPUC), today commended the CPUC’s decision to deny Pacific Gas and Electric Company’s (PG&E) application for the \$911 million Manzana wind project in Kern County, and to establish need, cost and risk criteria for future utility-owned generation requests.

PG&E proposed the 246-megawatt (MW) wind project in the Tehachapi region in late 2009. However, DRA found customers would bear significant risk and an unreasonable price tag. The developer cancelled its contract with PG&E in late 2010, and PG&E attempted to withdraw its application just days before the CPUC was poised to vote on the proposed decision that rejected the project outright. Instead of simply accepting PG&E’s withdrawal, today’s decision sets strong cost-effectiveness criteria for any future utility-owned renewable projects.

“We’re encouraged that the CPUC has set guidance for any future utility-owned renewable

projects in its denial of the expensive Manzana project,” said DRA acting director Joe Como. “The CPUC has sent a clear message that utilities should only propose utility-owned renewable projects that are cost-competitive, demonstrate need, and consider the risk of customers’ investment.”

In February, DRA released *Green Rush*, a report documenting the high prices and low cost-effectiveness of renewable contracts approved by the CPUC under the Renewables Portfolio Standard. *Green Rush* documented that utilities are on track to meet California’s lofty renewable goals, and as such the state should be more discerning in which projects to approve. [A copy of Green Rush is available on DRA’s website.](#)

For more information on DRA, please visit www.dra.ca.gov.

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