

From: Hall, Thomas A.
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To: Hall, Thomas A. (thomas.hall@cpuc.ca.gov)
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Subject: DRA Troubled By Continued CPUC Approval of Overpriced Renewable Projects

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Media Contacts:

Cheryl Cox, Policy Advisor, 415-703-2495, cxc@cpuc.ca.gov
Tom Hall, Information Officer, 415-730-2964, tbh@cpuc.ca.gov
DRA Press Room: <http://www.dra.ca.gov/DRA/News/>

DRA Troubled By Continued CPUC Approval of Overpriced Renewable Projects

SAN FRANCISCO, November 10, 2011 – The Division of Ratepayer Advocates (DRA), an independent consumer advocacy division of the California Public Utilities Commission (CPUC), today expressed its disappointment with the CPUC’s approval of Pacific Gas and Electric Company’s (PG&E) request to build the Abengoa solar project in the Mojave Desert. The project, approved by the CPUC today in a 4-1 decision, calls for a 25-year contract for a 250-megawatt solar thermal facility in San Bernardino County.

Abengoa is the second overpriced renewable contract approved by the CPUC in recent weeks. In its [February 2011 report titled *Green Rush*](#), DRA documented the unnecessary rise in renewable power project costs in California. Senate Bill 2 (1X), which established the goal that 33 percent of the state’s electricity should come from renewable sources, also includes direction to the CPUC to contain costs.

“The Commission has the power to keep the cost of renewable energy reasonable,” said DRA’s acting Director, Joe Como. “Instead, with the Commission’s continued approval of projects like North Star and Abengoa, it is signaling to the market that California will accept overpriced

renewable energy, and that it is willing to lock customers into higher rates for decades to come. I agree with Commissioner Florio who said that we should be getting twice the amount of renewable energy for the price of this contract.”

In October, the CPUC approved the North Star Solar project based in Fresno. Like Abengoa, the North Star project is not price-competitive with other current in-state renewable options available to PG&E. By approving these overpriced projects, the Commission is not allowing customers to benefit from decreased costs of a more favorable renewable energy market, DRA said.

“The CPUC must get serious about reducing greenhouse gas emissions from power plants and it can’t do that by ignoring the costs. DRA strongly supports the state’s renewable energy goals, but fears that customer backlash against high energy bills will hurt the state’s efforts,” said Como. “Sending a message to renewable energy developers and investors that the cost of renewables must be reasonable will support the effort to reach California’s goals to reduce greenhouse gas. We simply can’t afford to do otherwise.”

For more information on renewable projects, please visit our [*Green Rush page*](#).

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

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Tom Hall
Information Officer
California Public Utilities Commission
thomas.hall@cpuc.ca.gov
916-928-2274 (desk) | 415-730-2964 (cell)
180 Promenade Circle; Sacramento, CA
Visit the CPUC on: [Twitter](#) | [Facebook](#)