

## PUBLIC UTILITIES COMMISSION

Office of Governmental Affairs

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June 17, 2009

The Honorable Alex Padilla, Chair  
Senate Energy, Utilities and Communications Committee  
State Capitol, Room 2195  
Sacramento, CA 95814

**RE:** AB 1031 (Blumenfield) – As Amended June 1, 2009 – Oppose  
Status: Awaiting hearing in Senate Energy, Utilities and Communications Committee

Dear Chairman Padilla:

On May 7, 2009, the California Public Utilities Commission (Commission) voted unanimously to oppose AB 1031. This bill would modify the "local government renewable energy self-generation program" created by AB 2466 (Laird, 2008), which allows certain local government entities, as defined, to generate renewable electricity at one location and apply the bill credits to a different location within the same local government. Specifically, the bill would expand the existing definition of local government by including joint powers authorities, community college districts, and the University of California and the California State University.

The Commission supports Assemblyman Blumenfield's efforts to increase the utilization of distributed generation by local governments. However, we strongly urge the Legislature to wait until the Commission has fully implemented AB 2466 before modifying it. More importantly, we have concerns about allowing local governments to receive CSI incentives for facilities oversized to meet off-site load. Currently, CSI incentives are limited to facilities sized to on-site load. This policy is designed to maximize the number of projects built with the limited CSI funds, and local governments should not be exempted from it.

We look forward to working with the author and committee staff in order to remove the Commission's opposition on this bill. Please see the attached analysis for an explanation of the Commission's position.

If you have any questions or wish to discuss this matter further, please do not hesitate to call me at 916-324-5945.

Sincerely,

A handwritten signature in cursive script, appearing to read "DaVina Flemings".

DaVina Flemings  
Legislative Liaison

Attachment

cc: The Honorable Robert Blumenfield, California State Assembly  
Members, Senate Energy, Utilities and Communications Committee  
Kellie Smith, Consultant, Senate Energy, Utilities and Communications Committee  
Wade Teasdale, Senate Republican Caucus/Office of Policy  
John Moffatt, Deputy Legislative Secretary, Office of Governor Arnold Schwarzenegger