

PUBLIC UTILITIES COMMISSION

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June 30, 2009

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

RE: AB 1536 (Blakeslee) – As Amended June 23, 2009 – Support if Amended
Status: Hearing scheduled June 7, 2009 in Senate Energy, Utilities and Communications Committee

Dear Chairman Padilla:

On June 4, 2009, the California Public Utilities Commission (Commission) voted unanimously to support (if amended) AB 1536 (as introduced). The intent of this bill is to include advanced energy storage systems as an eligible technology in the self-generation incentive program. AB 1536 would rename the existing Self-Generation Incentive Program (SGIP) (Public Utilities Code 379.6) to the distributed energy resources incentive program, modify the program's purpose to "deploy distributed energy," expressly allow stand-alone storage facilities with a capacity of 10 mega-watts or less used on customer sites to be funded under the program, and establish a \$83 million annual program budget limit.

The Commission supports Assemblyman Blakeslee's effort to expand the existing SGIP program to include storage technologies. However, this bill as currently written continues to hamstring the Commission's ability to support the State's broader energy policy goals and greenhouse gas reduction targets by limiting eligible technologies to just three (wind, fuel cell and potentially energy storage). The bill should be amended to allow the Commission flexibility to determine technology eligibility, as there are other technologies that will both meet the demand response goals of the program and help the state achieve its AB 32 goals.

We look forward to working with the author and committee staff on these amendments in order for the Commission to fully support 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) 445-1430.

Sincerely,

Erin Grizard
Legislative Liaison

Attachment

cc: The Honorable Sam Blakeslee, 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