

**PUBLIC UTILITIES COMMISSION**

Office of Governmental Affairs  
770 L Street, Suite 1050  
Sacramento, CA 95814  
(916) 327-3277



July 2, 2009

The Honorable Felipe Fuentes, Chair  
Assembly Utilities and Commerce Committee  
State Capitol, Room 5136  
Sacramento, CA 95814

**RE: SB 32 (Negrete McLeod) – As Amended July 1, 2009 – Oppose Unless Amended**  
Status: Assembly Utilities and Commerce Committee Hearing set for June 29, 2009

Dear Chairman Fuentes:

On May 21, 2009, the California Public Utilities Commission (Commission) voted unanimously to support the April 29 version of SB 32. However, the latest amendments of July 1 retain language that limits the Commission's authority to modify the feed-in tariff project size limitation. The language in 399.20 (l) limits the CPUC's authority to expand or modify the program based on the need of the RPS and market response. The CPUC may see a need to increase this limit based on the needs of the RPS program or the small renewables market. For example, small renewable projects on the distribution grid could contribute significantly to meeting a 33% RPS goal since these projects can come online quickly by avoiding the need for new transmission or generation permitting. A 3 MW project limit could artificially restrict this market – as the agency responsible for the RPS, the CPUC should maintain the flexibility to increase this limit if it helps the state reach the RPS goals at a reasonable cost.

Given this language, as well as other amendments we seek to the bill, the CPUC cannot support SB 32.

Please see the attached analysis for a further 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 Gloria Negrete McLeod, California State Senate  
Members, Assembly Utilities and Commerce Committee  
Gina Adams, Assembly Utilities and Commerce Committee  
Daryl Thomas, Assembly Republican Caucus/Policy  
John Moffatt, Chief Deputy Legislative Secretary, Office of Governor Arnold Schwarzenegger