

PUBLIC UTILITIES COMMISSION

Office of Governmental Affairs
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July 1, 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 June 2, 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 June 2 create two additional feed-in tariff program cost limitations and also limit the Commission's authority to modify the feed-in tariff project size limitation. Given these recent changes, as well as other amendments we seek to the bill, the CPUC cannot support SB 32.

The latest amendments create redundancy, additional complexity, and limit the CPUC's authority. The amendments create two additional cost-capping measures, in addition to the 500 MW program limit. The 500 MW program limit is sufficient to control total costs. It sends a clear signal to the market on how much capacity to plan for the supply the California feed-in tariff market. Capping the program to when the above-market cost limitation is reached creates regulatory and market uncertainty.

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,

A handwritten signature in black ink, appearing to read "Erin Grizard".

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