

PUBLIC UTILITIES COMMISSION

Office of Governmental Affairs

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Sacramento, CA 95814
(916) 327-3277

March 27, 2009

The Honorable Felipe Fuentes, Chair
Assembly Utilities & Commerce Committee
State Capitol, Room 5136
Sacramento, CA 95814**RE: AB 64 (Krekorian/Bass) – As Amended March 24, 2009 – Oppose unless amended
Status: Assembly U&C Hearing – April 1, 2009**

Dear Assemblyman Fuentes:

On February 20, 2009, the California Public Utilities Commission (Commission) voted 3 to 2 to oppose AB 64 unless it is amended. AB 64 would increase the renewables portfolio standard (RPS) target to 25% in 2015 and 33% in 2020, make other modifications to the RPS program, and create a new generation and transmission siting authority called the Renewables Infrastructure Authority.

The Commission supports the advancement of the renewable portfolio standard beyond 20% by 2010 towards a goal of 33% by 2020. Indeed, the Commission considers increased procurement from renewable sources to be a critical element of meeting AB 32's emission reduction goals and greening California's power production and consumption. However, the CPUC is concerned that this bill is overly prescriptive and will impede the Commission's ability to react to market conditions in order to support utility compliance while preserving ratepayer cost protections. The Commission would prefer RPS legislation that is simple and flexible. The CPUC will continue to work with the Legislature and the Governor to design a workable statutory framework for advancing RPS.

Please see the attached analysis for a detailed 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) 327-8441.

Sincerely,

A handwritten signature in cursive script that reads "Pamela C Loomis".

PAMELA C LOOMIS
Director

Attachment

cc: The Honorable Paul Krekorian, Member, California State Assembly
Members, Assembly Utilities & Commerce Committee
Edward Randolph, Assembly Utilities & Commerce Committee
Daryl Thomas, Republican Caucus/Policy
John Moffatt, Chief Deputy Legislative Secretary, Office of Governor Arnold Schwarzenegger