

**REAP****Renewable Energy Accountability Project**

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Renewable Energy Accountability Project (REAP) Praises State Senate Committee Action With Cautionary Note

Sacramento, CA- The Renewable Energy Accountability Project (REAP) praised today's vote in the State Senate Energy Utilities and Communications Committee supporting SB 14 (Simitian), which would require all utilities, including municipally owned utilities, to procure at least 33% of the electricity they sell from renewable resources. **[SB 14 MIRRORS KEY ELEMENTS OF PROPOSITION 7 SEE BELOW]**

Cautionary Note: ¹SB 14 has been amended to include a giant loophole for utilities. Among new amendments is a provision allowing the CPUC to grant an exemption to any utility if the commission determines that achieving the target (33%) will result in "unjust and reasonable rates". "This amendment is a giant loophole that the Big Utilities can drive a coal-fired power plant through." commented Jim González, Chair of the Renewable Energy Accountability Project, and former Chair of Yes on 7, Californians for Solar and Clean Energy.

"Senate President pro Tem Darrell Steinberg committed to the people of California at his Floor Speech on December 1, 2008, that he would establish a 33% Renewable Portfolio Standard (RPS) for California within 120 days. Now, with 25 days remaining on Senator Steinberg's pledge, the first legislative vote has occurred, but much hard work remains. "REAP will continue to monitor the progress of SB 14, and report on any attempt to water down its provisions," said González.

SB 14 mirrors many of the provisions of Proposition 7

Like Proposition 7, SB 14:

- **RAISES THE RPS:** SB 14 raises the RPS to 33% by 2020. (Proposition 7 would have raised the RPS to 40% by 2020 and 50% by 2025.)
- **INCLUDES PUBLICLY OWNED UTILITIES IN THE RPS:** SB 14 requires all utilities, including publicly owned utilities (POUs) and electric service providers (ESP's) to meet the RPS standards.
- **FASTTRACKS APPROVAL OF NEW RENEWABLE TRANSMISSION LINES:** SB 14 requires the rapid approval of new transmission lines that would facilitate renewable electricity transmission (SB 14

¹ Amended in Senate February 17, 2009, Section 399.15

http://info.sen.ca.gov/pub/09-10/bill/sen/sb_0001-0050/sb_14_bill_20090217_amended_sen_v97.pdf

requires the California Public Utilities Commission (PUC) to approve renewable energy transmission facilities within one year.)

- **REDUCES GREENHOUSE GAS EMISSIONS:** SB 14 requires major action on the part of electric utilities to reduce green house gas emissions.
- **PROVIDES TECHNOLOGY FORCING FACTORS:** SB 14 creates “technology forcing factors” by increasing the RPS to 33% by 2020, thereby providing incentives for the development of large scale solar, wind, and geothermal plants.
- **Similar to Proposition 7, SB 14 contains provisions which could enhance RPS compliance:**
 - **PENALTIES:** SB 14 directs the California Energy Commission (for POU) and the CPUC (for IOUs) to work with the California Air Resources Board (CARB) to establish penalties for failure to comply with the RPS. (Proposition 7 would have established specific penalties in statute, enforceable by the Energy Commission.)
 - **PRICING:** SB 14 eliminates the calculation and use of a Market Price Referent (MPR) and the cap on costs, and directs the CPUC to continue to review contract and consider the cost impact of procuring renewable energy including rate impacts, system reliability, the environment, and the economic benefits of renewable procurement. (Proposition 7 would have required the Energy Commission to set the market price of electricity including considering the value and benefits of renewable resources. A renewable energy contract that was no more than 10% higher than the market price would have been considered “per se reasonable” under Proposition 7.)

“At last, the State Senate today took the first step in achieving 33% renewable electricity by 2020,” commented Jim González, Chair, REAP

“Senator Simitian deserves particular praise for his tireless work to increase the Renewable Portfolio Standard (RPS). Raising the RPS and holding all utilities accountable for achieving higher RPS standards were key goals of Proposition 7, and remain key to reducing global warming and making California the center for the Energy Technology “ET” Revolution,” González continued.

“With President Obama’s pledge to make require that 25% of the entire nation’s electricity comes from renewable resources by 2025, California has an unprecedented opportunity to lead the way in making this Energy Technology Revolution a reality. SB 14 is a step in the right direction,” González concluded.

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