



DRA

*Division of Ratepayer Advocates
California Public Utilities Commission*

505 Van Ness Avenue
San Francisco, California 94102
Tel: 415-703-2381
Fax: 415-703-2057

JOSEPH P. COMO
Acting Director

<http://dra.ca.gov>

April 18, 2012

Honorable Das Williams
California State Assembly
State Capitol, Room 6011
Sacramento, CA 95814

RE: AB 2340 (Williams, Blumenfield) - Oppose

Dear Assemblymember Williams:

DRA (Division of Ratepayer Advocates) is the independent consumer advocate within the California Public Utilities Commission (CPUC). DRA's statutory mandate is to obtain the lowest possible rate for utility service consistent with reliable and safe service levels. DRA also advocates for customer and environmental protections in connection with utility service.

DRA respectfully opposes your AB 2340, which would require the CPUC to develop rules, as specified, for the reimbursement of distribution grid upgrade costs to developers of wholesale distributed generation (DG) facilities.

DRA supports the development of clean DG at the lowest cost to ratepayers. AB 2340 would reimburse DG developers for distribution grid upgrade costs in a way that is cost-effective to investor-owned utility (IOU) customers. While this is a well-intentioned way to advance California's renewable DG goals, AB 2340 would have the unintended consequence of shifting DG project developmental costs and associated risks from private developers to the utilities' customers.

IOU customers should not be burdened with these additional costs and risks, given the majority of distribution grid costs are already borne by them. Customer monthly energy bills must remain affordable. Furthermore, there is an open proceeding at the CPUC, and an on-going stakeholder process at the California Independent System Operator to address this matter.

If you have any questions or would like to discuss this matter further, please call DRA's Legislative Advisor Rebecca Tsai-Wei Lee, at (916) 327-1407 or me at (415) 703- 2381.

Respectfully,

Joseph P. Como, Acting Director
Division of Ratepayer Advocates

By
Rebecca Lee
Legislative Advisor