



DRA

*Division of Ratepayer Advocates
California Public Utilities Commission*

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JOSEPH P. COMO
Acting Director

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June 21, 2012

Honorable Michael Rubio
California State Senate
State Capitol, Room 2066
Sacramento, CA 95814

RE: SB 1122 (Rubio) - Oppose

Dear Senate Rubio:

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 SB 1122, as amended on June 18, 2012. The bill would require the CPUC to direct investor-owned utilities to procure at least 250 megawatts of electrical generating capacity from small biomass and biogas projects under standard contract terms and conditions, as specified.

DRA supports competitively priced renewable energy such that ratepayers are not unduly burdened with rate increases. Your SB 1122, however, would unfairly create a technology-specific mandate, irrespective of the financial impact on customers. While DRA recognizes that biogas and biomass technologies may be viable solutions to help fulfill California's clean energy goals, the State should allow different generation technologies to compete and offer the best price to customers.

The CPUC is in the process of studying the costs and benefits of various renewable distributed generation technologies. This study may help to determine the state's priorities with respect to specific distributed generation technologies. Meanwhile, there are opportunities for small biogas and biomass generators to participate in the RPS (Renewable Portfolio Standard) program. For example, they can compete for utility contracts in the Renewable Auction Mechanism (RAM) and the annual RPS solicitations. In addition, the CPUC has recently finalized modifications to the Feed-In-Tariff program for small facilities up to 3 megawatts, which would provide a procurement category for baseload resources such as small biomass and biogas facilities. In light of these existing opportunities and our stated concerns, DRA respectfully opposes your SB 1122.

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