



DRA

*Division of Ratepayer Advocates
California Public Utilities Commission*

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April 28, 2011

Honorable Nancy Skinner
California State Assembly
State Capitol, Room 4126
Sacramento, CA 95814

RE: AB 1214 (Skinner) Oppose

Dear Assemblymember Skinner:

DRA (Division of Ratepayer Advocates) is an independent consumer advocacy Division at 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 opposes your AB 1214, which would require the CPUC to find as "necessary for the present or future public convenience and necessity" any electrical grid construction or upgrades that have already been approved by the Independent System Operator (ISO) and the Federal Energy Regulatory Commission (FERC).

DRA believes this bill would have the unintended consequence of excluding the CPUC from transmission needs determinations. DRA opposes this because the CPUC's needs determination is based on a much wider range of transmission cost factors beyond what is considered by the ISO or FERC, such as:

- Establishment of a cost cap - Public Utilities Code (PU Code) Section 1005.5
- Analysis and mitigation of project issues on siting and the environment (CEQA) - PU Code Sections 1001-1002
- Implementation of the Energy Action Plan II (EAP II) - to investigate alternatives to transmission projects (energy efficiency, demand response and distributed generation) - PU Code Section 1002.3

DRA itself would be in a much weaker position to represent the interests of utility customers if the CPUC needs determination were to be eliminated. DRA believes that CPUC and DRA review of transmission projects is critical to ensuring that these projects are just and reasonable, and in the best of interest of ratepayers. By eliminating such review, DRA is concerned that this bill would reduce the States ability to contain project

costs, examine alternatives and may not reduce permitting time for a renewable energy transmission projects.

If you have any questions or would like to discuss this matter further, please call DRA's Legislative Director Matthew Marcus, at (916) 327-3455 or me at (415) 703-2544.

Respectfully,

Joseph P. Como, Acting Director
Division of Ratepayer Advocates

By
Matthew Marcus
Legislative Director