



DRA

*Division of Ratepayer Advocates
California Public Utilities Commission*

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JOSEPH P. COMO
Acting Director

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February 11, 2011

Honorable Joe Simitian
California State Senate
State Capitol, Room 2080
Sacramento, CA 95814

RE: SB X1 2 (Simitian, Kehoe and Steinberg) Support

Dear Senator Simitian:

The Division of Ratepayer Advocates (DRA) is the independent consumer advocacy division of 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 supports your SB X1 2, which would amend the current California's Renewable Portfolio Standard (RPS) to 20% by 2013, and then accelerate it to 33% by December 31, 2020. By balancing these important goals with effective ratepayer protections, DRA believes California residents will ultimately benefit with clean, affordable and reliable electricity.

DRA strongly supports the ratepayer protection provisions in this bill which would limit program costs by establishing a limitation that prevents disproportionate rate impacts, adhering to the "least-cost and best-fit" approach, and by requiring sufficient transparency and reporting. These mechanisms are key to ensuring we achieve our renewable goals in a cost-effect manner. DRA looks forward to contributing to the California Public Utilities Commission's rulemaking process to develop appropriate mechanisms and safeguards to minimize the overall rate impact on consumers.

As we move forward, it's important that we pay close attention to the potential market effects of increasing our demand for renewables. This is especially important because the costs of new renewables have not yet passed into rates because many renewable contracts have not started delivering energy. To avoid the unintended consequences of rates escalating in future years, it is imperative that future program costs be carefully evaluated as the CPUC implements the program.

DRA supports this bill's efforts to promote renewable energy and looks forward to working with you to pass this important legislation.

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