



DIVISION OF RATEPAYER ADVOCATES

California Air Resources Board

Renewable Energy Standard

September 22, 2010

- The Division of Ratepayer Advocates (DRA) is the independent consumer advocacy division of the California Public Utilities Commission (CPUC).
- DRA's statutory mandate as outlined in Public Utilities Code Section 309.5 is to advocate on behalf of customers to obtain the lowest possible rate for utility service consistent with safe and reliable service levels.
- **DRA's written comments focus on two aspects of RES implementation:**
 - (1) cost containment; and
 - (2) consistency with the CPUC's requirements for renewable procurement by the investor-owned utilities (the Renewable Portfolio Standard (RPS))
- (1) **RES implementation should aim to find the lowest cost means of achieving renewable energy goals. To achieve this, DRA recommends:**
 - cost transparency to inform policy makers of the total cost (both direct and indirect) of different options available to meet those goals.
 - periodic reviews of the renewable energy program to monitor total costs and implementation challenges. DRA supports a collaborative effort by RES stakeholders to establish cost containment measures, which might include an off-ramp to protect ratepayers from excessive cost increases.
 - five-year flexible compliance for the electric utilities to help prevent the renewable energy mandate from driving up prices to unreasonable levels. The current 20% RPS regulation allows 3 years flexible compliance period. The proposed 33% RES will demand almost double renewable resources generation within 10 years.
 - Price cap on Renewable Energy Credits (RECs) for at least 24 months period to gauge the market response to REC usage.
- (2) **The RES should be consistent with the CPUC's RPS program to avoid uncertainties, conflicts, and additional costs of having two different renewable programs for the IOUs.**



The Voice of Consumers, Making a Difference!