



LEAGUE OF WOMEN VOTERS® OF CALIFORNIA

April 16, 2013

The Honorable Steven Bradford, Chair
Committee on Utilities and Commerce
California State Assembly
P.O. Box 942849
Sacramento, CA 94249-0000

Re: AB 1014—SUPPORT

Dear Assembly Member Bradford and Members of the Committee:

The League of Women Voters of California urges your support for AB 1014 (Williams), which would establish Shared Renewable Energy Self-Generation programs in the service territories of electric investor-owned utilities.

This bill furthers two state policy objectives while addressing potential issues regarding ratepayer and environmental impacts. It continues the state's efforts to develop and deploy California's renewable energy resources and reduce greenhouse gas emissions. It also excludes from eligibility projects sited on prime agricultural land, directs some installations into "disadvantaged" neighborhoods, and seeks to protect non-participating ratepayers by limiting bill credits to just the generation component of rates.¹

The League's position on energy urges electric utilities to procure some renewable electricity generation to meet their resource adequacy requirements. It also urges policymakers to prevent cost-shifting from direct-access customers to fully bundled ratepayers. Even though participants in a Shared Renewable Energy Self-Generation program would remain as fully bundled retail customers, a cost-shift risk exists if a utility's costs (annual revenue requirement) for generation must be recovered despite declining retail sales. AB 1014 resolves this issue by directing the California Public Utilities Commission (CPUC) to allocate any potential cost increases created by the program to non-low-income ratepayers. The League notes, however, the CPUC already has the ability to control a utility's generation revenue requirements through the annual procurement review process. We believe it is highly unlikely that the Shared Renewable Energy Self-Generation program will cause any ratepayer impacts, because of its focus on small-scale generation. The utilities and CPUC will have ample advance notice to adjust their procurement targets if participation in this program makes a dent in retail electric sales.

Thank you for your consideration of our views. We hope you will vote "Yes" on AB 1014.

Sincerely,

Jennifer A. Waggoner
President

1107 9th Street
Suite 300
Sacramento, CA
95814-3608

916 442.7215
888 870.8683
916 442.7362 fax

lwvc@lwvc.org
www.lwvc.org
www.smartvoter.org
www.easyvoter.org

¹ This bill would allow participants to offset only the generation component of their retail electricity rate with their renewable energy purchases. Approximately 30 to 45 percent of the system-average price per kWh represents the utility's generation costs (such as utility-owned generation expenses and power supply purchases). As of 2011, total generation expenses were 30 percent of SDG&E's total electricity revenue requirement, 42.5 percent of PG&E's, and 37 percent of SCE's. See Page 36 at <http://www.cpuc.ca.gov/NR/rdonlyres/1C5DC9A9-3440-43EA-9C61-065FAD1FD111/0/AB67CostReport201.pdf>.