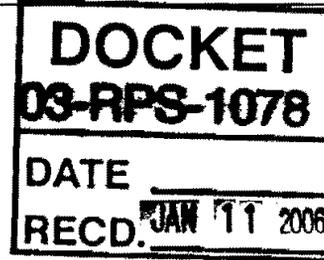


CALIFORNIA ENERGY COMMISSION1516 Ninth Street
Sacramento, California 95814Main website: www.energy.ca.gov**Notice of Availability***Building a "Margin of Safety" into Renewable Energy
Procurements:**A Review of Experience with Contract Failure***(Publication No. CEC-300-2006-004)
Docket No. 04-IEP-1E and 03-RPS-1078**

This consultant report (Energy Commission Publication No. CEC-300-2006-004) summarizes experience with renewable energy contracts executed with investor-owned utilities, with publicly owned utilities, and as a result of government incentive auctions, focusing on the degree to which such contracts yield on-line and on-schedule renewable energy projects. In the *2005 Integrated Energy Policy Report*, the Energy Commission recommended that the California Public Utilities Commission require the state's investor-owned utilities to procure a prudent contract-risk margin of safety over and above the amount needed to meet their renewable procurement targets to account for the possibility of contract failure. This report provides information to support further deliberations on the issue of contract failure and the possible need for over-procurement to help ensure that California's Renewables Portfolio Standard targets are achieved.

The consultant report is structured as follows:

- Chapter 1 provides an introduction and background.
- Chapter 2 describes the methodology used to collect data on renewable energy contracting, the specific sources and types of data sought, and the categorization used to identify the types, sources, and mitigation options for contract failure.
- Chapter 3 reports on renewable energy contracting experience and success rates from California, from other North American utilities, and from government-run auctions for renewable energy. Available data are imperfect, but contracts

included in the sample represent more than 21,500 megawatts of renewables capacity.

- Chapter 4 draws some limited conclusions based on the data collected.

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Mailing List: 5507 Renewables Portfolio Standard

Note: California Energy Commission's formal name is State Energy Resources Conservation and Development Commission.