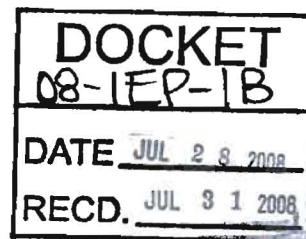


July 28, 2008

California Energy Commission
Dockets Office, MS-4
Re: Docket No 08-IEP-1B
1516 Ninth St.
Sacramento, CA 95814-5512



To Whom It May Concern:

This letter is in regards to docket number 08-IEP-1B and the 2008 IEPR Update: 33 Percent Renewable Electricity. The California Hydropower Reform Coalition (CHRC) is the leading organization in California addressing river and watershed restoration through the FERC hydropower relicensing process. CHRC was founded in 1997, we are a statewide coalition of more than 30 conservation, fishing, and recreation organizations, and have led efforts to secure numerous hydropower relicensing settlement agreements.

CHRC supports the overall objective of increasing Renewable Portfolio Standards (RPS) requirement to 33 percent by 2020, but we oppose weakening the definition of small hydro in current RPS statutes. Doing so will result in significant adverse environmental impacts. The key statute language that should be maintained is a facility that is 30 MW or less "is not an eligible renewable energy resource if it will cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow".

If the requirement is increased to 33 percent, purchase of out-of-state renewables will be important for entities such as PG&E. On June 20, 2008, as required, PG&E submitted a letter to the CPUC explaining why it intends to continue Phase 2 of a study assessing the physical and regulatory context for developing, purchasing, transmitting renewable energy from British Columbia (BC) for California RPS purposes. Both PG&E's letter and the Phase 1 study are attached. The key conclusions of PG&E's Phase 1 study include:

- By 2016, BC could develop as much as 6,000 MW of small hydro.
- BC small hydro currently would not be RPS eligible in California, because it would not meet our regulations. The study says: "The key obstacle to project success that must be modified by legislation is the definition of new small hydro generation."
- Because current California standards "are the consensus result of a coalition effort, new efforts to qualify hydro...must be closely coordinated with those stakeholders."

We are open to discussing efforts to achieve 33 percent, but oppose weakening the small hydro definition. We appreciate the opportunity to comment on this issue.

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CHRC Steering Committee:

American Rivers, American Whitewater, California Outdoors, California Sportfishing Protection Alliance, California Trout, Foothill Conservancy, Friends of the River, Natural Heritage Institute, South Yuba River Citizens League, Trout Unlimited

Sincerely,

Keith Nakatani
Director

Encl.