

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Implement the
Commission's Procurement Incentive Framework
and to Examine the Integration of Greenhouse Gas
Emissions Standards into Procurement Policies.

Rulemaking 06-04-009
(Filed April 13, 2006)

**COMMENTS OF THE LARGE-SCALE SOLAR ASSOCIATION AND THE
CALIFORNIA WIND ENERGY ASSOCIATION TO ON THE FINAL OPINION ON
GREENHOUSE GAS REGULATORY STRATEGIES**

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October 2, 2008

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I. INTRODUCTION

Pursuant to Rule 14.3(d) of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure, the California Wind Energy Association ("CalWEA") and the Large-scale Solar Association ("LSA") respectfully submit these Comments to Michael R. Peevey's Proposed Opinion on Greenhouse Gas Regulatory Strategies ("PD"). CalWEA and LSA support the PD's conclusion that a 33% Renewables Portfolio Standard ("RPS") is both achievable and an integral part of California's efforts to achieve greenhouse gas ("GHG") reduction goals. CalWEA and LSA also support the PD's recommendation that the California Air Resources Board ("ARB") consider a West-wide cap-and-trade system that would allow renewables to provide additional GHG emissions reductions once the 33% goal has been met.

II. DISCUSSION

CalWEA and LSA support the PD's "strong agreement" with the ARB's Draft Scoping Plan and its call for a firm mandate that California derive 33% of its energy from renewable sources.¹ A 33%-by-2020 RPS as part of the ARB's Scoping Plan would provide cost-controlled carbon reductions that convey benefits beyond those addressed through a carbon-only cap-and-

¹ Proposed Decision, p. 4.

trade program. This important element of California's AB 32 compliance effort would also be reliably achieved through an established regulatory infrastructure, while measures needed to support alternative carbon-reduction approaches are discussed, designed, approved and implemented. As noted in the PD, CalWEA's and LSA's Comments on Greenhouse Gas Regulatory Strategies for the Electricity and Natural Gas Sectors strongly advocate that a 33% target is not only necessary to provide the investment certainty required to drive renewable project development, but is also necessary to spur the transmission planning and build-out needed to deliver that renewable energy.² CalWEA and LSA therefore agree with the PD's recommendations for a universal 33%-by-2020 requirement,³ and applaud the Commissions' "pledge to achieve 33% renewables by 2020."⁴ In particular, CalWEA and LSA support the PD's Conclusion of Law Three, recommending that the ARB adopt a requirement that each retail provider meet 33% of its retail sales using renewable energy sources by 2020.⁵

Additionally, because California's firm commitment is needed to spur renewables development, renewables should be thought of as a foundation to which other carbon-reduction strategies will be added, rather than as an element that should compete for revenues in a cap-and-trade system. As such, CalWEA and LSA support the PD's recommendation that the California ARB consider a West-wide cap-and-trade system that would allow renewables to provide additional GHG emissions reductions once the 33% goal has been met.

² Proposed Decision, p. 88, citing CalWEA and LSA's Opening Comments.

³ *Id.* at 10, 85

⁴ *Id.* at 92.

⁵ *Id.*, Conclusion of Law Three, p. 288.

III. CONCLUSION

In sum, CalWEA and LSA agree with the PD's combination of regulatory and market approaches, which "combine[s] the best aspects of both regulation and market forces in a mutually reinforcing framework."⁶ As such, CalWEA and LSA supports the PD's Conclusion of Law recommending that ARB adopt a requirement that each retail provider meet 33% of its retail sales using renewable energy sources by 2020.

Respectfully submitted,



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⁶ *Id.* at 8.

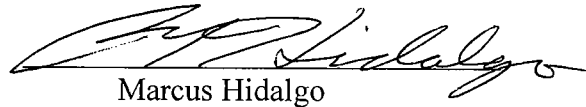
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I hereby certify that I have this day served a copy of the

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on all known parties to R.06-04-009 (as well as by email and first class mail under CEC Docket No. 07-OIIP-01 to docket@energy.state.ca.us and via email to kgriffn@energy.state.ca.us) by sending a copy via electronic mail and by mailing a properly addressed copy by first-class mail with postage prepaid to each party named in the official service list without an electronic mail address.

Executed on October 2, 2008, at San Francisco, California.



Marcus Hidalgo