

The Honorable Toni Atkins
State Senate Pro-Tem
State Capitol
Sacramento, CA. 95814

Re: SB 386 (Caballero) - OPPOSE

Dear Senate Pro-Tem Atkins:

We strongly oppose SB 386 (Caballero) because it would significantly weaken California's landmark and extremely successful clean energy program, the Renewables Portfolio Standard (RPS) and provide unnecessary and special treatment to certain utilities.

SB 386 would allow Turlock Irrigation District and Modesto Irrigation District to roll back their RPS requirements by counting their large hydropower generation as an eligible renewable resource, thereby removing the need for these utilities to invest in new clean and renewable resources while they continue to burn natural gas and coal.

California excludes large hydropower from its RPS because the primary purpose of the program is to transform the electricity mix in California by reducing fossil fuel use and scaling up the use of clean, renewable energy. SB 386 would give unfair treatment to one set of electricity providers, a concession that would almost certainly be demanded by all other utilities in the state that own large hydropower projects. Allowing large hydropower to count towards the RPS would permit vast quantities of existing large hydropower generation located throughout the West to substitute for the development of new clean energy resources and undermine the clean energy targets recently enacted by the Legislature in SB 350 and SB 100.

Renewable energy today is an extremely cost-effective investment, and provides benefits that go beyond their zero carbon value. California enacted the RPS in 2002 to make utilities less vulnerable to supply shortages of any one source of fuel. Climate change will bring hotter, drier weather to California and reduce the amount of hydropower generation capacity over time. It is critical that utilities with large hydropower in their portfolios begin investing in other carbon-free resources so that they don't fall back on fossil fuel generation during dry years when hydropower is less available.

In addition, SB 386 is unnecessary because utilities already have the ability to adopt cost limitations to prevent excessive rate impacts associated with RPS compliance. If TID or MID are concerned that meeting their RPS requirements will place an undue burden on their customers, they have the ability to invoke a cost cap.

Large hydropower facilities provide carbon-free generation and will play a key role towards meeting California's 100% carbon-free by 2045 goal established by SB 100. But allowing large hydropower to count towards the RPS will open the door to a significant weakening of the RPS, which is critical to transforming California's electricity sector and meeting SB 100 goals.

We respectfully urge a NO vote on SB 386.

Sincerely,

Dan Jacobson
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