DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 13, 2011 **BILL NUMBER:** SB 836
POSITION: Neutral **AUTHOR:** A. Padilla

BILL SUMMARY: Renewable Energy Resources: Cost Reporting

Existing law requires each utility to submit a Renewable Portfolio Standard (RPS) Procurement Plan. In addition, existing law requires the California Public Utilities Commission (PUC) to adopt a pricing benchmark to evaluate RPS contracts, a process utilities must use to evaluate renewable energy project bids, and RPS compliance rules. Existing law also requires the PUC to review and approve or reject utilities' RPS contracts.

This bill would require the PUC to report to the Legislature costs for eligible renewable resource contracts and utility-owned generation approved since January 1, 2003. The report would be due February 1, 2012 and annually thereafter.

FISCAL SUMMARY

The PUC estimates costs to implement the bill would be minor and absorbable within existing resources. The Department of Finance concurs.

COMMENTS

The Department of Finance is neutral on the bill as it would increase transparency of approved RPS costs and increase the accuracy of various statewide resource planning efforts.

According to the author's office, the bill would provide the public and the Legislature with the costs of the RPS program. Currently, no data is available on the actual costs of approved contracts under the RPS. For power purchase contracts, the bill would require the PUC to aggregate costs by year of contract approval and include average executed contract price and average actual recorded costs for each kilowatt-hour of production. For each utility-owned renewable generation project, the bill would require the PUC to release cost forecasts versus actual costs incurred by an electrical corporation. The bill would require the PUC to aggregate data to protect contract confidentiality and specify the bill provisions do not require release of the terms of individual electricity procurement contracts for eligible renewable energy resources.

Code/Department Agency or Revenue Type	SO LA CO RV	(Fiscal Impact by Fiscal Year) (Dollars in Thousands) PROP 98	FC	2011-2012	FC	2012-2013	FC	2013-2014	Fund Code
8660/PUC	SO	No	---------- No/Minor Fiscal Impact ----------						0462

Fund Code	Title
0462	Publ Utilities Comm Utilities Reimb Acct

Analyst/Principal Date Program Budget Manager Date
(0622) J. McGuinn Karen Finn

Department Deputy Director Date

Governor's Office: By: Date: Position Approved_____
Position Disapproved_____