



California Public Utilities Commission

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News Release

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PUC TAKES ANOTHER STEP IN HELPING CALIFORNIA MEET RENEWABLE POWER GOALS

SAN FRANCISCO, June 15, 2006 -- The California Public Utilities Commission (PUC) today took another step forward in promoting green power by ensuring that California has the necessary transmission infrastructure in place in order to meet its Renewable Portfolio Standard (RPS) goals.

The Commission requires that the state's Investor-Owned Utilities obtain 20 percent of their energy from renewable resources by 2010. A major issue in developing renewable energy is financing the new transmission infrastructure needed to access the renewable energy. For example, one of the most promising areas for new renewable power is the Tehachapi area in Southern California, which has over 4,000 megawatts of wind energy potential. However, to access this wind, new transmission lines are needed, at a project cost of up to \$1 billion.

Today's decision provides a breakthrough in development of new renewables by giving utilities the assurance that investments in new transmission facilities to access areas of known renewable resources, such as the Tehachapi area, will be recovered in customer rates. Absent such assurances, utilities have been hesitant to take the steps necessary to develop new renewable resources. Customers are protected under today's decision by careful guidelines to ensure that cost recovery will be available only in clearly defined circumstances that demonstrate that proposed transmission facilities are necessary for renewable development.

"This decision provides certainty to the utilities and the renewable power industry on funding for transmission projects that are necessary to meet the RPS goals," said Commissioner Dian M. Grueneich, presiding in this Commission proceeding. "Today the Commission has removed a significant roadblock to the construction of RPS transmission projects and we now expect the utilities to do their part by moving proactively and aggressively to meet their legal obligations."

Transmission facilities that meet one of the following qualifying criteria are eligible for cost recovery: 1) new high-voltage, bulk-transfer, transmission facilities that are designed to serve multiple RPS-eligible projects, or 2) transmission network upgrades that are required to connect an RPS-eligible resource.

For more information on the PUC, please visit: www.cpuc.ca.gov.

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