



February 5, 2021

The Honorable Gavin Newsom
c/o Alice Reynolds
Governor, State of California
State Capitol, First Floor
Sacramento, CA 95814

Via electronic email
Alice.reynolds@gov.ca.gov

Subject: Urgent Action Needed to Provide Reliable Electricity Service and Restore California’s Leadership on Climate and Clean Energy

Dear Governor Newsom:

We write with a sense of urgency and a shared commitment to provide affordable and reliable electricity service, rebuild California’s economy, improve public health in disadvantaged communities, and meet our immediate and long-term energy and climate requirements.

Your immediate action and engagement are necessary to appoint thoughtful and committed leaders to the CPUC, CEC, and CAISO, and to direct the State’s energy agencies to deploy, procure, and plan for a diverse and complementary suite of renewable energy, storage, and transmission projects.

California’s agencies and the CAISO have confirmed that renewable energy was not the cause of the August 2020 outages during the west-wide heatwave: in fact, better planning and procurement of a diverse set of clean technologies could have avoided or mitigated the outages. Despite the acknowledgement that clean energy and reliability can and must go hand-in-hand, the state is poised to authorize contract extensions and expansions for fossil fuel resources, many of which were set to retire last year and are located in disadvantaged communities. Without significantly accelerating deployment and procurement of clean energy and capacity to reliably replace these resources, this course of action runs contrary to California’s climate and environmental justice commitments.

Unfortunately, years of bureaucratic delay have caught up to us. California is not on track to achieve either SB100’s goals for zero-carbon electric sales by 2045 or E.O. B-55-18’s goal of a

carbon neutral economy by 2045 because we aren't buying the right amount and type of clean energy. California needs to buy enough clean energy to meet our existing electricity needs and then some to be able to electrify buildings and transportation – as called for under E.O. N-79-20. You and your cabinet have near term opportunities and decisions that will help the state reach these targets; as outlined in this letter, we urge immediate action.

The remedy is an immediate and sustained statewide effort to bring new renewable energy and storage online. The state must recognize the need for a diverse portfolio of clean and renewable sources such as distributed and utility-scale solar, land-based and offshore wind, and geothermal energy deployed in a manner responsive to the potential benefits to and burdens on disadvantaged communities. Storage and flexible demand side technologies can help accelerate this transition while enhancing reliability.

We recommend you take four immediate actions to cure the electricity capacity shortfall, mitigate the impacts of climate change, uplift vulnerable communities, and stimulate the economy:

1. Appoint strong, knowledgeable, and independent leaders at the CPUC, CEC, and CAISO, who especially understand that climate policy will be more effective when it puts frontline communities first, and are prepared to act accordingly. These appointments should prioritize diversity and people from or that have experience working in clean energy issues and disadvantaged communities. Furthermore, these individuals will need clear direction to work as a team of Energy Principals dedicated to building the clean energy foundation our state needs to ensure reliable electricity service, create jobs and investments in underserved communities, and minimize ratepayer costs.
2. Ensure adoption of a 38 MMT target in the CPUC's pending IRP cycle, accelerate adoption of a 30MMT in the next cycle (no later than 2022), and direct the California Air Resources Board to update electricity-sector greenhouse gas targets to account for both SB 100 and electrification of the buildings and transportation sectors. Setting the proper targets now will drive appropriate longer-term planning and procurement and set the California economy on the right trajectory towards decarbonization. Achieving this goal will require proactive coordination among all relevant state agencies and the CAISO, which we hope you will direct.
3. Direct your agencies to work with the CAISO, load-serving entities and participating transmission owners to expedite interconnection of renewable energy and storage resources, with a focus on approving and completing associated transmission and distribution infrastructure for resources currently under contract or in development to shore up grid reliability. **Roughly 5 GW of new renewable energy and storage resources are sitting idle, awaiting delayed interconnection and transmission approvals and action from the CPUC, CAISO, and transmission owners.¹ Many of these projects are in areas such as the San Joaquin Valley and Inland Southern California, which would greatly benefit from economic activity.** It is only through

¹ 5 GW is an estimate based on analysis of utilities' AB 970 reports to the CPUC and industry review of interconnection studies to determine necessary upgrades to support projects in development.

your leadership, with follow-through from the State agencies, utilities, and engaged parties, that these resources can be brought online in a timely manner. A dedicated effort on this should be initiated in the next 40 days.

4. Require the CPUC to initiate procurement and deployment of sufficient renewable energy and storage capacity to replace the Diablo Canyon Power Plant, currently slated for retirement by 2024 and 2025.

A clean, resilient and reliable electric grid is foundational to California's economy and healthy communities. We urge you to engage every relevant State agency – in close coordination with the Federal government, other western states, and local governments – to facilitate development of thousands of megawatts of clean energy over the next decade.

We request a meeting with you and your team to discuss these issues and our recommendations in more detail. Further, we commit to working with you to provide the solutions and assistance California needs to continue to be a global leader in clean energy innovation, create jobs to lead the state out of economic crisis, and ensure a healthy environment for all Californians.

Sincerely,

/s/ Danielle Osborn Mills

Director

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