

**Testimony of Mr. S. David Freeman
Before the Joint Legislative Hearing on Proposition 7
September 10, 2008**

Sacramento, California

Mr. Chairman, Honorable Members, ladies and gentlemen.

First, I want to be clear that my views are purely personal; and I do not speak for the Port of Los Angeles, the City of Los Angeles, the ICFT, or anyone else. I appear as an uncompensated individual.

I testify as a lawyer and engineer, with 30 years experience as a chief executive of large electric utilities, including those serving Sacramento and Los Angeles, where I advanced the use of renewable energy used efficiently.

I also testify as a former State of California energy official. And, more recently as an author who has explained how we can

shift from fossil fuels and nuclear power to renewable energy, used efficiently; and why doing so rapidly is a survival issue for this high energy civilization in which we live.

I studied the text of Proposition 7 without any preconceived opinions. My considered judgment is that it clearly meshes with existing law in California to achieve two rather basic and very necessary goals.

It doubles the rate at which we shift from the fuels that poison our environment to renewable energy – from 1 % per year to 2 %. per year.

It also streamlines and shortens the approval process for projects that don't pose serious threats to the environment so the utilities will have better opportunities to achieve the necessary goal of 50 % renewable energy by 2025.

It is important that the People of California know what the contents of this Proposition actually provides. If Proposition 7 is enacted, it will:

(1). Require that, by 2025, 50% of California's electricity be generated from renewable resources as presently defined in existing law.

(2). Require annual additions of renewable resources at a rate of at least 2 percent per year.

(3). Apply these renewable energy standards to the municipal utilities, now exempt, that provided 25% of California's electricity, and which today are the most intensive users of carbon-rich coal.

(4). Provide greater flexibility to the utilities and, and greater value to the consumers, in acquiring renewable energy by:

(a). Permitting direct negotiations without the delay of the current complicated RFP process;

(b). Requiring 20 year contracts so consumers will get the long-term benefits of renewable projects that are virtually inflation proof.

(c). Providing a realistic price that will enable most projects to be automatically approved.

(5). Strengthens the penalties on utilities for failing to meet the targets by removing the current ceiling on penalties; and, by law, forbidding that the fine be paid by consumers.

(6). Consolidates the permitting process, and shortens the time-frame at the Energy Commission – but only for projects that do not pose serious environmental concerns.

There is no longer a debate in California over whether we need to shift to renewables. Nor can anyone successfully say that 50% renewable by 2025 is too ambitious. Al Gore says we need to do 100% by 2018.

Mother Nature is the one that will really call the shots, and the best experts say that the tipping point on global warming will be less than a decade away.

The lack of desired progress to date by the electric utility industry in this State makes it clear that we need to raise the bar. Proposition 7 does just that in a realistic, well-thought-out manner.

I have considered the objections to Proposition 7, and find most of them to be conclusions without any factual basis in the language of Proposition 7.

The utility opponents are running TV ads saying again and again that small renewable producers below 30 megawatts would be excluded by Prop. 7. That is just plain wrong. Prop. 7 changes absolutely nothing about which size facility can qualify. The opponents fail to distinguish between “facilities” which count towards the Renewable Portfolio Standard without any size limitations, and “plants” over 30 megawatts which – for siting purposes only – will be approved by the Energy Commission. The opponents have either deliberately or sloppily failed to recognize that the 30 megawatt or lower distinction applies to plants which do not need an Energy Commission permit in the first place; and has nothing what so ever to do with which facilities qualify for the Renewable Portfolio Standard.

Today, both large and small producers qualify for the RPS. Tomorrow, if Proposition 7 passes, the same producers, both large and small would qualify for the Renewable Portfolio Standard.

Another complaint is that the Commissioners are given authority to excuse the fine for non-compliance in any year if there has been a good faith effort to comply. Please note that the commission, not the utilities, must make the findings. And, I would have trouble defending a law that fined a utility for a failure that was in fact beyond their control.

The opponents are saying Proposition 7 is both too tough and too easy. Perhaps it is just right.

We need more renewable electricity not just for today's uses, but to power hybrid and all-electric cars. Proposition 7 can provide us the carbon-free domestic energy that will drive our nation's vehicles for less than \$1 a gallon gasoline equivalent.

Yes we can reach 50% renewable by 2025 or sooner.

Indeed, I say yes we must.