



To participate in the meeting by phone,  
please call 888-677-5720 for USA callers or  
+1-210-234-0004 for International callers by 9:30 a.m.  
Passcode: WORKSHOP Call Leader: Janet Preis

## **Purpose**

The Electricity Committee seeks to bring interested parties together to gather information, identify issues, and explore solutions concerning credit policies imposed on new and repowered generation projects in California, particularly renewable generation projects. Investment bankers, power plant investors, portfolio managers, insurance companies, risk managers, developers, and investor-owned and municipal utilities are encouraged to participate. The workshop will:

- Conduct a review of credit policies in California and other representative states.
- Characterize how California's current credit policies contribute to project costs in terms of real dollars.
- Explore the extent that these policies impede generation project development, including renewable projects.
- Identify a set of prudent solutions that would satisfy present credit policies while lowering the effective cost of capital, including step-in rights, insurance products, risk pooling and reducing credit requirements.
- Quantify the range of potential savings to ratepayers of one or more of these solutions.
- Identify topics for future research and establish next action steps.

The workshop will not address California Public Utilities Commission (CPUC) procurement rules, but may suggest approaches for the CPUC to consider in its proceedings.

## **Background**

The Electricity Committee was established by Energy Commission Order No. 06-0201-18, pursuant to Public Resources Code section 25211 and Title 20, California Code of Regulations, section 1204. As stated in the Order, one of the Committee's responsibilities is to provide oversight and policy direction to the Energy Commission on various electricity issues, including supply and prices, and credit policies can influence both.

For example, credit policies can have a significant impact on the cost of financing generation projects. They can present barriers to pursuing projects in California and to providing competitively priced electricity to California ratepayers. Credit requirements are ultimately reflected in higher developer revenue requirements and higher ratepayer electricity costs. Credit requirements have also been identified as a barrier to achieving California's goal of 20 percent renewables by 2010.

Wholesale electricity buyers need appropriate financial protection. At the same time, consumers are interested in obtaining the lowest possible price, consistent with prudent business practices. Solutions that could lower the effective cost of capital to help lower generation revenue requirements and electricity prices should be examined.

## **Agenda**

The Energy Commission will publish an agenda for the workshop two weeks prior to the workshop. The agenda will include a schedule, specific workshop topics, and workshop participants. The agenda will be distributed to the same mailing list as this notice.

## **Written Comments**

Written comments on the workshop topics are welcomed and must be submitted by 5:00 p.m. on July 11, 2006. Please include the docket numbers 03-RPS-1078 and 06-IEP-1 and indicate California Credit Policies in the subject line or first paragraph of your comments. Hand delivered or mailed comments need to include an original plus 20 paper copies to:

California Energy Commission  
Dockets Office, MS-4  
Re: Docket Nos. 03-RPS-1078 and 06-IEP-1  
1516 Ninth Street  
Sacramento, CA 95814-5512

The Energy Commission encourages comments by e-mail. Please include your name and/or organization in the name of the file. Those submitting comments by e-mail should provide them in either Microsoft Word format or as a Portable Document (PDF) to [docket@energy.state.ca.us]. **One paper copy** must also be sent to the Energy Commission's Docket Unit.

## **Workshop Report**

The Energy Commission will publish a report summarizing information and comments presented at the workshop and in subsequent written comments. You will receive a notice of availability of the report and information on how to obtain a copy when it is completed.

## **Workshop Transcript**

After the workshop, a transcript of the proceedings will be posted on the Energy Commission's website at [www.energy.ca.gov/portfolio/index.html] and [www.energy.ca.gov/2007\_energypolicy/index.html].

## Public Participation

The Energy Commission's Public Adviser, Margret J. Kim, provides the public assistance in participating in Energy Commission activities. If you want information on how to participate in this forum, please contact the Public Adviser's Office at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at [pao@energy.state.ca.us]. If you have a disability and require assistance to participate, please contact Lou Quiroz at (916) 654-5146 at least five days in advance.

Please direct all news media inquiries to Claudia Chandler, Assistant Executive Director, at (916) 654-4989. If you have questions on the technical subject matter of this forum, please call Chuck Najarian, Advisor to the Chairman by phone at (916) 654-4079 or by e-mail at [cnajaria@energy.state.ca.us].

\_\_\_\_\_/signed/\_\_\_\_\_  
JOSEPH F. DESMOND  
Chairman and Presiding Member  
Electricity Committee

\_\_\_\_\_/signed/\_\_\_\_\_  
JOHN L. GEESMAN  
Commissioner and Associate Member  
Electricity Committee

Date Mailed: May 8, 2006

Mail Lists: 5503 Existing Renewables  
5504 New Renewables  
5505 Emerging Renewables  
5506 Consumer Education Renewables  
5507 RPS  
energy policy e-mail list server  
renewables e-mail list server

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<sup>i</sup> Public Utilities Code Sections 383.5 and 445 were amended and recast as Public Resources Code Sections 25740 and 25751 pursuant to SB 183 (Sher, Statutes 2003, Chapter 666).

Note: California Energy Commission's formal name is State Energy Resources Conservation and Development Commission.