



Date: June 20, 2008

To: Senator Joe Simitian (Chair)
Senator George Runner (Vice Chair)
Senator Samuel Aanestad
Senator Ellen Corbett
Senator Dean Florez
Senator Sheila Kuehl
Senator Alan Lowenthal Hancock – Chair,

FROM: Gabe Petlin, 3Degrees, San Francisco, CA,
President, Renewable Energy Marketers Association
Board Member, Renewable Energy Marketers Association

RE: AB 1851

Dear Senate Environmental Quality Committee,

It is our understanding that the Senate Environmental Quality Committee (EQ) will review AB 1851 on Monday, June 23. We feel it is important as you consider this proposed legislation that you are aware of the concerns of the Renewable Energy Marketers Association (REMA). REMA is a trade association of interested entities involved in the creation, supply, purchase, sale, advocacy, and education about Renewable Energy and Renewable Energy Certificates (RECs).

REMA has previously submitted comments directly to Senator Don Perata's office regarding SB 1762, which raises similar issues to AB 1851. Specifically, in our earlier comments (attached), we raised concerns regarding the intended or implied regulation of voluntary renewable energy credits (RECs). These issues do not appear to be addressed in SB 1762 as currently amended. Similarly, AB 1851 raises similar concerns by not addressing explicitly the impacts on the REC market.

Accordingly, we would like to express our opposition to AB 1851 without amendments that sufficiently address concerns regarding the market for RECs, similar to what we have proposed for SB 1762. The bill in its current form introduces tremendous uncertainty into this vibrant market. As noted in our earlier comments, the voluntary market for green

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power, renewable electricity and independently marketed renewable energy certificates (RECs) grew by 62% in 2004, 37% in 2005, and 40% in 2006. The market for voluntary sales is now driving as much renewable energy technology as the markets created by statutory compliance obligations. We believe that this bill should be amended to explicitly allow the continued marketing of RECs. We believe it would be unfortunate to shut down this voluntary renewable market with such a high penetration of consumer protection oversight.

REMA greatly appreciates Senator Perata's leadership on renewable energy and consumer protection. As described, we sent a letter earlier this month outlining our concerns with SB 1762 and including proposed amendments. We have seen the latest amended bill and do appreciate that one of our suggested amendments was adopted.

However, our primary concern about the REC market remains unaddressed in both SB 1762 and AB 1851. Therefore, despite the positive intentions of the bill, we are opposed to AB 1851 unless amended.

For your consideration, we are attaching our original letter regarding SB 1762 with original proposed amendments.

Thank you for your time and attention.

PLEASE NOTE: The views expressed by REMA in this letter do not necessarily represent the views of each individual member company.

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