



**Assemblymember Rudy Salas, 32<sup>nd</sup> District**  
**ASSEMBLY BILL 2700 – ENERGY PROCUREMENT**  
FACT SHEET

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**ISSUE**

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The California Public Utilities Commission (CPUC) reviews and approves electricity procurement plans and renewable energy contracts proposed by investor owned utilities. The CPUC specifically requires that they procure resources that are the least cost, best fit alternatives (LCBF).

California has a diverse and abundant supply of new and existing intermittent and baseload renewable resources. However, the utilities’ portfolios have become less diverse over time. The procurement of new wind, solar, thermal, and solar PV has gone up dramatically while the procurement of biomass and geothermal has significantly declined.

Other forms of renewable energy naturally fluctuate and introduce uncertainty to the electric grid. In contrast, biomass energy is highly reliable, and can be strategically scheduled to provide power during peak electricity-demand hours. California is in danger of losing the only asset it has to divert wood waste materials. To date, California has closed five biomass facilities, a loss of 108 megawatts of renewable power and hundreds of jobs.

It is important to promote a policy that will help ensure the state’s renewable portfolio standard procurement process creates a more level playing field and evaluates all renewable resources comprehensively. The result will be a more diverse and cost-effective portfolio of renewable energy resources, which will help to balance the grid and maintain reliability while keeping consumer electric rates affordable.

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**EXISTING LAW**

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Existing law establishes procurement requirements that electrical corporations and public utilities must meet in order to attain, or exceed, a target of 50% renewable generation in their electricity supply portfolios by 2030.

Existing law states that the objective of the program is to ensure that the most cost-effective and efficient investments in renewable energy resources are vigorously pursued and that the objectives of the program shall be to increase renewable generation from facilities located in state, while protecting system reliability, fostering resource diversity and obtaining the greatest environmental benefits for California residents.

Existing law further requires utilities to give preference to renewable energy projects that provide environmental and economic benefits to communities afflicted with poverty or high unemployment, or that suffer from high emission levels of toxic air contaminants, criteria air pollutants, and greenhouse gases.

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**THIS BILL**

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AB 2700 requires the CPUC to update the LCBF criteria so that this analysis comprehensively reflects the values appropriately outlined in statute of particular renewable resources. This is significant given the range of renewable procurement options available to California public utilities.

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**FOR MORE INFORMATION**

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