



April 27, 2020

The Honorable Susan Talamantes Eggman
 State Capitol
 Room 4117
 Sacramento, CA 95814

Re: OPPOSE March 3, 2020 Eagle Crest amends to AB 2255

Dear Assemblymember Eggman

We write to express our opposition to the March 3, 2020 proposed amends to your AB 2255 legislation (“Proposed Amended AB 2255”). As we have previously written, we oppose legislation directing the procurement by the California Independent System Operator (“CAISO”) of expensive long-duration bulk storage, such as the proposed Eagle Crest pumped energy storage project in the Eagle Mountains, surrounded by Joshua Tree National Park. This bill is unnecessary as the California Public Utilities Commission (“CPUC”) recently adopted an Integrated Resource Plan (“IRP”) Decision on this very issue and further the bill lacks urgency as it does not address any of the critical needs and challenges that we face as a result of the COVID-19 pandemic.

While advocates of the proposed Eagle Crest project frame the amendments as a study, it will unfortunately result in a multi-billion dollar ratepayer-funded bailout of the failing project. We respectfully ask you to not advance this effort.

The Proposed Amended AB 2255 props up one project, Eagle Crest. Using an arbitrary combination of sideboards, including cherry-picked modeling inputs, a project completion date of 2030, and the precedent-setting designation of the CAISO as a pumped-storage procurement entity, the bill stages the “study” to produce one outcome: the procurement of the Eagle Crest

project. This mirrors the past two Eagle Crest Bailout bills which required the stacking of the deck in order to make the project pencil out.

The advocates of the Proposed Amended AB 2255 claim the bill is necessary because the CPUC neglects to include pumped storage in its planning. Yet just last month on March 26, 2020, after over a year of stakeholder engagement, the CPUC adopted an IRP Decision with considerable allocation toward long-duration storage (973 MW and 1,600 MW per two adopted scenarios), which includes pumped storage. While Eagle Crest advocated for the expeditious allocation of over 2,000 MW of pumped storage to prioritize its large 1,300 MW project over other long-duration technologies and projects that are more viable and economical, the CPUC has a mission to protect ratepayers from unnecessary projects and costs.

The recent IRP Decision makes it clear that Eagle Crest should continue to operate within this existing process rather than seeking a legislative workaround for the third year in a row.

While we are in a middle of a global pandemic that is causing severe unemployment and lost wages, we believe it is imprudent for the Legislature to undermine existing regulatory procedures that will ultimately lead to significant burdens to ratepayers.

Sincerely,

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