CALIFORNIA PUBLIC UTILITIES COMMISSION

Workshop on Successors to Current Net Energy Metering Tariff

March 23-24, 2021

FOUNDATION WINDPOWER

The Foundation Proposal

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- **Retain Option to Generate Cost-Effectively on Current NEM Tariff. Medium/Large Commercial, Industrial & Agriculture ("MLCIA") Customers Using Modern Utility-Scale Turbines (≥ 1.0 MW) Eligible to Elect Between (A) Operating Under Current NEM Tariffs or (B) Opting Into Any New Compensation Adopted as a Successor to the Current NEM Tariff.**

- **Leverage Benefits of Advancing Wind Energy Technology. Smallest Utility-Scale Turbines May Exceed Onsite Load. Successor Tariff Should Not Disincentive Use or Foreclose Access to Benefit for Entire Grid.**

- **Utilize Untapped Wind Energy Capacity. End NEM 1.0's 1.0 MW Cap, Which Irrationally Forces Wind Generators to Reduce Production Below Manufacturer's Nameplate Capacity.**

The MLCIA Customer Group ≠ Cost Shift

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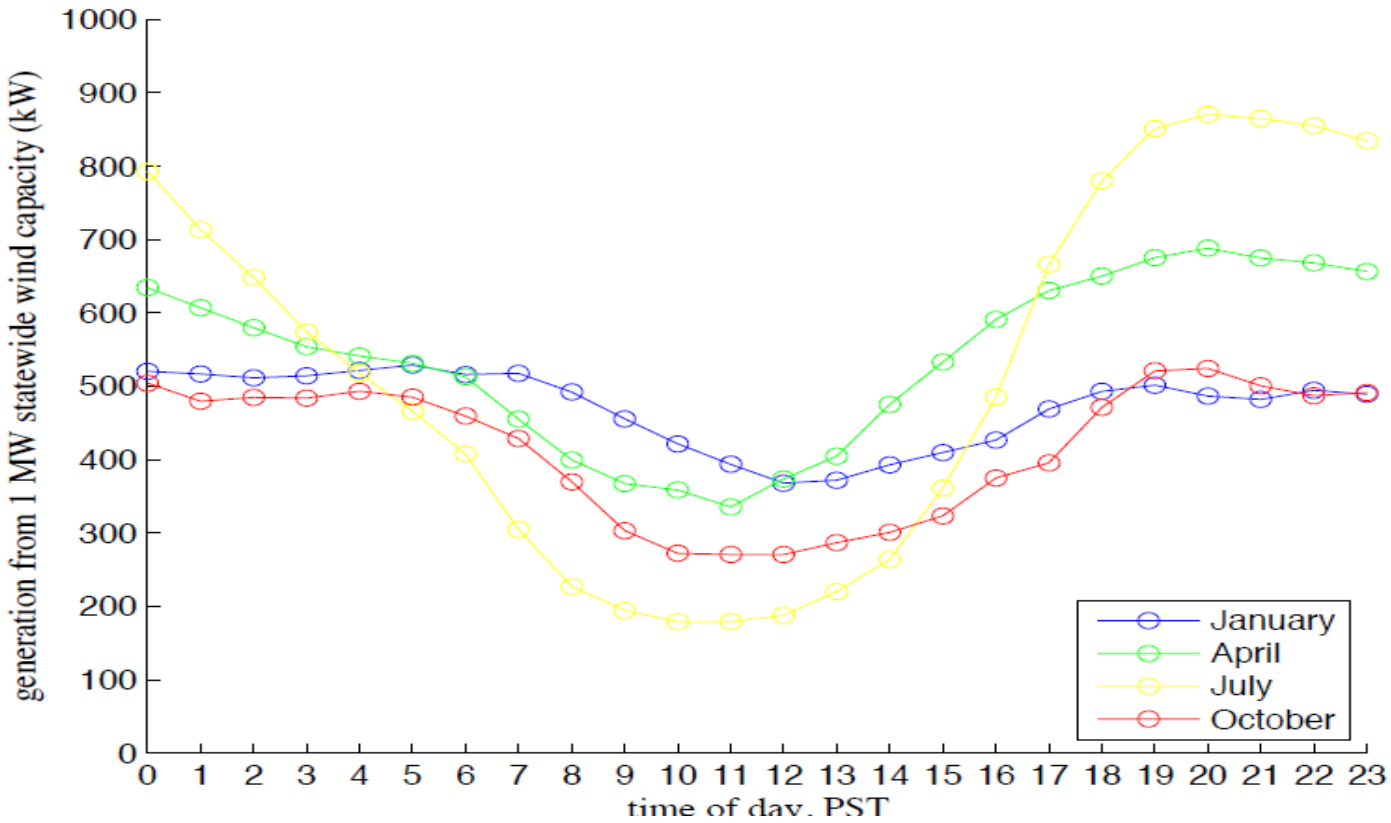
- **TOU Rates with Substantial Fixed & Demand Charges**
- **Loads > 500kW.**
- **Rule 21 Interconnection Costs Borne by Customers**

By any applicable measure, when these customers deploy wind behind-the-meter, they are NOT a source of cost-shift to non-participating customers.

Plus, C&I Customer Bills Exceed Cost of Service Before & After NEM

California Wind Resource – Energy When It Is Most Needed



The wind resource in California is most abundant during the State's crucial peak periods. Over time, this additional supply reduces cost to all ratepayers.

The Salinas Valley Example

Salinas Valley wind turbines reach **capacity factors of 80-90%** and deliver 25% of annual output during the 6.8% of the hours that comprise peak billing on the PG&E B20 tariff.

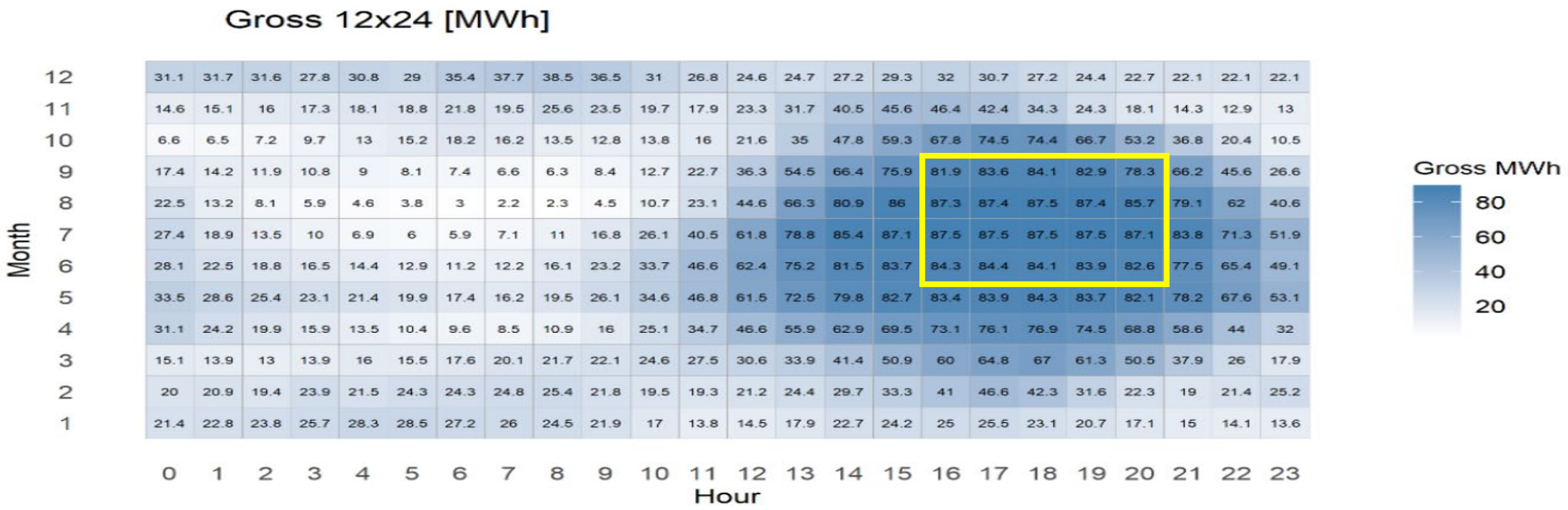
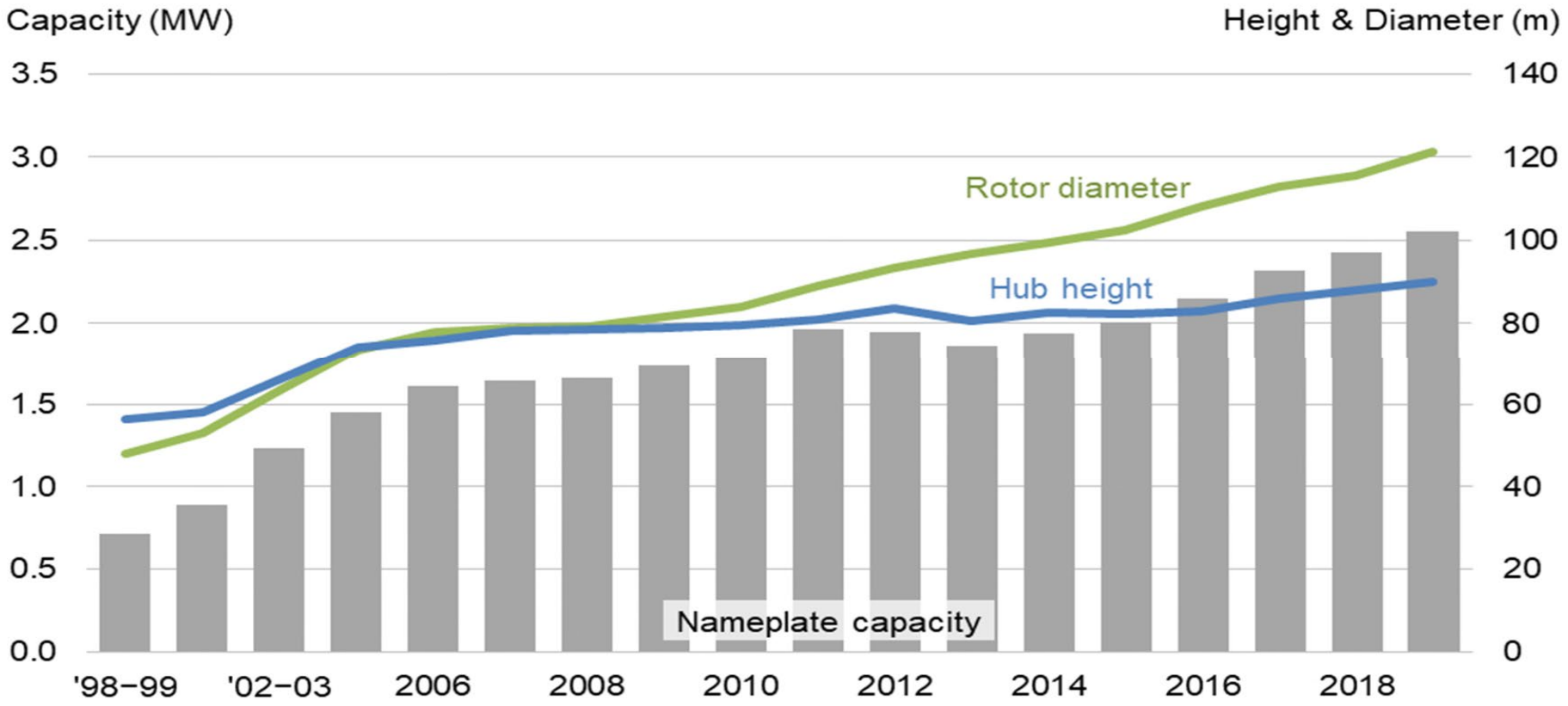


Figure 10: Gross Energy 12x24 Matrix

Source: AWS Truepower forecast for a Foundation Windpower Salinas Valley wind project. Peak hours highlighted illustrates the heavy peak concentration

Average Nameplate Capacity Increases over Time – 2019 Average = 2.55MW Capacity



Source: Lawrence Berkeley National Laboratory, Wind Energy Technology Update: 2020 Edition (Aug. 2020)

Successor to Current NEM Tariffs Must Avoid Unnecessary Limits on Customer and Grid Access to Significant Advances in Wind Technology.

The Foundation Proposal - Conclusions

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- Keep what is working – MLCIA customers using wind **do not cause cost shifts**.
- Encourage deployments to **harvest valuable wind resource during peak periods**.
- **Remove unnecessary size limits** to access best available wind energy technology.
- **Economic boost** for California rural/industrial sector. Jobs, economic stability and **property tax revenue**.

The Foundation Proposal – Timing Issues

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- Foundation Proposal can coexist with other successors to NEM Tariff. Best to act soon to capture remaining federal tax credits for wind before 12/31/21 expiry.

- Due to long lead times and substantial upfront investments in development and interconnection, projects underway (with interconnection application and study fee paid) should be exempt from any tariff changes.

THANK YOU

Q & A ??

Additional Questions? Please contact Steve Sherr at (415) 519-4435
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