



California Public Utilities Commission
505 Van Ness Ave., San Francisco

FOR IMMEDIATE RELEASE

PRESS RELEASE

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

CPUC RELEASES ANNUAL REPORT ON RENEWABLE COSTS AND COST SAVINGS

SAN FRANCISCO, May 4, 2021 – The California Public Utilities Commission (CPUC) released its annual report on the costs and cost savings of the Renewables Portfolio Standard (RPS) program. The CPUC reported that RPS procurement expenditures increased for all load-serving entities on a per gigawatt-hour basis, with the exception of the small and multi-jurisdictional utilities. The report also shows increased procurement of more diverse technologies such as bioenergy, geothermal, small hydro, and wind.

In its 2021 Padilla Report to the Governor and the Legislature regarding the costs of all electricity procurement contracts for eligible renewable energy resources, the CPUC reported that the average price of RPS contract costs increased from 2.8 ¢/kWh in 2019 to 3.5 ¢/kWh in 2020. This increase is due to more diversified procurement of renewable generation from technologies that are higher in price compared to solar PV as the primary technology procured in 2019.

Among the report's findings:

- Large investor-owned utilities' total annual RPS procurement expenditures increased slightly from \$5.4 billion in 2019 to \$5.5 billion in 2020 while increasing total renewables generation from 51,599 GWh to 53,366 GWh, resulting in a 2020 RPS percentage retail load of 43%. The increase in costs is higher than the increase in renewable generation, thus there was an increase in renewables expenditures on a per GWh basis.
- Small and multi-jurisdictional utilities total annual RPS procurement expenditures increased from \$14.1 million in 2019 to \$21.7 million in 2020 while total renewables generation



increased from 328 GWh to 540 GWh, resulting in a 2020 RPS percentage of retail load of 29%. This reflects a decrease in renewables expenditures on a per GWh basis.

- Community choice aggregators' total annual RPS procurement expenditures increased from \$385 million in 2019 to \$491 million in 2020 while renewables generation increased from 19,593 GWh in 2019 to 23,928 GWh in 2020, resulting in a 2020 RPS percentage of retail load of 41%. This reflects a slight increase in renewables expenditures on a per GWh basis.
- Renewables generation under contract to electric service providers decreased from 9,648 GWh in 2019 to 7,086 GWh in 2020, resulting in a 2020 RPS percentage of retail load of 32%, and total annual RPS procurement expenditures by ESPs decreased from \$127 million in 2019 to \$115 million in 2020. This reflects an increase in renewables expenditures on a per GWh basis.
- The large investor-owned utilities' average procurement expenditure for all RPS contracts online increased slightly from 10.23 cents per kilowatt-hour (¢/kWh) in 2019 to 10.37 ¢/kWh in 2020. In contrast, the average cost for non-RPS energy was 9.94 ¢/kWh. This represents a 0.43 ¢/kWh cost premium compared to their average non-RPS procurement expenditure.

The California RPS program requires investor-owned utilities, electric service providers, and community choice aggregators to procure 33 percent of retail sales per year from eligible renewable sources by 2020 and 60 percent by 2030. In 2018, Senate Bill (SB) 100 was signed by then-Governor Brown, setting a target goal of a 100 percent carbon free electric grid by 2045.

The report is available at www.cpuc.ca.gov/RPS_Reports_Data.

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit www.cpuc.ca.gov.

###

