

Governor seeks delay in renewable energy rule

Josh Howard, Capitol Weekly, 7-21-10

Gov. Arnold Schwarzenegger has asked the state's air-quality enforcers to postpone a rule to require 33 percent of the power used by utilities to come from renewable sources such as wind and solar energy. Schwarzenegger asked the Air Resources Board to delay until September its adoption of the new regulation, which had been expected this month.

The Republican governor said he made the request because of "ongoing discussions with legislative leaders to develop a bill that I can sign." If those negotiations don't prove fruitful, the ARB "will be ready and able to adopt the regulations at that time (in September)," the governor wrote in a July 15 letter to ARB Chairwoman Mary Nichols. The letter in its entirety can be viewed [here](#).

The governor's action is the latest in a series of confusing twists and turns related to what is called the Renewable Portfolio Standard, or RPS, which sets a benchmark for the amount of clean-energy power used by California's major utilities. The existing law requires a 20 percent RPS by this year – a target that no utility has met.

The dispute is not over the 33 percent benchmark, although that figure has drawn the most public attention. Rather, it is over the source of the renewable energy, where it can be procured and to what extent California's renewable companies will provide it.

Generally, the administration favored allowing a greater proportion of out-of-state renewable energy than do environmentalists, who contend it is harder to verify the out-of-state power as truly green.

Legislation to boost the RPS to 33 percent, SB 14 by Sen. Joe Simitian, D-Palo Alto, was approved last September by the Legislature but vetoed by the governor, who objected to limits place on the procurement of renewable energy from out-of-state sources.

As soon as he vetoed the bill, the governor issued an executive order requiring a 33 percent threshold, and authorized the ARB to develop an RPS rule.

That action caught environmentalists by surprise, in part because the ARB deals with air pollution and greenhouse gas issues, but not with renewable energy, which is viewed as within the purview of the California Energy Commission, which licenses power plants, or the Public Utilities Commission, which regulates California's investor-owned utilities.

Indeed, the PUC *had* developed a renewable energy policy and adopted it – a policy that drew support from environmentalists – but quickly rescinded it under pressure from the administration, which sought the ARB regulation.

The combination of two agencies working on a renewable energy rule, coupled with the governor's executive order has led to some confusion about the state's renewable energy policy.

New legislation authored by Simitian, SB 722, is intended to accommodate the issues raised by the governor in his veto of the earlier bill. Some in the negotiations over Simitian's bill believe legislation is necessary to

establish a permanent policy, noting that an executive order could be rescinded by the new governor who will take office next year.

There also is a clock ticking on the RPS: Some companies seeking to establish solar-power facilities in the Mojave Desert are hoping to obtain federal economic stimulus dollars, but that money may be threatened unless a state RPS policy is in place by the end of the year. By one estimate, the companies would provide about 14,000 megawatts of solar-generated power.