

State air board OKs 33% renewable energy rule

Wyatt Buchanan, San Francisco Chronicle, 9-24-10

SACRAMENTO -- The California Air Resources Board approved one of the strictest renewable energy regulations in the nation Thursday, requiring utilities to get a third of their energy from renewable resources by 2020.

The action came after the Legislature failed last month to pass a bill that would have put such a standard into law and the board and other groups said they will continue to press for that to happen.

The board also approved greenhouse gas reduction targets for different regions of the state aimed at containing urban sprawl and reducing the use of motor vehicles. Both were unanimously approved.

Air board chairwoman Mary Nichols said approving the 33 percent standard after the Legislature ran out of time in its session to do so will help "move the ball forward."

It is important the board "put something in place that only sends strong, positive messages to the market," Nichols said. Clean-energy investors and manufacturers have expressed concerns that inaction by the state would harm the development of the sector.

Removing tons of gas

When fully implemented, the renewable energy standard will remove between 12 million and 13 million metric tons of carbon dioxide per year, along with other pollutants, according to the air board. It also will be one the more important steps toward meeting California's greenhouse gas reduction law, AB32, which requires the state return to 1990 emissions levels by 2020.

By that year, the cost of implementing the regulation will be \$2.5 billion, which would increase energy costs by less than one cent per kilowatt hour, according to the board staff. The average household in California uses 587 kilowatt hours per month, according the U.S. Department of Energy.

Utility companies and environmental groups said they generally supported the adoption of the regulation, though utilities are pressing for changes in penalties if they miss the goal - the current penalties could result in fines of several billions of dollars per day - while environmentalists want tighter restrictions on credits for energy from renewable sources.

"We generally support the approach they took," said Cindy Pollard, spokeswoman for Pacific Gas and Electric Co., adding later, "Overall, PG&E is committed ... to reducing the effects of greenhouse gases."

'Stop-gap measure'

Laura Wisland, clean energy analyst for the Union of Concerned Scientists, said the regulation was needed, but added, "We believe this is a stop-gap measure and not equal to ... establishing 33 percent in law."

Gov. Arnold Schwarzenegger issued an executive order calling for the regulation last year, after vetoing a bill to create such a program because he disliked the details. The governor has said he wants to see a bill passed before he leaves office next year.

The air board also adopted regional targets for greenhouse gas reductions that were mandated by SB375, passed by the Legislature and signed by Schwarzenegger in 2008.

The bill seeks to reduce greenhouse gas emissions by limiting urban sprawl and vehicle use. The goal is to have people live closer to where they work and shop, along with developing transit. The reduction levels are not specific regulations, but are targets that if met would result in areas receiving other incentives such as streamlined permit processes.

Various targets

The board adopted different targets for different areas of the state, with the first coming in 2020 and the second in 2035. For the Bay Area, the targets are a 7 percent reduction by 2020 and a 15 percent reduction by 2035.

The targets adopted by the board for the Los Angeles region were higher than the planning body there had called for, though the numbers will be re-evaluated. Officials with the Southern California Association of Governments had asked for a 6 percent reduction by 2020 and 8 percent by 2035, but the air board approved 8 percent by 2020 and 13 percent by 2035.

In the Bay Area, the Metropolitan Transportation Commission has received criticism because its own early analyses found the targets could be unachievable. But Steve Hemminger, executive director of the commission, said the staff there had updated that outlook and that reaching the goal would be possible.