



California Energy and Environment Update
January 25, 2011

California delays release of new greenhouse gas standards for light-duty vehicles to coordinate with federal government

The California Air Resources Board (CARB) announced this week that it would delay its announcement of new greenhouse gas standards for light-duty vehicles until Sept. 1, the day the U.S. EPA and the National Highway Traffic Safety Administration will release their fuel efficiency standards for passenger cars and light-duty trucks built between 2017 and 2025. California, which is permitted under the Clean Air Act to implement its own rules, had been expected to announce its 2017-2025 standards as early as March.

CARB did not specify whether its standards would be the same as the federal ones. Nevertheless, it does suggest that the state is seeking alignment with federal policies. California agreed last year to comply with federal greenhouse gas standards that required a fleet wide standard of 35.5 miles per gallon.

EPA Administrator Lisa Jackson praised California's action as a successful example of federal-state cooperation.

Investor owned utilities report 650 megawatts of new renewable power came online in 2010

According to a quarterly report from the CPUC on the state's renewable portfolio standard (RPS), 653 MW of new renewable power came online last year under contracts with California's three investor-owned utilities (IOUs). This represents an increase of almost 100% versus 2009. Seventy percent of the new generation in 2010 (or 435 MW) came from in-state sources, and thirty percent was generated out of state. The IOUs together served over 15% of their 2009 electric load with renewable energy, up from 13% in 2008. Including the 653 MW added in 2010, the RPS program to date has 1,702 MW of new renewables in commercial operation. A copy of the report is available [here](#).

CPUC limits renewable energy credits from outside the state

The California Public Utilities Commission (CPUC) took its first major action of 2011 by limiting the amount of renewable energy credits California utilities can purchase outside the state. Under the new rule, in-state utilities must purchase at least 75 percent of their renewable energy credits, which are needed to meet California's Renewable Portfolio Standard, from inside California.

The rule, backed by California union and labor leaders, could impact the future of renewable energy development for nearby states including Nevada, Oregon, and Washington who have been feeding the state renewable energy through interstate transmission lines.

Brown can reshape CPUC and CEC through appointments

Governor Jerry Brown is considering several individuals including a notable industry critic to fill three vacant seats on the state's utilities commission by the end of the month. The CPUC has broad authority over the state's three investor-owned utilities and has also been placed in charge of executing Brown's plan to provide 12,000 megawatts of renewable energy to the state. Brown could choose to replace Commission President Michael Peevey who has served on the CPUC since March 2002.

Brown is reportedly considering John Geesman, a former California energy commissioner; Michael Florio, a ratepayer advocacy attorney; former state Sen. Dean Florez, who has held hearings about alleged smart meter inaccuracies; Catherine Sandoval, a communications law professor; and Julia Levin, a former California Energy Commissioner who also worked in the state attorney general's office under Brown. The governor could also reappoint Commissioner Nancy Ryan, who was appointed by former Gov. Arnold Schwarzenegger last year but who has not been confirmed by the state Senate.

Brown also must fill three vacant seats on the state's Energy Commission, which is in charge of setting energy efficiency standards for buildings and appliances and distributing permits for renewable energy plants.

Report calls carbon capture and storage a safe and viable option

A state-sanctioned panel of scientists, industry officials, and environmentalists has issued a new report stating that carbon capture and storage (CCS) is a necessary and viable option for state polluters to comply with state limits on greenhouse gas emissions.

After examining the uncertainties and perceived dangers surrounding injecting carbon dioxide into underground formations, the group decided the CCS technology should be included among the variety of measures authorized to reach A.B. 32 targets.

The report recommends the California Energy Commission be designated lead agency for regulating CCS projects under the California Environmental Quality Act and that the State Fire Marshal be lead agency for regulating the safety and operation of intrastate CO2 pipelines. A copy of the report can be found [here](#).