

January 30<sup>th</sup>, 2007

Hon. Robert Sawyer, Ph.D.  
Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95818

**Re: Early Action Measures – Renewable Electricity Generation**

Dear Chairman Sawyer:

Early Action Measures adopted by the California Air Resources Board (CARB) will play a crucial role if California is to achieve the climate emissions targets outlined in AB32. The world is on track for a climate disaster unless steps to reduce greenhouse gas emissions are taken immediately. In California though, some efforts to address climate change are already underway. The state's Renewable Portfolio Standard (RPS) sets goals of 20% renewable electricity by 2010 accelerating to 33% by 2020. AB32 assumes that these goals will be met on schedule, yet there are growing implications that this will not be the case. We urge the CARB to adopt an early action measure for an interagency review of renewable procurement practices investigating how the process can be consolidated or otherwise streamlined.

Over the past month both the California Energy Commission (CEC) and the California Public Utilities Commission (CPUC) have submitted reports to the Legislature documenting progress made towards the goals of the RPS. Though the reports show a difference in tone, one thing is undeniably clear: the goal of 20% renewables by 2010 will not be met. This news comes at a time when the state's procurement of renewable electricity must be continually accelerating. The implications for California's climate program are serious and should be addressed immediately. The RPS is seen as a principal measure to bring the electricity sector into compliance with climate emissions targets, thus if the RPS fails to achieve its goal, undue pressure may be put on other sectors of the economy in order to achieve the state's overall climate goals.

CEERT began our organization's AB32 implementation effort by modeling how the make up of California's electricity generation must change in order to comply with the new law. The task is daunting regardless of what boundaries you place on each scenario. However, one thing is clear: no matter how you look at it, the electricity sector must get to 33% renewables by 2020 in order to provide the emissions reductions mandated by AB32 (for more information please refer to attached document).

With the sluggish progress in the RPS program, accelerated procurement of renewables is in jeopardy and compliance with RPS or other climate goals cannot be taken for granted. Several state agencies are currently involved in efforts which will impact electricity procurement including CARB, CPUC, CEC and CalEPA. CEERT recommends that that these agencies perform an interagency review to assess where complimentary efforts may

be underway and where these efforts can be streamlined and consolidated. Specifically these agencies should:

1. Reassess the progress of the RPS program.
2. Assess options for the state's municipal utilities, not under the current RPS program, to meet the state's climate goals.
3. Assess implementation of SB 1368 (Perata) the state's greenhouse gas performance standard for electricity generation and linkages to other climate processes and renewable procurement.
4. Investigate consolidation of the RPS solicitation process into the long-term procurement proceeding at the CPUC.
5. In developing and implementing the CPUC's model rule for a load-based emissions cap these agencies should coordinate amongst each other, looking at how this rule will interact with other efforts and strive for further opportunities for consolidation.

Achieving the state's climate goals will take a dramatic shift towards an economy based on new energy sources. The utility sector and the RPS will be at the center of this shift and has the capability to lead the way. As the lead agency for the implementation of AB32 CARB must make sure that the effort gets back on the path towards a new energy economy. We appreciate your consideration of our suggestions and look forward to continued cooperation in fighting climate change.

Sincerely,

V. John White  
Executive Director