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California greenin'

Speed up the shift to renewable energy

GOVERNOR BACKED PLAN, MUST SIGN BILL

Renewable energy sources — solar, wind, geothermal, biomass and the like — provide about 11 percent of California's electricity.

California can do better: SB 107, now on the governor's desk, calls for requiring 20 percent of the state's electricity to come from renewable sources by 2010. Currently, the state's goal is 20 percent renewable by 2017.

The Energy Commission's 2003 report recommended accelerating that goal to 2010, and power companies are not opposed. Gov. Arnold Schwarzenegger should continue California's leadership on issues of alternative energy sources and environmentalism by signing this bill.

Renewable sources improve air quality, reduce dependence on foreign oil providers and limit the risk of another energy crisis like the one that sent bills soaring in 2000 and 2001.

Schwarzenegger has endorsed the 2010 goal, but he may be wavering on signing it into law, says Sen. Joe Simi-

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tian, D-Palo Alto, who co-sponsored the bill with Sen. Don Perata, D-Oakland. "Now it's a goal," Simitian says. "Do we mean what we say? Are we engaged to be engaged or are we married?"

Very few Republicans backed SB 107, citing the bill's complexity and the risk of raising energy costs.

However, Pacific Gas & Electric and Southern California Edison, the state's largest utilities, have endorsed it; San Diego Gas & Electric is neutral. The bill gives flexibility to utilities by creating a market in renewable energy credits: If PG&E is under 20 percent, it can buy credits from smaller companies closer to wind or geothermal sources that have exceeded 20 percent.

California has been talking for years about making a difference with renewable sources. It's time to get serious.

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Renewable energy bill becomes law STATE UTILITIES' GOAL IS 20 PERCENT BY 2010

By Paul Rogers

Mercury News

California's three major utilities, including Pacific Gas & Electric, will be required to provide 20 percent of their electricity from renewable sources such as solar, wind and geothermal energy within four years under a new law signed Tuesday by Gov. Arnold Schwarzenegger.

The bill, SB 107, by state Sen. Joe Simitian, D-Palo Alto, is intended to reduce fossil fuel use and help expand the state's alternative energy industry by generating increased demand.

"This provides an immediate response to the threat of global warming," said Simitian. "It improves air quality, reduces our dependence on foreign energy sources, and it reduces our risk of another energy crisis."

The state's major investor-owned utilities — PG&E, Southern California Edison and San Diego Gas & Electric — face fines that could reach into the millions if they don't have contracts in hand by Dec. 31, 2010, ensuring that 20 percent of their electricity comes from solar, wind, geothermal, biomass, tidal energy or hydropower from small dams.

The measure does not affect cities that run their own utilities, such as Palo Alto, Santa Clara and Los Angeles. But the "Big Three" utilities provide electricity to the majority of California's population.

Another front

The new law, which was endorsed by the Sierra Club and other environmental groups,

comes on the eve of another major environmental announcement by the governor. Schwarzenegger plans to sign a landmark global warming bill today at a ceremony on Treasure Island that would place a cap on emissions of greenhouse gases from California industry and power plants, requiring a 25 percent reduction by 2020.

All three major utilities initially opposed the bill that was signed Tuesday. But as parts of it were changed — one amendment allowed them to buy renewable power from out-of-state companies, not just in-state, for example — they dropped their opposition.

"Renewable power is more expensive power, but it is cleaner; it diversifies our overall portfolio, it lessens our dependence on natural gas and bottom line, it's the right thing to do," said Brian Sweeney, a PG&E spokesman.

Utilities on target

Currently 13 percent of PG&E's electricity, 16 percent of Edison's and 6 percent of San Diego Gas & Electric's come from renewable sources. All three said Tuesday they have been signing contracts at a steady clip and expect to make the 2010 deadline.

The new law accelerates a law already on the books that set the 20 percent renewable requirement for 2017. The state Public Utilities Commission had also imposed a 20 percent rule by 2010, but that didn't have the permanence of law.

"This makes it more credible," said Frank Wolak, an economics professor at Stanford University.

"The utilities haven't been dragging their feet, but they haven't been running out to get it done," he said. "It's like when a student has a paper due in a month, but they wait until a few days before it's due. They wanted to know if California was serious."

Although electricity from renewable sources can cost 30 to 50 percent more than electricity from natural gas, Wolak said, he doesn't expect the new law to drive consumer bills up.

That's because the additional renewable energy the law requires will make up a relatively small part of the overall electricity supplied, Wolak said. Also, ratepayers are paying now for costs incurred during the blackouts of five years ago, and those costs will gradually decline in the coming years, helping to offset any increase, he said.

Twenty-two states now have similar mandates for renewable energy.