

Peter Asmus: How to meet Brown's aggressive climate change agenda

By Peter Asmus Special to The Bee

Living in California, it's easy to forget that the rest of the world doesn't always see things in the same light. Given the ambitious energy and climate change goals [outlined in Gov. Jerry Brown's inaugural address](#) this divergence may only grow.

What exactly did the governor propose? Here are two important targets he set for the state on energy:

- Increase the target under the Renewable Portfolio Standard from 33 percent of the state's electricity derived from renewable sources by 2020 to 50 percent by 2030.
- Double the efficiency of energy use in existing buildings while also making heating fuels cleaner, also by 2030.

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[According to Bloomberg New Energy Finance](#), low-carbon, clean energy investments jumped by 16 percent last year worldwide, totaling \$310 billion, a five-fold increase from 10 years ago. Brown's targets could help California lead the United States in technology and economic development linked to climate-friendly pursuits, such as renewable energy, electric vehicles and smart building innovations.

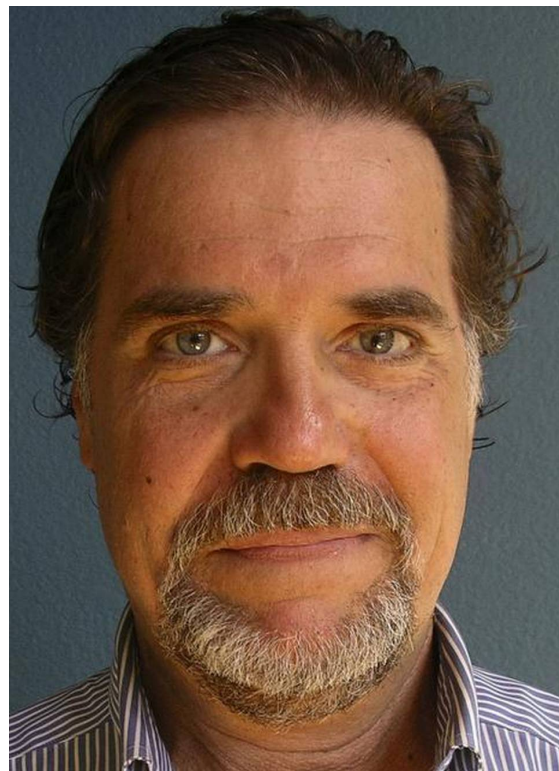
But how will we get there?

If California wants to succeed on the two ambitious goals, here are five things that need to happen.

First, the Legislature will have to codify these goals into legislation so they will have the force of law. The danger is that these laws must not be too prescriptive and become hijacked by special interests. There is clearly a need for flexible implementation strategies.

Second, our maze of regulatory institutions must stop feuding and get on the same page. Progress has been made, but we have at least four state institutions that will make decisions determining the outcome of Brown's energy goals: the Public Utilities Commission, Energy Commission, Air Resources Board and the Independent System Operator. Jurisdictional turf wars must not get in the way of progress, or these goals will be doomed.

Third, the list of groups that can capture revenue from these goals must be as broad as possible, ranging from the state's powerful private utilities and large oil companies to the small upstart in somebody's garage. The last thing we want to do is preclude the next Apple from bringing innovation to the challenge of climate change. Legislation and regulations designed to carry out Brown's goals should specifically authorize the broadest amount of market participants.



Fourth, the scale of solutions will need to range from large wind farms to small rooftop solar PV systems. The greatest emphasis should be on solutions for individual consumers, such as smart thermostats and appliances that can be adjusted according to real-time market conditions. California is the perfect testing ground for a massive rollout of these empowering devices. We are lagging behind the rest of the country on these low-cost consumer options.

Fifth, and probably most important, is that private utilities such as Pacific Gas & Electric Co. will need to create new business models. Today, they are conflicted when it comes to embracing new technological advances and the desires of shareholders desperately holding on to the status quo. If we all want solar panels on our rooftops, then the system that we are plugged in to – the utility grid – must be upgraded to look more like the Internet. That may require utilities to reinvent themselves and shift from monopolists to common carrier service specialists.

Of course, the governor addressed California's biggest climate change problem with another goal: reduce petroleum use in cars and trucks by as much as 50 percent by 2030. Transportation is our biggest climate conundrum, representing roughly 40 percent of the state emissions. This goal will require a much greater reliance upon electric vehicles, which will be a major threat to oil companies. The energy goals are also relevant to our transportation options, as they will increasingly be dependent upon low-carbon renewable fuels.

What, then, about oil companies? Many, such as Chevron, have retreated from clean energy products and projects. This is a mistake. Perhaps the recent slide in oil prices will stimulate some re-examination of its long-term future. Already, some companies are working with local governments, like Shell's effort in Marin County to reduce carbon in electricity generation. Like large private utilities, oil companies will need to reinvent themselves. Low gas prices are great for consumers, and they may also force oil companies to seek new roles in the emerging energy economy.

In his speech, Brown proclaimed that California is likely to meet its Assembly Bill 32 goal of reducing emissions of greenhouse gases by 2020. Despite a long list of hiccups and controversies, this apparent success gives credence to the idea that California is on the right path.

When I first started covering wind power in the 1980s for the national trade press, I often dealt with skeptical East Coast editors. "Do those wind turbines really work?" they would ask. "Isn't that just one of those California things?"

This was, of course, during Brown's first tenure as governor, when he was dubbed "Governor Moonbeam" by the national press. From a handful of wind farms jump-started by deeply flawed but effective tax credits, a global industry was spawned that now generates almost 3 percent of the world's electricity. Without California's initial program, which drew entrepreneurs and investors from around the world to develop the new technology, a global market would not exist today. However, California has now fallen behind Texas and Iowa in wind energy production.

If California is going to meet Brown's new goals, the state will need to reinvent its governmental institutions and foster a spirit of creative collaboration between government, private industry and powerful groups, such as the environmental community. That happened in the '70s due to the oil crisis and a sense of emergency. A similar sense of purpose on climate change has yet to take hold.

Waiting until we get things perfect is the enemy. There is no time to waste. We all must put aside preconceived notions about ideology and boldly step forward, realizing that knee-jerk reactions from the right and left will not work. There must be a new middle way, something that actually works.

Peter Asmus has been covering energy issues for more than 25 years. He is author of "Introduction to Energy in California" published by the University of California Press (www.peterasmus.com).