



SB 107 (Simitian/Perata) California Renewable Electricity Standard

Senate Bill (SB) 107 would expand California's existing Renewable Electricity Standard (RES), adopted in 2002 and sometimes called a Renewable Portfolio Standard (RPS). The RES requires the regulated electric utilities and competitive suppliers to increase their use of wind, solar and other renewable electricity sources by at least one percent per year of retail electricity sales, reaching at least 20% by 2017.

SB 107 amends that law by doing the following:

- ♦ Requires that the 20% goal to be reached by the year 2010.
- ♦ Requires the California Energy Commission (CEC) to study and report to the Legislature the feasibility of expanding the renewables goal to 33% by 2020.
- ♦ Requires that all investor-owned and municipal utilities to address carbon emissions in their long-term or procurement plans, respectively.
- ♦ May establish a system of tradable renewable energy credits (RECs) to facilitate timely, cost-effective and accurate compliance with the RPS law.

Background: Clearing the Air

Currently, nearly half of California's heat-trapping greenhouse gas emissions result from energy used in power plants, industry, businesses, and homes. Electric power production alone accounts for 30% of the state's emissions. Thus, obtaining a greater percentage of electricity from clean, renewable sources would help to address global warming by reducing these heat-trapping gas emissions.

Moreover, a strong renewable energy standard will improve the air we breathe by shifting away from an over-reliance on fossil fuels toward cleaner sources that emit less smog-forming pollutants.

California's three major investor-owned utilities are now soliciting renewable energy bids and are expected to sign long-term contracts during the first half of 2005.

A Renewable Leader: How California RES Compares with Other States

UCS projects that state RES laws, regulations, and special funds will provide support for more than 25,900 megawatts (MW) of new renewable power by 2017—an increase of 192 percent over total 1997 U.S. levels (excluding hydro). This represents enough clean power to meet the electricity needs of 17.2 million typical homes.

As the graph on the following page indicates, California creates the largest single market of all the states for new renewable energy growth. UCS projects by 2017 that the California RES will result in 6,750 megawatts of new renewable power and reduce carbon dioxide emissions alone by 18.7 million metric tons. This level of emission reductions is equivalent to taking 2.8 million cars off the road.

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Renewable Energy Expected from State Standards and Funds

