



California Energy and Environment Update
December 20, 2010

State regulators approve cap-and-trade plan

Last week the California Air Resources Board voted 9-1 to approve the state's landmark cap and trade plan, which aims to reduce emissions of the world's eighth largest economy to 1990 levels by 2020. The rules would set up the nation's largest carbon trading market as a way to enforce the state's cap on emissions, as required by AB32. The program targets 600 major sources of greenhouse gases that emit 25,000 tons or more of carbon dioxide equivalent annually. The European Union and Chinese and Canadian provinces are in various stages of discussion with California to link their carbon markets.

DOE and DOI release draft of Solar Energy Programmatic Environmental Impact Statement

As the latest in their efforts to streamline the siting and permitting of future projects, the Departments of Energy and Interior announced on Dec. 16 the release of a draft version of a Solar Energy Programmatic Environmental Impact Statement (PEIS). The agencies claim that it will create a long awaited framework of environmental standards and practices to ensure responsible solar project development on public land. The draft will include a section on the Bureau of Land Management's "Solar Energy Study Areas," which seek to identify areas in the West with good access to roads and transmission and relatively low environmental impacts. Five of the study areas covering 351,000 acres are in California. The draft also proposes to streamline the permitting process for projects in solar areas. DOI and DOE are looking for public feedback and have opened a 90-day comment period; they will also hold fourteen public meetings across the West and in Washington, D.C. The draft PEIS can be found at:

<http://solareis.anl.gov/documents/index.cfm>.

FERC approves California ISO plan

The Federal Energy Regulatory Commission (FERC) accepted last week a plan from the California Independent System Operator (CAISO) addressing how to plan and pay for new transmission development. CAISO will revise its transmission plan to create a new category of "policy driven" facilities to help meet the state's requirements to limit greenhouse gas emissions and to generate 33 percent of electricity from renewable energy. For those projects identified as "policy driven" or "economically driven," CAISO would waive the "right of first refusal." The right of first refusal would still apply to transmission needed for reliability. The plan supposedly would also encourage more statewide participation in the planning process and the development of a transmission plan for CAISO. The plans may have to be modified once FERC does finish its final rule on transmission planning.

Fisker to sell luxury electric cars in China

California-based electric car manufacturer Fisker Automotive, Inc. will open sales of its luxury electric car, the Karma, to China. The company will team up with China Grand Automotive Group to sell the cars. The Karma will make its debut in China at the Shanghai Auto Show in April and will reach markets in the fall.

Federal judge blocks major solar power project in California

A federal judge in the Southern District of California granted a preliminary injunction against a Tessera Solar project in the Imperial Valley. The court granted a request from the Quechan Tribe, which claimed that it was not sufficiently consulted about the project earmarked for 6,571 acres of federal land near El Centro. The tribe argued that the land has a long history of being used by American Indians and that the government failed to consult the tribe in detail about the potential damage caused by the solar project.

California Plug-in Electric Vehicle Collaborative releases report preparing state for launch of market

A Dec. 13 California Plug-in Electric Vehicle Collaborative report outlined a strategy designed to make the state a “model market” for plug-ins. The plan calls for public outreach to increase consumer knowledge as well as economic incentives to reduce the cost of the vehicles and ensure the reliability of the state’s power grid. For more information, see <http://www.evcollaborative.org/>.

State regulators relax diesel pollution rules

On Dec. 17 the California Air Resources Board voted unanimously to scale back the state’s diesel pollution regulations. Industry had asked for relief from compliance costs during the recession. Under the revised standards, the deadline for when filters must be installed in nearly all of the state's heaviest trucks was pushed back a year, to 2014. The state's fleet of medium-weight trucks no longer needs to install filters; however, under the new rule they must be retired when they are 20 years old. Environmental and health groups have issued concerns over the amendments, while equipment owners are asking for the regulations to be suspended altogether. Despite the roll-back, the state’s diesel rules remain the most stringent in the nation.

A new study funded in part by CARB and published in the journal *Atmospheric Environment* has found that two decades of state regulations on diesel emissions have helped to cut in half black carbon soot emissions levels in the state from 1989 to 2008. Black carbon soot is estimated to be the second or third greatest contributor to global warming and is a leading cause of respiratory disease.