



## **Westcarb: A Critical Response to California Energy Policy**

**Third Annual Westcarb Meeting**

*November 8, 2005*

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November 7, 2005



**Purpose: Why Westcarb Phase 2 is important to  
California**

### **Presentation Outline:**

- Energy Policy in California
- PIER: A Brief Description
- Where Westcarb Fits
- Some thoughts about Phase 2

The IEPR represents the joint consideration of the Energy Commission, the Public Utility Commission and the CA Independent System Operator. Other agencies were also part of proceedings. This IEPR is the second full report.

- **Efficiency and Demand Response**

- Increase emphasis on energy efficiency programs that provide peak savings
- Pursue cost-effective water efficiency opportunities
- Redouble efforts to implement demand response programs and tariffs and rapidly install advanced meters for all customers

- **Renewable resources**

- Expand RPS to energy service providers and community choice aggregators
- Apply the RPS targets, timelines and standards established for IOUs to POUs
- Address transmission constraints preventing access to promising renewable resource areas
- Repower aging wind facilities

- **Ensure Adequate Electricity Supplies**

- Adopt resource adequacy requirements for all load serving entities
- Procurement should allow for the orderly retirement/repowering by 2012 of aging power plants
- Encourage development of distributed generation resources, including combined heat & power

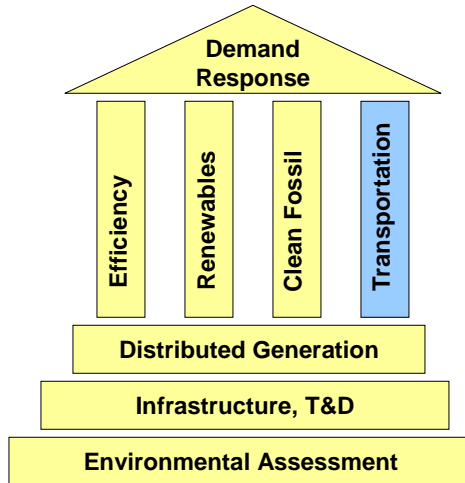
- **Transmission infrastructure**

- Transfer the siting functions for transmission lines from the CPUC to the Energy Commission
- Establish a state-wide transmission corridor planning process giving the Energy Commission authority to designate corridors

- Natural Gas
  - Natural gas efficiency is a priority in the Energy Commission's natural gas RD&D program.
  - Continue progress in increasing storage inventory
  - Need additional or modified pipeline infrastructure for California to access new liquefied natural gas supplies
  
- Transportation
  - Push increases in the federal CAFE standard by working with other states and stakeholders
  - Rapid deployment of alternative fuels
  - Develop "best permitting practice" guidelines to streamline petroleum infrastructure permitting

- Climate Change
  - The Governor's Climate Action Team to develop strategies to achieve Governor's ambitious targets
  - Benefits of reducing carbon generation should be internalized through tools like CPUC 'carbon adder'
  - The Climate Action Registry should continue efforts to collect data on greenhouse gas emissions
  
- GHG Performance Standard (Coal Policy)
  - A GHG performance standard to be applied to all utility procurement, both in-state and out-of-state, both coal and non-coal.
  - Any GHG performance standard for utility procurement should be set no lower than levels achieved by a new combined-cycle natural gas turbine

PIER's programmatic structure is determined by law and CEC policy guidance



- Energy Efficiency – Buildings, Industry, Agriculture, Water
- Renewables
- Clean Fossil
- Distributed Energy Resources
- Distributed Generation
- Infrastructure, Transmission & Distribution
- Environment – Impacts of Energy Technology, Climate Change Science
- Transportation

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## PIER Priorities Are Clear

- New integrated energy policy report research opportunities
  - Energy- water connection
  - Combined heat and power
  - Renewables intermittency issues
  - Expand Transmission systems research to include Distribution
  - Petroleum Reduction in transportation sector
  - Clean coal analysis as western states resource
- Climate change policy support
  - Climate and advanced economic models for California impacts
  - Carbon sequestration collaboration with US DOE
- Continue expansion of the natural gas program
- Establish the transportation program

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## Phase 2: The Road Ahead



- **Building on Phase 1**
  - Understanding of the Sources and Sinks
  - Assembly and organization of a diverse group of public and private partners
- **The Challenges of Phase 2**
  - New Partners
  - Multiple Capital Projects – Big Technology, Management Accountability
  - Visibility in Specific Communities
  - Public Accountability beyond Traditional Research Project

# Thank You