



Office of the Governor

ARNOLD SCHWARZENEGGER
THE PEOPLE'S GOVERNOR**EXECUTIVE ORDER S-21-09**

09/15/2009

WHEREAS the State of California is a world leader in efforts to reduce global warming and greenhouse gas emissions, increase renewable energy production, promote energy efficiency and energy conservation, improve clean air and emissions controls, expand the use of low carbon and alternative fuels and promote and commercialize new environmental technologies and industries; and

WHEREAS producing electricity from renewable resources provides multiple and significant benefits to California's environment and economy, including improving local air quality and public health, reducing global warming, diversifying our energy supply, improving energy security, enhancing economic development and creating jobs; and

WHEREAS California has and can access some of the best renewable energy resource areas in the world, providing immense potential for clean, valuable electricity generation, and the development of these resources must be accelerated and maximized; and

WHEREAS the Legislature enacted the California Global Warming Solutions Act of 2006 (Chapter 488, Statutes of 2006, hereinafter "AB 32"), wherein the Legislature declared that global warming poses a serious threat to the environment of California and created a comprehensive, multi-year program to reduce greenhouse gas emissions that cause global warming; and

WHEREAS AB 32 designated the Air Resources Board ("ARB") as the state agency charged with monitoring and regulating sources of greenhouse gas emissions in California; and

WHEREAS among other requirements, AB 32 directs ARB to design emissions reduction measures, adopt regulations requiring the reporting and verification of greenhouse gas emissions, including accounting for greenhouse gas emissions from all electricity consumed in the state, and develop emissions reduction measures, including limits on emissions of greenhouse gases applied to electricity and natural gas providers serving customers in California; and

WHEREAS substantially increased development of renewable energy, energy efficiency, and demand response are all needed to meet the greenhouse reduction goal of 1990 levels by 2020 and 80 percent below 1990 levels by 2050, making the success and expansion of renewable sources of energy a key priority for California's economic and environmental future; and

WHEREAS increased use of renewable electricity is one of the most promising means to reduce greenhouse gas emissions in the transportation sector and meet California's 2050 greenhouse gas reduction goals; and

WHEREAS fostering greater and more timely renewable energy development requires a more cohesive and integrated statewide strategy by California's energy and environmental agencies, including greater coordination and streamlining of the siting, permitting and procurement processes for renewable energy generation, improving the manner in which California develops its transmission infrastructure, and encouraging technically and economically feasible distributed renewable energy technologies; and

WHEREAS in 2002, Senate Bill 1078 added to Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code, a new Article 16 (commencing with Section 399.11) establishing the California Renewable Portfolio Standard (RPS) Program, which requires the State Energy Resources Conservation and Development Commission ("CEC") and the Public Utilities Commission ("PUC") to work collaboratively to implement the RPS Program; and

WHEREAS Senate Bill 1078 established a renewable energy standard and required electrical corporations to increase their total procurement of eligible renewable energy resources by at least 1 percent per year so that 20 percent of their retail sales are procured from eligible renewable energy resources by 2017; and

WHEREAS in 2003 Governor Schwarzenegger called for an acceleration of the RPS, urging that 20 percent of California's electricity come from renewable sources by 2010 rather than 2017, seven years earlier than previously required, and this accelerated standard became law in September 2006 when Governor Schwarzenegger signed Senate Bill 107; and

WHEREAS in 2003, the PUC and the CEC adopted the 2003 Energy Action Plan I, which accelerated the RPS 20 percent renewable energy goal to 2010; and

WHEREAS in 2006 Senate Bill 107 and Senate Bill 1036 further defined the roles and responsibilities of the CEC and PUC and accelerated the implementation of the RPS; and

WHEREAS as stated in Executive Order S-14-08, an increase in renewable energy production has multiple and significant benefits to California's environment and economy, including improving local air quality and reducing greenhouse gas pollution among other benefits; and

WHEREAS as stated in Executive Order S-14-08, increased development of renewable electricity sources, energy efficiency and demand response are needed to meet the greenhouse gas reduction goal of 1990 levels and 80 percent of the 1990 levels by 2050, making the success and expansion of renewable energy sources a key priority for California's economic and environmental future; and

WHEREAS the goals and purposes of the RPS Program and the goals and purposes of AB 32 are mutual and compatible because an increase in the use of renewable electricity will reduce greenhouse gas emissions; and

WHEREAS the joint and coordinated efforts of the energy and environmental agencies are intended to assure that the goals and purposes of these various programs will be implemented by investor-owned and publically-owned utilities to the maximum extent operationally and economically feasible and thereby will achieve the greatest results; and

WHEREAS the expansion of the RPS Program and the implementation of a complementary regulation under AB 32 designed to further reduce greenhouse gas emissions through the expansion of electricity production from renewable energy sources will advance the goals and purposes of both programs; and

WHEREAS the AB 32 Scoping Plan adopted by the ARB in December 2008 recommends achieving a statewide renewable energy mix of 33 percent as a key element for reducing greenhouse gas emissions to 1990 levels by 2020; and

WHEREAS such a complementary regulation under AB 32 will encourage the development and use of renewable energy beyond those required by the RPS Program; and

WHEREAS Executive Order S-14-08 established a target that all retail sellers of electricity shall serve 33 percent of their load with renewable energy by 2020; and

WHEREAS publically-owned utilities provide a significant amount of electricity in California and must be included in statewide efforts to reduce greenhouse gases from their systems in a manner that recognizes their individual circumstances.

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, by virtue of the power vested in me by the Constitution and statutes of the State of California, do hereby order effective immediately as follows:

1. That the ARB, under its AB 32 authority, shall adopt a regulation consistent with the 33 percent renewable energy target established in Executive Order S-14-08 by July 31, 2010. In developing the regulation, the ARB may consider different approaches that would achieve the objectives of the Executive Order and may increase the target and accelerate and expand the time frame based on a thorough assessment of such factors as technical feasibility, system reliability, cost, greenhouse gas emissions, environmental protection or other relevant factors.
2. That the ARB shall work with the PUC and the CEC to ensure that a regulation adopted under

authority of AB 32 to encourage the creation and use of renewable energy sources shall build upon the RPS Program and shall regulate all California load serving entities, including investor-owned utilities, publically-owned utilities, direct access providers and community choice aggregators.

3. That the PUC and the CEC are requested to provide advice and assistance to, and cooperate with, the ARB in its consideration and implementation of a regulation to reduce greenhouse gas emissions through the creation and use of renewable energy sources. The ARB may delegate to the PUC and the CEC any policy development or program implementation responsibilities that would reduce duplication and improve consistency with other energy programs such as demand response, energy efficiency and energy storage.

4. That the ARB shall consult with the Independent System Operator and other load balancing authorities on, among other aspects, impacts on reliability, renewable integration requirements and interactions with wholesale power markets in carrying out the provisions of this Executive Order.

5. The ARB shall establish the highest priority for those resources that provide the greatest environmental benefits with the least environmental costs and impacts on public health that can be developed most quickly and that support reliable, efficient, cost-effective electricity system operations including resources and facilities located throughout the Western Interconnection.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given to this Order.



IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 15th day of September 2009.

ARNOLD SCHWARZENEGGER
Governor of California

ATTEST:
DEBRA BOWEN
Secretary of State