

Gov. Brown's renewable energy plan could boost solar, wind industries



Wind turbines in the Tehachapi Mountains; Gov. Jerry Brown's proposal to significantly boost the amount of energy California derives from renewable sources could reinvigorate the state's utility-scale solar and wind industries. (Irfan Khan, Los Angeles Times)

By **JULIE CART**

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Gov. Jerry Brown's proposal this week to significantly boost the amount of energy California derives from renewable sources could reinvigorate the state's utility-scale solar and wind industries, as well as launch another land rush in the Mojave Desert.

In his inaugural address, Brown didn't say how the state's Renewables Portfolio Standard could be raised to 50% by 2030 — the previous benchmark was 33% by 2020 — but his commitment was clear:

"This is exciting, it is bold, and it is absolutely necessary if we are to have any chance of stopping potentially catastrophic changes to our climate system," the governor said.

He also outlined a plan to reduce petroleum use in cars and trucks by 50% and double the energy efficiency of new buildings in the state.

The reverberation was instantaneous.

"Is it significant? Absolutely. Will it stimulate the market? Absolutely," said Jerry R. Bloom of the Los Angeles law firm Winston & Strawn, who guides renewable energy developers through the financing and permitting processes.

Because utilities already are on track to meet California's 2020 goal, they have shown little interest in signing new contracts with large wind and solar firms, Bloom said. Without contracts to sell power, it's been difficult for clean-energy developers to cobble together financing for large-scale projects.

As a result, the initial flurry of interest in permitting solar and wind projects in the state has stalled.

"There has been a dramatic slowdown — or almost freezing out," Bloom said. "There are no utility-scale contracts. There's no real market. The utilities' position is: 'We've reached the 33% and we're done.'

"Fifty percent is a game-changer."

And Brown could make the 50% standard happen simply by issuing an executive order.

The California Public Utilities Commission has the authority to compel the state's three big utilities — Southern California Edison, Pacific Gas & Electric and San Diego Gas & Electric — to procure 50% of their energy through renewables. But such an edict would not apply to large municipal companies like the Los Angeles Department of Water and Power.

Should the governor ask the Legislature to craft a far-reaching bill, it probably would pass the Democrat-controlled Assembly and Senate.

California already has shown that generating large amounts of renewable energy is possible. The next phase — coordinating the new power with the needs of the electrical grid — will be much more complicated, said V. John White, executive director of the Sacramento-based Center for Energy Efficiency and Renewable Technologies.

"Meeting the governor's goal is easily achievable," he said. "But making it fit and work together in terms of [the] grid is the difficulty. The more we add renewables to the system, the more we have to think about how they fit with what we have."

Wind and solar plants deliver power intermittently, making it difficult to align supply with demand. Developing efficient power storage technologies is the next major hurdle, White said.

For a variety of reasons — including the difficulty of obtaining financing and federal subsidies for the construction of billion-dollar plants — utility-scale solar and wind development has fallen off significantly even as small-scale solar power is burgeoning.

California currently ranks third in the nation in wind power production and is first in installed solar capacity.

If developers take Brown's speech as a signal to start gearing up, they probably will look to the vast tracts of federal land available for solar leasing from the Bureau of Land Management. Mike Sintetos, who heads the BLM's renewable energy program in California, said the initial frenzy of renewable applications has cooled in the last few years.

"We have eight pending solar applications. That number was three or four times that much in 2010," he said.

Amid that slowdown, even some inside the industry feared that the mega-plants operating in the California desert were destined to become white elephants.

BrightSource Energy — which built the massive Ivanpah power plant in the Mojave, near the Nevada border — praised Brown this week as a champion of renewables.

"We are pleased Gov. Brown continues his strong support for renewable energy as an essential policy that benefits California's environment and economy," Joe Desmond, a senior vice president at the Oakland company, said in an emailed statement. "As renewable penetration increases, policymakers and utilities have shown growing interest in technologies that can ensure long-term reliability without increasing emissions."

Siting renewable energy facilities on public lands in the West is a priority for the Obama administration, which has set aside 22 million acres in California to support renewable energy and pledged to generate 20,000 megawatts of power from federal land by 2020, enough to power about 6 million homes.

Companies have submitted 375 applications for renewable energy-related projects in California since 2007, BLM State Director Jim Kenna said recently. The agency has approved 18.

Brown's new goals could change that.

"Many thought the initial 33% goal was too challenging, yet California will readily surpass that number," said Martín Múgica, president and chief executive of Iberdrola Renewables, which is developing wind and solar projects in the state. "The governor's plan will spark innovation across the electricity sector and clearly encourage large-scale renewable energy development."

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