

California Regulators Add Teeth to Landmark Clean Energy Policy

BY SIERRA CLUB CA, ON JANUARY 12TH, 2012

Public Utilities Commission orders utilities to use renewable sources before electricity from fossil fuels

San Francisco – The California Public Utilities Commission (CPUC) voted unanimously today to strengthen a key clean energy policy in California called the Loading Order. The Loading Order sets a priority list for electricity sources. California’s utilities must first employ energy efficiency and conservation to meet customer demand; then energy from renewable sources such as wind, solar and geothermal. Only after all those supplies are exhausted may the utilities purchase power from fossil fuel plants.

The CPUC already requires the state’s three investor-owned utilities—Pacific Gas & Electric, San Diego Gas & Electric, and Southern California Edison—to obtain certain minimum amounts of electricity through energy efficiency, demand response resources and renewables. Before today, the big energy companies ignored the Loading Order once they had met these other state-required targets. The Commissioners ordered a halt to that practice, writing in their decision, “While hitting a target for energy efficiency or demand response may satisfy other obligations of the utility, that does not constitute a ceiling on those resources for purposes of procurement.”

“The Public Utilities Commission has confirmed what Californians have already come to understand; burning oil and gas to make electricity is bad for our health and bad for our environment,” said Earthjustice attorney Will Rostov. “It should be a last resort instead of business as usual.”

Environmental groups who made the case for this clarification applauded the decision. Rory Cox, Senior Energy Consultant for Pacific Environment said, “The Loading Order could be a powerful tool to put thousands of Californians to work building the power grid of the future while reducing pollution. This decision makes it crystal clear to the utilities that clean energy should always come first.”

Pacific Environment is represented at the CPUC by the Golden Gate University School of Law, Environmental Law and Justice Clinic. Sierra Club California is represented by the public interest law firm Earthjustice.

“Saving energy and using it efficiently is a priority for most of us, and it should be for the power companies as well,” said Jim Metropulos, Senior Advocate with Sierra Club California. “Common sense tells us that we should use all energy efficiency, wind and solar power we can get, and California is well-suited to provide these renewable resources.”

“Today’s decision should check the utilities’ routine response – to deploy massive new power plants and transmission,” said Shana Lazerow, an attorney for Communities for a Better Environment. “If correctly implemented, the loading order can help our efforts to bring about an energy system that looks first to the most sustainable, least harmful sources to power all of California’ communities.”

In spite of the orders to shift reliance to energy efficiency, renewable energy sources and other clean energy strategies, the utilities have built or are building numerous large, natural gas power plants while falling behind on their clean energy mandates. According to the California Energy Commission, the state has about 30 percent more power than needed on peak energy days, and the CPUC anticipates they will be 60 to 80 percent over-built by 2020, should current trends continue.

This clarification of the Loading Order was made as part of the CPUC’s Long Term Procurement

Plan (Rulemaking 10-05-006). This proposed decision as adopted is
here: http://docs.cpuc.ca.gov/PUBLISHED/AGENDA_DECISION/155719.htm
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