

Lawmakers take step toward fulfilling state climate change goals

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FEBRUARY 7, 2015, 10:00 PM | SACRAMENTO

State lawmakers are preparing a sweeping package of bills that would fulfill several of Gov. Jerry Brown's climate change objectives by increasing California's reliance on renewable energy and alternative transportation fuels.

The proposals would also require state pension funds, the two largest public systems in the country, to divest from coal companies. And they would create an advisory committee aimed at turning energy policies into new jobs.

The introduction of the bills on Tuesday will kick-start months of contentious negotiations among lawmakers, oil companies, utilities, environmental advocates and the governor. If the measures pass, California will embark on a 15-year mission to spur investment in clean technology, slash the amount of gasoline used on state roads and boost energy efficiency in thousands of aging buildings.

Overall, the legislative package largely reflects environmental targets detailed by Brown in his inaugural address last month.

"We want the same goal," said state Senate leader Kevin de León (D-Los Angeles), who is preparing the bills with members of his caucus. "We're on the same page."

In a statement, Brown said he and De León "share a strong commitment to dealing with climate change in an aggressive and imaginative way. I look forward to working with the Legislature to hammer out the details."

With their proposals, the senators want to signal that California will continue fostering a growing market for renewable energy and alternative fuels — part of their bid to portray environmental regulations as good for the state's economy rather than a burden.

"If we're creating the markets here in California, we want those businesses located here," said Sen. Fran Pavley (D-Agoura Hills).

Some lawmakers, even some Democrats, have sought to limit California's fight

against climate change.

"There's a lot of people who want to see the governor meet his goals for climate change, who share his goals," Assemblyman Henry Perea (D-Fresno) said last month, "but who also worry about the economy."

By focusing on economic development, supporters hope they can win enough votes to pass the bills.

"Our bet on green energy is paying off," De León said. "If you're skeptical, and you're in an area with high unemployment, the bottom line is: Will jobs be created?"

The Senate proposals follow regulations already on the books, notably a 2006 law that requires the state to reduce greenhouse gas emissions to 1990 levels by 2020. One of the new bills, by Pavley, would require an additional 80% reduction by 2050, a target set by former Gov. Arnold Schwarzenegger in an executive order.

Like previous climate change policies in California, the legislation is being sketched broadly, providing multiple options for state agencies and businesses to reach the goals.

For example, a measure by De León and Sen. Mark Leno (D-San Francisco) sets a series of targets for 2030, including a 50% reduction in the use of gasoline for transportation. The goal could be achieved with a mix of alternative fuels, improved engine efficiency and cutting the number of miles driven by Californians by promoting public transit.

Oil companies oppose the proposal and question whether it's achievable with so much of the state's transportation fuel — 92% — based on petroleum.

"Legislative mandates designed to constrain the availability of conventional energy supplies are not a smart or effective way to encourage development of available or affordable alternatives," said a statement from Catherine Reheis-Boyd, president of the Western States Petroleum Assn.

Her organization spent nearly \$9 million lobbying in Sacramento in 2014, almost double the previous year and the most of any group.

De León said concerns from oil companies should be taken with "a grain of salt" because "they have to protect their current business model."

Under the De León-Leno bill, California would need to get 50% of its energy from

renewable sources such as solar and wind, up from the 33% goal currently on the books for 2020.

Utility companies also have been skeptical, emphasizing a need for "flexibility" in meeting energy targets.

David Modisette, executive director of the California Municipal Utilities Assn., said those businesses would rather be judged on reducing carbon emissions than on increasing renewable energy. That would allow them credit for such acts as installing recharging stations for electric vehicles.

"It should be a more holistic approach," Modisette said.

Southern California Edison and other large utilities have floated a similar idea, saying it "will help the state reach its goals and do so at a lower cost for customers."

The senators' bill would also require a 50% increase in energy efficiency in existing buildings, which have not been subjected to the same standards as new structures.

All of these policies, supporters say, would be geared toward creating new jobs. A bill from Sen. Ben Hueso (D-San Diego) would create a committee of experts, appointed by the governor and lawmakers, to advise state agencies on ways to boost economic development.

Another bill by De León would require California's two largest pension systems — the California Public Employees' Retirement System and California State Teachers' Retirement System — to divest from coal companies. Less than .06% of the \$296.1 billion managed by CalPERS is invested in coal operations, according to pension officials.

When De León first mentioned this proposal in December, pension officials balked, saying divestment would reduce the funds' ability to influence the marketplace.

De León said he welcomes debate on the legislation.

"This is not some unilateral edict," he said. "It is the beginning of a dialogue."

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