

# Client Alert

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## Significant New Developments in California's Push for an Increase in Renewable Energy

In Governor Brown's January 2015 inaugural address he identified an ambitious environmental agenda, including how Californians power and heat their homes and businesses. On February 10, 2015, the California Senate followed up with proposed implementing legislation. Major components of the proposed legislative package include:

- S.B. 32 – Legislation to codify a 2005 executive order committing California to reduce its greenhouse gas emissions by 80 percent below 1990 levels by 2050 by requiring the California Air Resources Board (CARB) to approve a statewide greenhouse gas emission limit based on the best available scientific, technological and economic assessments. The proposed legislation authorizes CARB to adopt interim greenhouse gas emission level targets to be achieved in 2030 and 2040.
- S.B. 350 – Legislation to implement Governor Brown's 50-50-50 goals. The goals would be enacted into law, trackable and enforceable, and are to be achieved by 2030. The goals are:
  - Increase the renewable energy portfolio standard from 33 percent by 2020 to 50 percent by 2030, utilizing eligible renewable energy resources, e.g., wind, solar, geothermal and hydroelectric, including out-of-state procurement.
  - Reduce the use of petroleum for transportation by 50 percent by 2030. The sponsors of the legislation propose to achieve this goal through a mix of utilizing alternative fuels, improving fuel efficiency and reducing the number of miles driven by an increase in public transportation.
  - Increase in energy efficiency in buildings by 50 percent by 2030 through the use of existing energy efficiency retrofit funding and regulatory tools already available to state energy agencies under existing state law.
- S.B. 185 – Legislation to require the California Public Employees Retirement System and California State Teachers Retirement System, the state's two largest pension funds, to divest their portfolios of investments in thermal coal combustion companies within 18 months.
- S.B. 189 – Legislation to create the Clean Energy and Low-Carbon Economic and Jobs Growth Blue Ribbon Committee to advise state agencies on the most effective ways to expend clean energy and greenhouse gas-related funds.

On the same day the proposed legislative package was introduced in the California Senate, two other significant developments in the California desert highlight the potential for future tension between California law, utility-scale energy projects and the conservation of natural resources. Just outside Joshua Tree National Park, US Department of the Interior Secretary Jewell officiated at the opening of the Desert Sunlight Solar Farm, the world's largest solar power plant, capable of providing 550 megawatts or enough energy to power 160,000 homes. If California is to meet the ambitious goals in the proposed legislative

package, additional utility-scale renewable energy projects like Desert Sunlight will need to be constructed.

In Washington, DC, US Senators Diane Feinstein and Barbara Boxer introduced legislation called the California Desert Conservation and Recreation Act, which proposes to, among other things, add land to existing national parks, establish new national monuments and designate Bureau of Land Management (BLM) lands as wilderness areas, all in Southern California. The proposed federal legislation may limit areas in California to renewable energy projects; however, it would allow the construction of transmission lines to facilitate the transfer of renewable energy generated in the California desert and adjacent states and provide solar energy companies with the ability to relocate projects currently proposed inside areas designated for additional federal restrictions to federal solar energy zones, as established by BLM Solar Energy Program (also known as the Western Solar Plan).

Hunton & Williams LLP through its Renewable Energy and Clean Power practice will continue to monitor the proposed legislation in Sacramento and Washington, DC, and its potential impacts in California and nationwide on utility-scale development projects and energy markets.

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