

## **Challenges Ahead: Brown's 12,000 MW Local Renewables Target**

*Commentary by Al Weinrub, August 10, 2011*

Jerry Brown led off his conference of 250 high level renewable energy stakeholders July 25-26, 2011 by calling for a “more secure, more sustainable, more American” energy system. The conference was organized to help chart the path to 12,000 MW of local renewable power by 2020, as called for by the Governor.

Key to achieving the 12,000 megawatts will be overcoming significant obstacles, among them being bureaucratic approval and permitting barriers, grid integration and interconnect difficulties, and finding appropriate amounts of investment capital. And, of course, building political consensus.

The conference started off with a bang as the governor, referring to some of these obstacles, blatantly asserted that “some kind of opposition you have to crush.”

With that auspicious beginning, and after the Governor and press cameras had departed, two intensive days of deliberation began. The by-invitation-only participants consisted of about 50% renewable industry representatives and consultants, 25% government personnel (the governor's staff, energy agency commissioners and staff, a few legislators, and county and regional agency representatives), and the remainder representing investor-owned and municipal utilities, a few unions, financial institutions, environmentalists, and a smattering of decentralized/distributed generation advocates.

There seemed to be a great deal of consensus at the conference about the need to streamline renewable energy project approvals across the plethora of government agencies that are often involved, and also about the need for utilities to be more forthcoming about technical data required by project developers. There was much less consensus, however, about what kind of projects would be developed, where, and by whom.

In fact, the main contention at the conference was between those who emphasized least cost of energy as the main criteria for decentralized generation projects and those who stressed other values, such as local economic development, jobs, equity, community health, and the like. The conflict was framed in many ways, but emerged most directly between those parties who advocated for large projects (5 – 20 MW) through a renewable auction mechanism (RAM and those who advocated for community-scale projects (0 -5 MW) promoted through a feed-in tariff mechanism.

Not surprisingly, the utilities and big developers like Recurrent Energy were pushing the least-cost criteria, calling for the 12,000 MW to be developed as larger 10 -20 MW ground-mounted solar PV projects close to transmission substations and selected through a RAM program.

Surprisingly, they were joined by The Utility Reform Network (TURN), which argued that this approach would result in the least cost of energy and hence best protection of ratepayers.

The other side included the Los Angeles Business Council, the California Environmental Justice Alliance, the Clean Coalition, the Local Clean Energy Alliance, Solar Done Right, and other long-time decentralized generation advocates who called for the 12,000 MW to be developed as smaller-scale projects in urbanized areas where economic recovery, jobs, equity, and health are key goals. These parties argued for a comprehensive feed-in tariff program that would promote this type of local renewable development. They also argued against the prevailing assumption that larger scale projects are less expensive, pointing not only to rapidly declining prices for solar PV installations, but to a fuller set of socio-economic costs *and benefits*, which the big players conveniently ignored.

Amidst the palpable jubilation of the renewable energy industry over Brown's commitment to local renewable energy, the Governor's conference revealed emerging battle lines over how the 12,000 MW target will be deployed. Will California's "local" renewable energy projects primarily represent the interests of the big industry players or the interests of local communities?

This is a question for which the stakes are high; whether California will go down the old road (simply calling it something new) or whether it will take a qualitatively different approach. If the representation of invitees at this conference is indicative of the Governor's leanings, there is reason for concern, if not alarm. Despite Brown's campaign platform of more democracy and more local control, there was very little *community* present at this conference.

A political battle over who will benefit from decentralized/distributed generation of renewable energy is shaping up. This is a battle for which our communities will need to mobilize if we are not to be first marginalized and then regarded as an opposition to be crushed.

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