Sustainability & Climate Change Reporter



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California Increases Renewable Energy Standard, But for How Long?

California's already ambitious renewable portfolio standard (RPS) just got even more so with the state Air Resources Board's September 23 adoption of a <u>33 percent goal</u> for renewables by 2020. The new standard is an increase from the previous 20 percent by 2010 goal, and could provide significant incentives for alternative energy, both in state and elsewhere.

The new RPS will be phased in -- 20 percent for 2012-14, 24 percent for 2015-17, 28 percent for 2018-19 and 33 percent for 2020 and beyond. But even as the previous RPS spurred the development of a large number of renewable projects in the past few years, California's investor-owned utilities have missed the 20 percent target. The three IOUs had averaged only 15 percent renewables by the end of 2009, and there a significant challenges to reaching the 33 percent goal, as Sara McBride points out in an article carried by Reuters:

- Regulatory approvals take years;
- More infrastructure and transmission is needed;
- Credit markets remain frozen;
- Government loan incentives are slow and some will be ending this year;
- California voters could approve Prop. 23, which would halt the statutory authority for the RPS, among other things; and
- A Republican governor could suspend the RPS for up to one year.

Whether the standard survives the immediate challenges is uncertain and, if it does, the path forward remains a difficult one. For now, however, California doesn't appear to be backing down on its commitment to lead the way on renewables.

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