Draft AQMD Energy Policy

A Resolution of the Governing Board of the South Coast Air Quality Management District (AQMD) approving the AQMD Energy Policy.

WHEREAS, the Governing Board has directed staff to develop an Energy Policy to integrate criteria and toxic air contaminants, greenhouse gases, and energy issues to ensure clean air and a healthy economy;

WHEREAS, the Energy Policy will complement policies, guiding principles, and initiatives previously adopted by the Governing Board (i.e., Environmental Justice Guiding Principles and Initiatives, Climate Change Policy);

WHEREAS, the total end use energy consumption in 2008 within the Basin was 2.2 Quadrillion BTU (or 2.2 billion million BTU), with 82 percent from fossil fuels and 18 percent from electricity;

WHEREAS, of the total 2008 fossil fuel use, gasoline accounts for 38 percent (6.7 billion gallons), natural gas accounts for 21 percent (460,000 MMscf), diesel accounts for 11 percent (1.7 billion gallons), and other fuels (jet fuel, residual fuel, propane) account for 12 percent (2 billion gallons);

WHEREAS, the total electricity consumption within the Basin was 113,200 GWh (or 113,200 million kWh) in 2008, of which 30 percent was generated in Basin;

WHEREAS, the electricity generation capacity within the Basin currently online is an estimated 16,600 MW with over 85 percent from fossil fuels and less than 2 percent from renewable energy (i.e., solar, wind, biogas);

WHEREAS, the total NOx emissions contribution from all energy types in the Basin during 2008 was 860 tons per day with 54 percent from diesel, 25 percent from gasoline, 9 percent from natural gas, 9 percent from residual fuel oil, 3 percent from other fossil fuels, and 0.3 percent from electricity production;

WHEREAS, the total direct CO_2 emissions contribution from all energy types in the Basin in 2008 was 135 million metric tons per year with 40 percent from gasoline, 22.5 percent from natural gas, 13 percent from in-Basin electricity generation, 11.5 percent from diesel, and 13 percent from other fossil fuels (jet fuel, residual fuel, propane);

WHEREAS, the toxicity weighted emissions contribution from all energy types in the Basin in 2008 was 92 percent from diesel (without particulate traps and will be 88 percent once diesel particulate traps are in place for trucks and ships, includes fuel oil), 6% from gasoline,

1% each from electricity (burning natural gas) and jet fuel, 0.2 percent from natural gas and 0.1 percent from other fossil fuels;

WHEREAS, Executive Order S-3-05 was signed in 2005 and set targets for reducing greenhouse gas emissions to 1990 levels by the year 2020, and to 80 percent below 1990 emission levels by the year 2050;

WHEREAS, California passed SBX1-2 in April 2011 that will require utilities in California to increase the supply of electricity produced from renewable energy sources to 33 percent by the year 2020;

WHEREAS, total regional annual expenditure on fossil fuels within the Basin in 2008 is $45 billion, of which petroleum (transportation fuels) accounts for 81 percent of this expenditure;

WHEREAS, total regional costs due to poor air quality were estimated to be $22 billion per year based upon averaged air quality data from years 2005 to 2007; and

WHEREAS, 67 percent and 75 percent NOx reductions beyond currently adopted regulations (as of 2010) are needed to meet the 1997 and 2008 federal ozone standards, respectively.

NOW, THEREFORE, BE IT RESOLVED, that the Governing Board directs staff to implement the following Policies:

- Promote zero and near zero emissions, through electrification and other ultra clean energy strategies, (including energy conservation/efficiency), to meet air quality, energy security, and climate change objectives;

- Promote electro-technologies and other near-zero technologies in both stationary and mobile applications to the extent feasible;

- Promote diversification of electricity generation technologies to provide reliable, affordable, cleanest, and sustainable electricity supply for the Basin in partnership with local power producers;

- Promote demand side management programs to manage electricity demand growth and to reduce the need for additional capacity. Such programs include, but are not limited to, energy conservation/energy efficiency and load-shifting measures;

- Promote in-Basin distributed renewable generation as part of sustainable community development to reduce reliance on imports or central power plants, and to minimize generation carbon footprint and cross-media environmental impacts;

- Promote electricity storage technology to improve the supply reliability and availability of renewable technologies;

- Require any new/repowered in-Basin fossil-fueled generation power plant, if deemed necessary by CARB, CEC, PUC, and ISO, or the governing board of a publicly-owned electric utility, as appropriate to be the cleanest and most efficient technology for the application ;

- Advocate maximum cost effective mitigation in the communities affected by emission increases resulting from the siting of new or repowered fossil-fueled power plants;

- Educate and incentivize the public to shift toward lowest emission technologies in personal choice; and

- Incorporate energy efficiency via AQMD's rule-making activities, advocacy, and CEQA commenting function.

BE IT FURTHER RESOLVED, that the Governing Board directs staff to implement the following Actions:

- Advocate for and/or support detailed technical studies to identify viable electrification technologies and associated electric energy and capacity needs to support an electrification strategy for the Basin;

- Conduct appropriate socioeconomic studies to identify the societal costs and benefits for implementing an electrification strategy, including but not limited to, small business impacts;

- Develop an action plan to develop and deploy electrification and near-zero emission measures for various sectors;

- Conduct studies to identify measures to incentivize early introduction of electrification and near-zero emission measures and potential new transportation funding mechanisms to support substantial electrification in the transportation sector;

- Further develop and demonstrate technologies to maximize the use of biogas;

- Actively participate in CEC, PUC, and CARB proceedings to promote policies and regulatory actions that are consistent with the AQMD Energy Policy;

- Convene a stakeholder working group including, but not limited to, the building industry, local fire departments and building departments, and utilities, to develop a

standardized specification for electricity recharging installation for residential and commercial building applications to facilitate greater plug-in electric vehicle (PEV) market penetration;

- Advocate a separate electricity rate structure that incentivizes off-peak charging for PEVs through the Statewide PEV Collaborative which is comprised of CEC, PUC, CARB, local air districts and utilities while being sensitive to potential impacts on rates for existing customers;

- Partner with local utilities and local government stakeholders to promote energy conservation/efficiency through local actions (i.e., building codes, zoning requirements, and incentive programs); and

- Compile and track energy use and supply profiles within the Basin in conjunction with each Air Quality Management Plan update.

BE IT FURTHER RESOLVED, that the Governing Board directs staff to periodically report progress (at least once a year) in implementing this policy to the appropriate Board committees.