

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; and

WHEREAS, the total energy usage 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; and

WHEREAS, of the total fossil 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); and

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; and

WHEREAS, the electricity generation capacity within the Basin is an estimated 16,600 MW with over 85 percent from fossil fuels and less than 2 percent from renewable energy; and

WHEREAS, the total NO_x 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; and

WHEREAS, the total CO₂ emissions contribution for all energy types consumed in the Basin in 2008 was 160 million metric tons per year with 37 percent from gasoline, 25 percent from electricity, 16 percent from natural gas, 11 percent from diesel, and 11 percent from other fossil fuels (jet fuel, residual fuel, propane); and

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, and

WHEREAS, California passed bill 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; and

WHEREAS, total regional annual expenditure on petroleum fuels is \$45 billion and is projected by the U.S. Energy Information Administration (EIA) to be TBD by the year 2020; and

WHEREAS, total regional costs due to poor air quality are \$22 billion per year; and

WHEREAS, 67 percent and 75 percent NO_x reductions beyond currently adopted regulations 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 in both stationary and mobile applications;
- Promote diversification of electricity generation technologies to provide reliable, affordable, cleanest, and sustainable electricity supply for the Basin;
- Promote demand side management programs to manage electricity demand growth and to reduce the need for additional capacity, such as energy conservation/energy efficiency and load-shifting measures;
- Promote distributed renewable generation (i.e., solar, wind, biogas) as part of sustainable community development to reduce reliance on imports or central power plants, to the extent feasible, to minimize generation carbon footprint and cross-media environmental impacts;
- Promote electricity storage technology to improve the supply reliability of renewable technologies;
- Require any new/repowered in-Basin fossil-fueled generation power plant, if deemed necessary by CARB, CEC and PUC, to be the cleanest and most efficient for that technology;
- 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.

- 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 and/or support for detailed technical studies to identify electric energy and capacity needs to support an electrification strategy for the Basin;
- Conduct appropriate socio-economic studies to identify the societal costs and benefits for implementing an electrification strategy;
- 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 potentially new transportation funding mechanisms to support substantial electrification in the transportation sector;
- Actively participate in the CEC and PUC 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; and
- Partner with local utilities and local government stakeholders to promote energy conservation/efficiency through local actions (i.e., building codes, incentive programs).