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Keynote Address
"Fueling California for a Sustainable Future"
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This is the fifth year in a row that the Greater Bakersfield Chamber of Commerce has organized an exposition on energy and clean air. That's an impressive track record. This is the kind of communitywide commitment that brings clean-energy investors and developers to Kern County.

Renewable energy developers can find suitably sunny or windy land most anywhere in the West. But, as with all smart business people, they're also looking for a favorable political climate.

They look for laws, policies and government incentives that nurture the growth of their industry. They favor long-term regulatory certainty to ensure costly construction will pay off in the long run. And they seek public support for a low-carbon future – as gauged by the level of public funding for research and development.

California has rolled as all these incentives and more into the most formidable prospectus yet developed for producers and suppliers of clean and efficient energy. We call this prospectus “Assembly Bill 32.”

Your marketing people, I am sure, would have penned a catchier title. But you get the point:

AB 32 – the Global Warming Solutions Act of 2006 – is California's solution to clean-energy economy.

It's a catalyst to innovate and grow beyond the measures you've already taken.

And it's an accelerator to hasten the arrival of higher-wage, clean-energy jobs, more secure energy and – let's be clear – healthier air.

Of course, not everyone sees AB 32 as a ticket to a better California. Some view the law through the antiquated and distorted jobs-versus-environment lens.

Earlier this month, a group of local officials representing areas that stand to benefit greatly from solar power development, urged Governor Schwarzenegger to put AB 32 on hold indefinitely.

The elected officials governing the Mohave Desert Air Quality Management District said they want California to wait until the economy improves, for fear that the law will somehow shut down small businesses.

Alternatively, they suggested that California do nothing, and leave it to Congress to enact nationwide limits on greenhouse gas emissions. Otherwise, they said, California businesses will be at a competitive disadvantage with those in states that maintain the status quo.

Yet where some fear economic calamity, many others -- including members of the Kern County Board of Supervisors -- see prosperity.

In his “State of Kern County” address last month, Board Chairman Ray Watson said – QUOTE – “Our Board knows that we cannot simply wait for economic recovery. We must streamline application processes for quality development and encourage new, clean technologies.”

Kern County has good reason to work AB 32 to its advantage.

Your region already is a magnet for green energy businesses. AB 32 will fuel your green economy by increasing demand for energy-efficiency technologies and alternative energy solutions.

There's no official method for counting green jobs. But a leading nonprofit research group in Palo Alto called Next 10 says the San Joaquin Valley is doing quite well on this front. Their recently released study shows the Valley leading several regions in the state with a 48 percent jump in growth of green-jobs from 1995 to 2009.

By Next 10’s count, the Valley’s concentration of jobs in alternative fuels currently is more than three times the state average. And as California’s largest producer of wind energy, Kern County hosts the largest concentration of jobs in this area.

The recent flurry of power developers lining up to install wind turbines on the ridges of the Tehachapi Mountains is a good example of AB 32 as a driver for job growth and income.

AB 32 sets out a series of goals and deadlines that will fundamentally change the way we produce and consume energy, the way we move ourselves and our goods around and the way we design and build our roads, buildings and communities. The 2006 law requires California to scale back its emissions of carbon dioxide and other climate-warming gases to 1990 levels by 2020 – a nearly 30 percent reduction from business as usual.

Electricity generation accounts for about one quarter of California's greenhouse gas emissions, so a large portion of the reductions must come from the energy sector.

That's why we have the Renewable Energy Standard, a component of AB 32 that requires utilities to generate 33 percent of their energy from wind, solar and other green power sources by the year 2020. And remember, 33 percent is not a ceiling – it's a start. We will need to continue to explore and develop renewable energy resources well beyond 2020 to keep pace with economic growth.

To deliver more renewable energy to its customers, Southern California Edison is building a 173-mile-long transmission line to the crest of the Tehachapis. The power line, approved by California Public Utilities Commission just two months ago, will vastly expand the energy market for companies that have turbines in the mountain range.

So it comes as no surprise that several energy developers are lining up before the Kern County Supervisors for permission to build. The Kern Wind Energy Association estimates that when the new line reaches capacity, the county will be receiving an additional $45 million a year in property tax revenue.

The development also will add hundreds of high-paying technical jobs to maintain the many new turbines, which each have thousands of moving parts.

The AB 32 requirements also will fuel Kern County's economy through the use of its oil fields for storage of carbon dioxide. One of the stories here speaks to powerful role small startup businesses can play in a clean energy economy.

A few retired aerospace engineers who were active in the Apollo program began tinkering in a warehouse near Sacramento with an idea of using rocket technology to produce a zero-emission power plant.

The idea sounded far-fetched at the time -- in 1994. But today, with the help of a federal energy grant, the group formed as Clean Energy Systems have built a demonstration power plant 20 miles north of Bakersfield that runs on natural gas but emits only steam and carbon dioxide. And the carbon dioxide will be sequestered about 7,000 feet below ground in the oil fields as a federal pilot project in carbon sequestration.

Meanwhile, Hydrogen Energy International is going through permitting for a project that would create hydrogen power from petroleum coke and coal and capture the CO2 emissions for use in enhanced oil recovery in Kern County.

Just about everywhere you turn in Kern, you can find the seeds of a clean energy future for California. From Interstate 5 just south of Bakersfield, you can see the Crimson Renewable Energy plant that will be producing the largest volume of biodiesel fuel in the state – about 30 million gallons a year from cooking oils and fats from animals and vegetables.

About a mile further south, you can see the Bidart Dairy where PG&E has recently agreed to buy reductions in greenhouse gas emissions – in this case, methane from animal wastes. These reductions are verifiable under the state's Climate Action Reserve protocol, which means we can count them as real, quantifiable and permanent.

AB 32 is a revolutionary law designed to do nothing short of transforming California's economy to one based on low-carbon, efficient energy. It won't be easy to implement and some industries will have to scramble to meet their emission reductions.

But through the challenges I want you to keep in mind the dividends you've already reaped from energy efficiencies, and the promise of even greater returns as we reach our reduction targets.

Kern County has long been an energy leader, and you're well on your way to fueling California for a sustainable future.

Thank you.

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