

Mary Nichols
Keynote Address
Energy Summit
Inland Empire Economic Partnership
Ontario, Calif.
Nov. 6, 2009

Note: Actual speech may have varied from this script

Thank you, Mike (Nuby, Southern California Edison), for your warm and welcoming introduction.

I'm pleased to see so many of you here today, including Senator Benoit, a guiding light on the path to a more efficient and secure energy future.

But I am especially pleased to see the San Gabriel, the San Jacinto and the San Bernardino mountains. They appeared in sharp relief this morning as I drove in from Los Angeles. Most of you know first-hand how thick the smog can get in the Chino Basin as the exhausts of Los Angeles traffic and industry drift east and combine with your own sun-brewed stew of pollution.

But those were mostly the Bad Ol' Days when towering mountains vanished for months at a time. I'd like to quickly review how good the state's air pollution controls have been for both public health and business.

Since 1967 the Air Resources Board's measures have dramatically reduced ozone, the corrosive gas in smog that inflames airways and triggers asthma attacks. And thanks to those same regulations, California boasts a flourishing, clean-tech

air pollution control industry that generates about 10 billion dollars a year and employs some 50,000 residents.

Further, California's strongest-in-the nation standards on energy efficiency for appliances, home insulation and building design have saved California consumers an estimated \$56 billion since their inception 30 years ago. A recent UC Berkeley study estimated that, all told, California's forward-looking energy policies have created 1.5 million jobs, with \$45 billion in payrolls. Now you've all had a front-row view of this progress. You've seen it done without stifling growth and prosperity. And you know better than I that the region's air quality – while still unhealthy – no longer is the automatic conversation stopper it once was in recruiting top talent to the Inland Empire.

Today, you are on the frontlines of another green revolution in California. Only this time it's driven by a kind of pollution you can't see or smell. I'm talking about climate-altering greenhouse gases. And, as with our successful air pollution control programs, well-designed climate change policies can help reinvigorate the state's economy.

AB 32

Three years ago, Governor Schwarzenegger signed the now historic Assembly Bill 32 – the California Global Warming Solutions Act. The law is nothing short of revolutionary.

It 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 law requires California to scale back its emissions of carbon dioxide and other heat-trapping greenhouse gases to 1990 level by 2020 – a nearly 30 percent reduction from business as usual.

I want to be clear. This is not going to be an easy task. But it is a necessary one.

We're all here at this inaugural Energy Summit because we understand the magnitude of the global warming threat. We know California is especially vulnerable because of its heavy reliance on the Sierra snowpack for water supply, because its 1,200 miles of coastline is home to millions of people and because hotter temperatures means wilder wildfires, heavier smog and more heat-related deaths. Yet, at the same time, we also see economic opportunity in "decarbonizing" our economy.

Sure, we've just been clobbered by worst financial storm since the Great Depression. And, yes, unemployment still hovers at 14 percent in the Inland Empire – we're by no means out of the woods yet. Because of this, many people say we should hold off on greenhouse gas reductions – that our wounds need to heal before we move ahead on more environmental controls with upfront costs.

But we can't hold off. Global warming – as with time or tide – waits for no man. And, truth be told, the approaches we are developing to accelerate the transition to a low-carbon economy are the same ones that will speed our economic recovery:

RENEWABLE ENERGY

- A year ago this month, Governor Schwarzenegger issued an executive order directing state agencies to streamline environmental permitting on solar and wind farms planned in the Mohave and Colorado deserts. State is preparing a conservation plan for these areas that will identify where best to locate plants with the lightest environmental footprint and where habitat should be preserved to offset energy

- In September, the governor signed an executive order Tuesday giving California the nation's most aggressive alternative energy standards, requiring utilities to get at least one third of their power from renewable sources by 2020.
- Last January, as many of you know, the Air Resources Board adopted a scoping plan for AB 32, providing incentives for businesses to design, build and bring to market the new technologies that will help solve our environmental challenges while creating jobs. The plan also provides a clear picture of what a sustainable future will look like – after all, that is what investors and businesses want right? Certainty and predictability. In this future, clean and efficient products and practices will be rewarded.

And the future may already have arrived.

Just last week, Ernst & Young reported that clean energy-technology companies attracted nearly \$1 billion or 20 percent of the total U.S. venture capital investing in the third quarter. Half of that investment went to solar companies. Now, as welcome as that news comes in these trying times, there are no guarantees. Remember the bust that followed the boom in the dot coms. But please also keep in mind that we are in this for the long haul, and it will require a consistent and steady commitment to climate change by all. We cannot afford to lose momentum in the growth of clean, efficient energy.

INLAND EMPIRE TAKING ACTION

Now my handy “facts-at-a-glance” sheet on Ontario says you enjoy an average of 312 sunny days a year. And I see that Ontario and other communities in the Inland – or shall I say Sun – Empire are wasting no time putting solar panels on rooftops to reduce demand on the grid.

The Inland Empire has no shortage of energy-saving models large and small to follow:

- The city of Redlands launched a contest to find and replace the oldest water heater in town. The winner received a new energy-saving water heater.
- The University of Redlands has a roof landscaped with native plants on its LEED-certified Lewis Hall. The plants reduce heating and cooling costs by 40 percent. I trust that any rooftop lawn mowing is battery powered.
- The Inland Empire Utility Agency can be proud that its headquarters in Chino is first public agency building in the nation to receive LEED certification. The utility upped the ante last year by installing 3.5 megawatts worth of solar panels on the roof – no lawn mowing required.
- Governor Schwarzenegger just signed a bill authored by Senator Gloria Negrete McLeod of Chino – Senate Bill 32 – that makes it more attractive for businesses to install solar panels and feed back to grid.
- UC Riverside has created a technology park to attract hi-tech companies that will collaborate with UC researchers on clean-energy technologies.
- And last but hardly least, Southern California Gas Company – the nation’s largest natural gas distribution utility with more than 20 million consumers – is applying to the California Public Utilities Commission PUC to install “smart meters” that electronically communicate energy use to both the utility and the home and business owners. This will provide customers with real-time hourly usage – a big leap forward in helping people better understand how they are using energy so they save energy and money. The

CLOSING

I know I'm skipping several other model projects. But you get the point.

The structure for business success, energy conservation and renewable energy development is now in place. As we work through the details of the AB 32 scoping plan we will continue to listen to and solicit comment from a wide variety of interest groups, including those of you here today. Tell us about your green success stories. We will spotlight them.

If you can imagine where we need to be in 2050 and look back to today, you quickly realize that we are already behind. There is no time to waste, we must get started today and we will all need to work together to succeed.

Congratulations on the Inland Empire's inaugural Energy Summit. And thank you for having me.

-30-