



On The Move

the Rocky Mountain States Desert Southwest, more than 100 million tons of coal that is burned to generate electricity. It is on the drawing boards. The owners expected, would be the people of California.

It also be among the country's largest producers of carbon dioxide, the king of global warming. So California is sending a new message to these energy producers: not to produce power with the fossil fuels of these greenhouse gas-emitting industries.

Customer says, I ain't buying, says Harvey, the environment

Foundation, in Menlo Park, Calif. When you have 38 million customers you don't have access to, you have to rethink. Selling to Phoenix is nice. Las Vegas is nice. But they aren't California. California's decision to impose stringent demands on suppliers even outside its borders, broadened by the Legislature on Aug. 31 and awaiting the governor's signature, is but one example of the state's wide-ranging effort to remake its energy future. The Democratic-controlled legislature and the Republican governor also agreed at that time on legislation to reduce industrial carbon dioxide emissions by 25 percent by 2020, a measure that affects not only power plants but also other large producers of carbon dioxide, including oil refineries and cement plants.

moving in some of the same directions, but no state is moving as aggressively on as many fronts. No state has been at it longer. No state is putting more at risk.

Whether all this is visionary or deluded depends on one's perspective. This is the state that in the early 1970s jump-started the worldwide adoption of catalytic converters, the devices that neutralize most smog-forming chemicals emitted by tailpipes. This is the state whose per capita energy consumption has been almost flat for 30 years, even as per capita consumption has risen 50 percent nationally. Taking on global warming is a tougher challenge. Though California was second in the nation only to Texas in emissions of carbon dioxide in 2001, and 12th in the world, it produced just 2.5 percent of the world's total. At best, business leaders asked in a legislative hearing, what difference could California's cuts make? And at what cost?

California, in fact, is making a huge bet: that it can reduce emissions without wrecking its economy, and therefore inspire other states and countries to follow its example on slowing climate change. Initiatives addressing climate change are everywhere in California, pushed by legislators, by regulators, by cities, by foundations, by businesses and by investors.

Four years ago, California became the first state to seek to regulate emissions of carbon dioxide from automobile tailpipes. Car dealers and carmakers are challenging the law in federal court.

In late August, Gov. Arnold Schwarzenegger signed a measure requiring builders to offer home buyers roofs with tiles that convert sunlight into electricity. Homeowners in some communities are already

installing solar panels, and some are installing solar water heaters, air conditioners and other appliances become more energy efficient. Added to the list: first, charging stations for electric cars; second, set-top boxes for remote-controlled devices. That could add up to 10 percent of a home's energy bill. Last fall, California regulators ordered investor-owned electrical utilities to offer long-term contracts to buy energy from renewable sources to reduce greenhouse-gas emissions to 20 percent below 1990 levels by 2020.

We are dealing with it across the state," says Michael R. Peevey, the president of the Public Utilities Commission. By contrast, the federal administration has been averse to any action on climate change.

Opponents say California is making a bet with its clean-energy industry. A lawyer for Bracewell & Giuliani, a law firm that represents electric utilities, summarized the opposition as: All electrons are not created equal. To discriminate against some utilities is to create artificial barriers in the market. California consumers could be forced to pay more for their energy and struggle to find jobs, Segal said.

Is California dreaming? Can the state's approach become a toolkit for other states? Investors make the state the most attractive for energy technologies that will reduce emissions and buoy its economy? Or will California sink into a stagnating economy with high electricity prices and ever-rising costs?



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