Can We Get to 2050? Or The American Dream Is A Planetary Nightmare

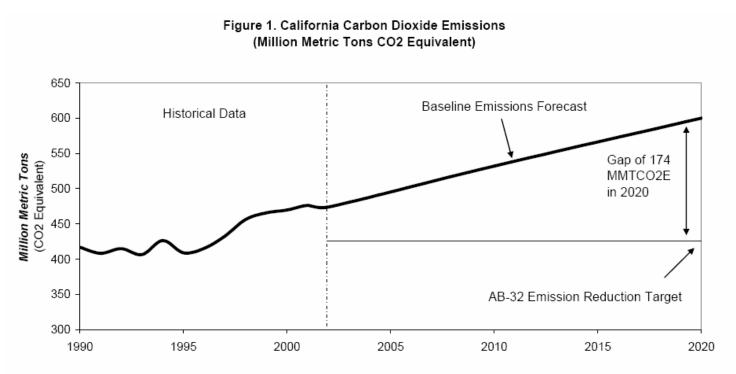


Jim Lazar Consulting Economist Utility Energy Forum April 30, 2008

Disclaimer: Jim Lazar is not representing ANY of his clients at this meeting. All opinions expressed are strictly his own.

Two Targets

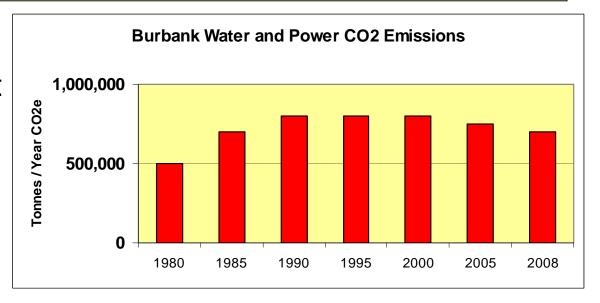
- California has set two ambitious targets for greenhouse gas reduction:
 - AB 32: Reduce statewide emissions to 1990 levels by 2020
 - Governor's Executive Order: Reduce emissions to 80% below 1990 levels by 2050
- The other Western states have comparatively meager goals.



Sources: Historical Data: Gerry Bemis and Jennifer Allen, "Inventory of California Greenhouse Gas Emissions and Sinks: 1990 to 2002 Update", June 2005.

1990 by 2020: Yes We Can!

- Yes, we can meet this goal.
 - Many California
 electric utilities
 already have:
 Burbank, LADWP,
 among others.



- Natural gas utilization technology is falling behind.
- Transportation sector is a much larger challenge, but this goal can be met with ridesharing, transit, and telecommuting.
- Agriculture, forestry, aviation, and fisheries are all responding to high fuel costs.

Simple Utility Tools To Meet The 2020 Target

- Saturation utility conservation programs: Forget the co-pay.
- Retire coal plants at the end of their current lifetimes, and build renewables.
- Appliance and building codes that press against the state-of-the-art.
- Use hydro resources more effectively
- Distribution system improvements.
- It's gonna take some money!



Transportation Tools to Meet 2020

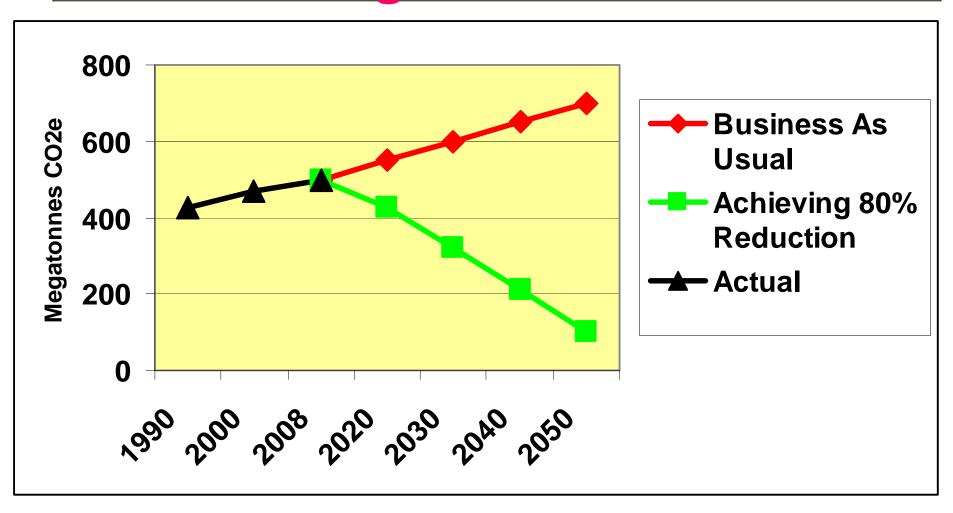
- Transit passes for all employees
- No more "free" parking
- Pay-as-you-drive insurance
- Organized rideshare matching.
- Limit SOVs and Trucks on-peak
- Walking School Bus







Achieving 80% Reduction by 2050 This is gonna be harder.



80% Below 1990 by 2050 This one's gonna be harder.



80% Below 1990 by 2050 This one's gonna be harder



Our subdivisions are energy pigs.

Housing



The McMansion Is Not a Sustainable Concept

Housing



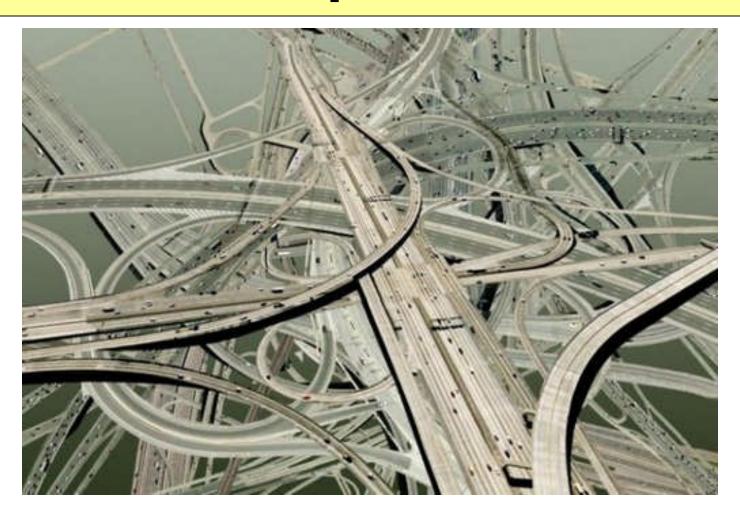
- The modern American single-family subdivision is the Appalachia of the year 2050:
 - Too far to work, unaffordable to heat and cool.

Transportation



- We're not going to succeed by driving a Prius from Modesto to Santa Clara.
- We're not going to succeed by carpooling in a Hummer.

Transportation



We cannot build our way out of congestion.
 We must plan our way out. Starting NOW!

Our Communities Must Look More Like Copenhagen, and Less Like Orange County.





People live within a mile or two of where they work, shop, eat, school, and play.

To Achieve an 80% Reduction 80% Must Go.

- About 85% of us get to work in private autos.
 - In Copenhagen, about 85% do NOT. 36% bicycle.
- About 65% of us live in single family homes.
 - In Copenhagen, about 85% do not.
 - 80% of our energy is fossil-fuel based.
 - This has got to change.



Cut the total use in half
Double or triple the renewables
Retire the unsequestered coal
Pursue alternatives to autos
Reward frugality
Discourage waste
Build communities.



We need fundamental change.

Major Land Use Changes

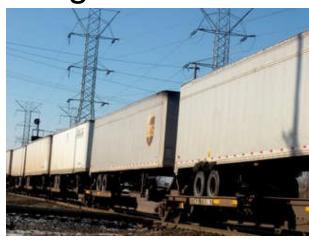
- Not one more single family home.
- Not one more new or widened major road
 - Major zoning changes needed.
 - The goal: all new dwellings transit-friendly
 - Bicycle and Pedestrian-friendly development.
- Shared amenities condos and cohousing





Major Transportation Changes

- Fundamental technological changes in personal transportation.
 - PHEV automobiles, scooters, and transit vehicles
 - Guideway systems in urban centers
 - Bicycle and pedestrian oriented communities
- Most air travel replaced with virtual travel
- Freight must move by rail





Major Personal Changes

- No more jetting around the world
- Dramatic reductions in family travel for vacations, Thanksgiving and Christmas
- So much for "Going away to College."
- "Personal cars." Sorry about that.
- Meal planning: "Running out to the store" gives way to the 100-mile diet.
- You are going to get to know your neighbors a LOT better. It's OK.





Major Business Changes

- Conferences (like this one) will be virtual.
- Virtual reality helmets replace private jets.
- Long-haul trucking is a rarity
- Just-in-time inventory will change
- Services, not goods
- Repair, not replace
- Engineer to recycle



Our Role As Utilities Influencing The Future

Resource Planning

- Renewable development and integration
- Gridwide distribution of hydro flexibility
- Aggressive smart grid development
- Innovative storage technologies
- Retire all conventional coal by 2035

Land Use: Stop subsidizing sprawl

- Line extension policies to suburbs
- New Customer Hook-up charges \$1000+/kW
- Single Family / Multi Family Rates
- Urban / Rural Rates



Our Role As Utilities Cleaning Up Our Own Act

Transportation

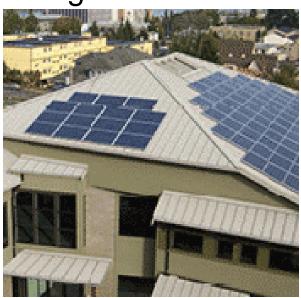
- Our own employees bonus for living close.
- Install state-of-the-art teleconferencing.
 - NO conferences in "places."
 - NO UEF "meeting" after 2009.

Our Facilities

Demonstration of energy efficiency technology

Our Inventories

Get smarter to avoid transportation costs



Can We Meet This Challenge?

We must.

Here's a
 picture of
 downtown
 Olympia,
 where I live, at
 high tide after
 5 feet of sea
 level rise.

