



California Public Utilities Commission

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Press Release

FOR IMMEDIATE RELEASE

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PUC CONSIDERS UC PROPOSAL CREATING CLIMATE SOLUTION INSTITUTE

SAN FRANCISCO, September 20, 2007 - The California Public Utilities Commission (PUC), as part of its continuing effort to aggressively pursue ways for California to reduce greenhouse gas emissions, today said it will analyze and act upon a proposal by the University of California to create the California Institute for Climate Solutions.

The proposed Institute would orchestrate and greatly expand efforts across the 10-campus UC system, and engage other California universities and colleges, to support California's businesses and policymakers in developing and implementing innovative solutions to the critical challenges facing California by global climate change. The University of California's proposal describes the mission, organizational structure, priority program and research areas, and annual budget for the proposed Institute.

The PUC, which requested that the University of California develop a proposal for a climate-focused institute, will now assess the need for and potential benefits of the proposed Institute and, if appropriate:

- Determine program and research priorities that should result in public policies, research and technology development that will be beneficial to utility ratepayers by reducing greenhouse gas emissions.
- Consider an organizational and governance structure to ensure accountability to ratepayers and stakeholders.
- Establish a funding mechanism for the proposed Institute's programs and research that will be cost effective for ratepayers.

"There is no more pressing issue facing California's environment and economy than climate change," stated Governor Arnold Schwarzenegger, in response to the proposal. "Clearly, the state

must do all in its power and authority to mitigate greenhouse gas emissions within its borders and beyond.”

PUC President Michael R. Peevey added, “The PUC welcomes this far-reaching proposal to create a California Institute for Climate Solutions to analyze and develop policies to cope with this grave threat to our environment, economy, and quality of life. The electricity and natural gas sectors contribute significantly to the negative impacts of climate change and must sharply reduce their greenhouse gas emissions to meet California’s ambitious emissions reduction targets. Utility ratepayers have a huge stake in combating climate change and properly should financially contribute to reducing these consequences. As the primary regulator of California’s largest energy utilities, the PUC is considering this proposal for a unique partnership with the University of California, which among its many public charges is responsible for promoting education, engaging in public policy debate, and undertaking research and technology development in ways that will provide benefits to all Californians. Working with and through the University of California system we will also consider developing programs at the California State University, the community colleges, and our leading private universities.”

Commissioner John Bohn said, “This is a bold initiative, aimed at creating a vibrant new force in the State of California focused on the problem of global warming.”

Commissioner Timothy Alan Simon added, “This proposal turns the University of California’s brainpower loose on the state’s energy and environmental challenges. I look forward to delving into this next step towards a greener California.”

Assembly Bill 32 requires that California reduce greenhouse gas emissions to 1990 levels by 2020, 25 percent below projected business-as-usual levels. In addition, Governor Schwarzenegger’s June 1, 2005 Executive Order (#S-3-05) targets a reduction of 80 percent below 1990 levels by 2050.

In opening today’s proceeding, the PUC said that these aggressive goals require not only the development of new technologies and public policies, but also the formation of new partnerships that will create institutional channels through which they can be deployed, implemented, and otherwise disseminated.

The PUC said that the proposed Institute may support achievement of California’s greenhouse reduction goals in three key ways:

- Conduct mission-oriented, applied research that results in practical technological solutions and policy recommendations;

- Train the next generation of researchers and professionals;
- Disseminate knowledge widely to practicing public and private sector professionals.

The PUC is scheduled to make a final determination on this proposal by early 2008 and invites comments from interested parties.

For more information on the PUC, please visit www.cpuc.ca.gov.

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