

Power plant converts from coal to biomass

By John Cox, staff writer

The Bakersfield Californian, Wednesday, Feb 22 2012

Mt. Poso Cogeneration Co. LLC announced Wednesday that its 44-megawatt power plant near Bakersfield no longer burns coal but runs entirely on tree trimmings, agricultural residue and other biomass feedstock.

The announcement marks the end of a 15-month project, earlier estimated to cost \$50 million, to convert the plant in a way that reduces emissions.

Built more than 20 years ago by Famoso Road, the plant produces steam for two purposes: turn a turbine that generates electricity for sale to Pacific Gas and Electric Co., and heat up a nearby oil reservoir in a way that boosts production of crude.

Co-owners Macpherson Energy Co., based in Santa Monica, and Ann Arbor, Mich.-based DTE Energy Services said the conversion allowed them to preserve 30 jobs at the plant and create eight new ones. Wednesday's news release said the project also produced 90 local construction jobs and about 100 long-term jobs at local companies that supply biomass feedstock and provide services such as maintenance.

After producing limited biomass-fueled power in November, Mt. Poso said it is now at full capacity, generating enough electricity to supply about 35,000 homes.

"This is a proud day -- we're creating jobs, reducing emissions, and delivering clean renewable electricity," Donald Macpherson, president and CEO of Macpherson Energy said in Wednesday's news release.

Steve Sorrentino, vice president of DTE Energy, added that the conversion project ensures a reliable source of energy with state-of-the-art technologies that protect the environment.

"Most importantly," he said in the release, "the project will bring high-skilled jobs to the Bakersfield area."

Mt. Poso's release also said the conversion project benefitted from the New Markets Tax Credit program, established in 2000 to encourage equity investment in poor communities. Provided through a conduit arrangement with Phoenix-based DV Community Investment, the tax credit is equal to 39 percent of the project's total investment over a period of about six years.

Valley Go Green Summit in Tulare seeks to tackle environmental issues Goals include providing resources for reducing energy consumption and saving money

By Donna-Marie Sonnichsen

Visalia Times-Delta, Thursday, Feb 23, 2012

Whether you're looking for economical ways to reduce your carbon footprint or want to invest in game-changing environmental-protection technologies, a free summit in Tulare today hopes to provide answers.

The Valley Go Green Summit is the first of its kind to be held in the area and is expected to attract at least 250 people from throughout the San Joaquin Valley, organizers say.

Everyone from residents to industrialists will find something of interest during the daylong session, which starts at 9 a.m. at the Southern California Edison Energy Education Center on Laspina Street across from the International Agri-Center.

Guest speakers, educational sessions, brainstorming and even a number of vendors with technological advances in equipment, money-saving programs and a wide range of money-saving options, round out the day, summit chairwoman Betsy McGovern said.

"The goal is to give individuals and business owners the resources they need to reduce energy consumption to save money," McGovern said.

In addition to coming up with creative solutions for a sustainable future, the summit is also spreading word about the Property Assessed Clean Energy Program, which pays for energy-efficient improvements, in which the business owner repays over time through property taxes.

"It's basically an amortized loan over 30 years, where it may cost you \$800 but you save \$1,000 [through the improvements] with a financing mechanism that absorbs large upfront costs and allows them to repay over time," McGovern said.

Topics range from environmentally friendly options for residential, commercial and industrial segments of society — such as energy-efficient electrical programs and rebates — to how to evaluate the return on investment on upgrades and even integration of sustainability and education.

Among the speakers is Paul Chamberlain, founder of Energy Protection Systems of Fresno, which has been involved in more than 800 energy-efficiency and renewable-energy projects since its inception in 2003.

The working sessions begin at 9 a.m. and continue at various times throughout the day while the vendors booths are available from 8 a.m. until 6 p.m.

The summit is expected to become an annual event, McGovern said.

Greenhouse gas battle could reap billions in auctions

By John Howard

Capitol Weekly, Feb 21, 2012

As California's attempt to curb climate-changing greenhouse gases ramps up, critical pieces of the landmark law remain uncertain, including the impact of the all-important auctions of hundreds of millions of so-called "emission allowances" that will serve as the spur for utilities, refiners and others to comply.

Over the next eight years, the quarterly auctions by some estimates are projected to raise between \$8 billion and \$41 billion, with the money going to everything from helping balancing the state budget to promoting the virtues of clean energy to giving breaks to millions of residential and commercial electricity customers.

In this electronic auction, bids may be submitted weeks in advance and estimates vary dramatically as to how much will be raised.

"We estimate that in the first year we'll see somewhere on the order of \$550 million, maybe as high as \$900 million," said Air Resources Board's Dave Clegern. "Our projections are pretty conservative," he added.

The one-ton emission allowances — they are sort of like permission slips to put carbon emissions into the air -- could go for \$10 to \$13 each, Clegern said, noting that is difficult to pin down the allowances' value until the sales actually take place. Currently, in the futures' market an emission allowance is worth about \$20. Other estimates have put the per-allowance price tag at up to \$80 each.

The auctions are a critical part of California's "cap-and-trade" plan to cut greenhouse gases — using market-based measures as opposed to direct orders from regulators to throttle emissions.

"The auction itself is quite important," says Bernadette del Chiaro of Environment California. "It's important because if you are going to allow polluters to pollute, they should be allowed to pay for it."

For California, this is a leap into the unknown: No state has ever tried anything like this, although a regional system, targeting electricity only, exists in the northeast. So the nation is watching. So is Europe, where a similar system already exists.

A review by the Legislative Analyst's Office suggests that the proceeds from auctioned allowances could reach \$14 billion within the next few years, then taper back and level off at

about \$12 billion annually as the program proceeds. The low end over the same period ranged from less than half-a-billion dollars to about \$2 billion. The governor's 2012-13 budget assumes \$1 billion from the program, with about half going to cover shortages in the General Fund and the remainder for several clean-energy and environmental programs.

So what is an allowance worth? At least \$10, by most estimates.

"Ten dollars for a ton of air pollution is pretty cheap. It should be more expensive for the oil industry to pollute our air," del Chiaro said.

But some allowances – perhaps half of all those available -- will be given away, at least temporarily, based on a specific emitter's efficiency.

In total, between 2012 and 2020, the ARB will make available up to 2.5 billion allowances, with roughly 50 percent auctioned and 50 percent given away for free, according to an LAO analysis. The use of free allowances is seen as a way of preventing so-called "leakage" – the departure of companies to other states.

It also is a way to ease the impacts on the public.

For example, electricity generators will get free allowances to minimize the impact on ratepayers, both residential and commercial. As the auctions produce fees for the state, the hope is that some of that money will go to ratepayers – a move that will be defined by the state Public Utilities Commission.

"The big piece left hanging out there is the municipal utilities, which are not regulated by the PUC," said Lenny Goldberg of The Utility Reform Network, which lobbies the PUC on behalf of ratepayers, "and which are controlled and governed by their local city councils."

The Air Resources Board says the new cap-and-trade regulation, which covered some 360 businesses representing 600 facilities, is divided into two phases. The first, beginning in 2013, will include all major industrial sources along with electricity utilities. The second, starting in 2015, brings in distributors of transportation fuels, natural gas and other fuels.

The companies, which represent about 85 percent of California's carbon emissions, "are not given a specific limit on their greenhouse gas emissions but must supply a sufficient number of allowances (each the equivalent of one ton of carbon dioxide) to cover their annual emissions," the ARB said in announcing the new regulation last fall.

The entities produce 25,000 tons or more each a year in carbon emissions, the LAO noted.

Under cap-and-trade, companies' emissions are limited, or capped, but the allowances can be bought, sold or traded to allow the firms' operations to continue, at least for a while, as emission limits are imposed. The idea is to engage the market place, with its financial incentives and penalties, to cut climate-changing carbon emissions rather than through top-down orders from regulators.

"As the cap declines each year, the total number of allowances issued in the state drops, requiring companies to find the most cost-effective and efficient approaches to reducing their emissions. The first compliance year when covered sources will have to turn in allowances is 2013," the ARB noted.

It is this financial piece of AB 32 of 2006, California's anti-greenhouse gas emissions law, that has drawn the most controversy. In part, that's because the advisory committee that endorsed the idea got its marching orders from former Gov. Arnold Schwarzenegger, who demanded a cap-and-trade system, and in part because the pocketbook impact on industry remains unknown.

The law, authored by then Assemblywoman Fran Pavley, a Santa Monica Democrat, requires the state to reduce its greenhouse gases to 1990 levels by 2020. In 1990, there were about 427 million metric tons of these gases or their equivalent in the aggregate statewide, according to the Air Resources Board. Despite the attention on AB 32, fully two-thirds of the reductions to 1990 levels are contained in other air-quality rules and regulations.

Each year, the emissions cap gets tighter and the number of available allowances declines, presumably pushing up the per-allowance cost as demand increases.

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Meanwhile, the state will get the proceeds from the auctions. Much of the money must further the goals of AB 32 – curbing greenhouse gases and encouraging clean energy – and some money will go to electricity customers to defray cost hikes.

But in the end, it will be worth it, supporters say.

“We would have preferred that 100 percent of the allowances be auctioned off instead of given away so no one gets away with polluting our air for free, but the logic is that more companies are going to need time to adjust to a carbon-free world,” said del Chiaro.

“It’s a ramp-up type of program,” she added.

Businesses impacted by Valley’s slew of no-burn days

By Michael Kincheloe

The Business Journal Fri., Feb. 17, 2012

With the Valley in the middle of another winter and recent nighttime temperatures below freezing in some areas, more than a few local residents are depending on fireplaces and wood stoves to keep themselves and their families warm.

A fire burning in a fireplace can be cozy, romantic — and illegal. The San Joaquin Valley Air Pollution Control District prohibits burning any solid fuel, including wood, wood pellets and manufactured wood (such as Duraflame fireplace logs) on days when the air quality is particularly bad.

Not all Valley residents are subject to the ban, however. Those who live in an area where natural gas service is not available and must rely on propane or other bottled gas for heat — or those whose only source of heat is wood burning — are exempt from the no-burn regulations. Robert Radford is a salesman at Energy House in Fresno, which does a steady business with customers who can legally burn wood products for heat.

“Those who are not affected by the ban who use propane or electricity to heat their homes are buying stoves that burn wood or wood pellets,” Radford said. “We still do very well with wood-burning stoves, but it’s not like it was 10 years ago.”

No-burn restrictions first took effect in the Valley in 2003. Prior to that, residential wood burning was one of the largest contributors to particulate pollution in the area, especially in wintertime, according to the air district said. Even more stringent regulations were put in place in 2007.

“When the air quality index was lowered four years ago, sales dropped off dramatically,” Radford said. “Since then, there has been an increase in gas [fireplace] inserts.”

A fireplace insert is a piece of equipment installed when a wood-burning fireplace is converted to natural gas. They employ a pilot light like those on other natural gas appliances.

Mike Prandini, president and CEO of the Building Association of Fresno and Madera Counties, said that ever since the air district began prohibiting wood burning on certain days, builders have been installing gas-operated fireplaces.

"They haven't put in real wood-burning fireplaces in new homes for at least four years," Prandini said. "Most of the gas fireplaces are for aesthetics; they don't put out much heat."

Those who can legally burn wood in their fireplace or stove provide a good business for Dave Curtis, who runs Dave Curtis Firewood in Visalia. Curtis said that burning wood is the answer for those who live in the country and do not have access to natural gas.

"Prices for bottled gas and propane have gone up," Curtis said. "I think a lot of people who can't afford to buy gas are replacing that with wood."

Some Valley residents subject to the no-burn rules are still using their wood-burning fireplaces for heat, occasionally with disastrous results. The Visalia Times-Delta reported that a home in North Visalia was destroyed by fire in late December when the homeowner tried to save money by using both upstairs and downstairs fireplaces for heating.

Fire investigators suspected that a buildup of creosote on the walls of the chimney contributed to the fire and urged those who use wood-burning fireplaces to have the chimney and flues cleaned at least once a year.

Chimney sweeps have been keeping chimneys clean and safe for centuries, and while most who do the job today don't sing and dance like Bert, the chimney sweep from the film "Mary Poppins," these certified professionals can prevent a disaster like the one in Visalia.

Jim Keeton of Fresno has been a chimney sweep for 38 years. As the owner of A-One Energy Source, Keeton repairs and relines fireplaces and many other heating services in addition to making chimneys clean and safe.

"The no-burn days greatly reduced business," Keeton said. "We still get a lot of business in the areas not affected by the ban, but we don't get as much down on the Valley floor."

Keeton said that he averages one to three chimney-cleaning jobs each day, mostly in residential homes, where it takes anywhere from 30 to 90 minutes to complete the task. He and his son work as a team, spreading tarps inside the house and vacuuming to keep everything clean, and using a certain technique in the cleaning process.

"We work from the top down and the bottom up," Keeton said. "You have to be very careful in what you're doing."

According to the air district, the no-burn rule has been extremely effective at improving the Valley's air quality. The district employs enforcement officers who issue tickets to local residents who violate the no-burn rules, and a resident who faces paying a fine for his or her transgression will occasionally respond to officers with hostility. The Bakersfield Californian reported that one "smoke cop" in the South Valley was threatened with a kitchen knife by an angry homeowner.

Most Valley residents who disagree with the no-burn rules stick to grumbling or writing a letter to the editor, however.