



GOVERNOR ARNOLD SCHWARZENEGGER

July 15, 2010

Ms. Mary D. Nichols
Chairman
California Air Resources Board
1001 I Street
Sacramento, California 95812

Dear Ms. Nichols,

As you know, I am firmly committed to advancing California's development of clean, renewable energy. Renewable energy is a key element of our State's efforts to achieve the goals of Assembly Bill 32, develop sustainable, secure and diverse sources of energy and drive economic growth and job creation. For these reasons, in September 2009, I signed Executive Order S-21-09, directing the Air Resources Board (ARB/Board) to adopt by July 31 of this year a 33 percent renewable energy target for 2020. I have followed your process closely and believe the approach you have developed in collaboration with our State energy agencies and other stakeholders is on track to further establish California as a world leader in renewable energy development.

Earlier this year, I signed legislation to speed the development of more than 20 renewable energy projects that will generate nearly 10,000 megawatts of clean energy, attract as much as \$30 billion in investment and produce more than 12,000 new jobs. Today, there are more than 200 additional renewable energy projects seeking permits to build in California.

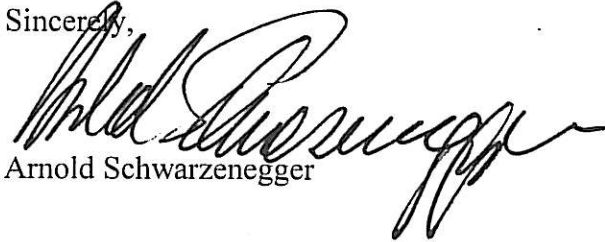
Last year, I vetoed legislation to establish a 33 percent Renewable Portfolio Standard because as written the legislation would have created barriers to delivery of clean, renewable energy to meet the 33 percent requirement. Additionally, the bill failed to include any measures to streamline California's complicated and overlapping permit process without which we may not be able to meet a 33 percent standard. To be successful, California's renewable energy policies must be designed to afford flexibility and cost-effectiveness. Our program must also be designed to move projects quickly through the permitting and siting processes so that we can reap the many benefits of renewable energy. I continue to believe that we can accomplish these goals through legislation and am encouraged by the progress of recent discussions with the legislature.

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I understand that the Air Resources Board is scheduled to consider adoption of the 33 percent renewable energy proposal at your July Board Hearing. I am encouraged that the approach you have developed will effectively further California's efforts to secure at least one-third of our energy needs from clean and renewable resources by 2020. In light, however, of ongoing discussions with legislative leaders to develop a bill that I can sign, I am requesting that the Air Resources Board postpone consideration of the proposal until your scheduled September hearing. If no legislation is enacted by that time the Board will be ready and able to adopt the regulations at that time.

I am confident that either through legislation this year or by the Board adoption of your proposed regulation in September, California's 33 percent renewable standard will further establish California's legacy as a worldwide environmental and economic leader.

Sincerely,

A handwritten signature in black ink, appearing to read "Arnold Schwarzenegger", written in a cursive style. The signature is positioned to the right of the word "Sincerely," and above the printed name.

Arnold Schwarzenegger