



**BRIEFING: JANUARY 12, 2016 BOARD MEETING AGENDA ITEM #2**

**TO: Chairman Richard and Board Members**

**FROM: Jeff Morales, Chief Executive Officer  
Meg Cederoth, Sustainability Manager**

**DATE: January 12, 2016**

**RE: Update on the Renewable Energy Policy and Outline of Next Steps**

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**Background**

The California High-Speed Rail Authority Board committed to a policy goal of using 100 percent renewable energy for powering the system in September 2008. As stated in the Board’s adopted motion: “the California High-Speed Rail Authority’s policy is to power the train with clean renewable energy, making it the first true zero-emission train in the world.”

Consistent with a presentation received by the Board in January 2012, this objective can be achieved by procuring and producing enough renewable energy to offset the amount of energy high-speed rail operations takes from the state’s power grid.

Since then, the Authority has worked with state partners such as the California Energy Commission (Energy Commission), to gain knowledge on the use and availability of renewable energy to supply the system’s needs over the life of the project.

In April 2013, to further increase the Authority’s knowledge of feasible, available and planned renewable energy supply, the Authority released a formal request to the renewable energy industry to receive information on renewable energy opportunities.

**Discussion**

The Authority received fifteen responses to its request for information. The initial findings from those responses indicated that a variety of companies have capacity to supply the entire electricity needs of the system and were prepared and interested in delivering that capacity (approximately 140 MW in 2022 and 960 MW of generated power in 2050). Several of the respondents specifically stated that they had sufficient existing planned capacity for the 2022 load (associated with running an initial operating section), and two respondents confirmed planned resources to be able to meet the full 2050 demand.

These responses reinforce that the Authority's renewable energy commitment is realistic and achievable. Further, they match the observations by the Energy Commission that the requirements of the high-speed rail system are modest within the overall scale of renewable energy demand in the State of California. Authority business planning and modelling to date have assumed costs for energy that capture historic potential premiums for guaranteed renewable energy. The industry responses, subsequent pricing research, and consultation with state partners have confirmed available capacity within or below forecast operating costs.

At the January 12, 2016 Board meeting, Commissioner David Hochschild of the Energy Commission will provide a short presentation on current state renewable energy policy and legislation, the status of the renewable energy generation market in California, and the feasibility of the Authority's anticipated renewable energy procurement. Commissioner Hochschild fills the environmental position on the Commission and has renewable energy in his portfolio.

### **Next Steps**

Staff proposes that the Authority develop and adopt an updated renewable energy policy in spring 2016 in order to confirm and clarify its approach to its 100 percent renewable energy policy goal. Aspects to be clarified include any geographic preference for renewable energy projects, the time-scale in which zero-net energy will be measured and other issues associated with implementing the policy. Staff will return to the Board in the coming months seeking approval for this final policy.