

Poll -- Californians Still Support Cap-and-Trade

Craig Miller, KQED (San Francisco television), 12-9-10

A new poll shows Californians holding firm to their support of California's climate strategy, including cap-and-trade provisions likely to be approved next week. The poll accompanies a sheaf of new studies commissioned by the pro-clean-tech think tank known as Next 10.

The Field poll of about 500 Californians, taken right before Thanksgiving, shows two-thirds (66%) of respondents still favor (either "strongly" or "somewhat") the 2006 climate law known as AB 32, including the cap-and-trade provisions (64%). About one in four oppose both.

The studies released with the poll point to an economic anticlimax under the cap & trade regulations of AB 32, with net benefits in the long-term. One of the lead investigators, David Roland-Holst, calls it a "small ripple in a giant teapot," the teapot representing the massive California economy. A "synthesis of the findings" released by Next 10 shows a "very small" impact on the state's economy, and "very small" changes in retail electricity rates. It also concludes that so-called "leakage" -- the regulation-induced exodus of business from California is "likely to be small." That's not to say there are no losers. "We've got to be honest and say there will be trade-offs," said Roland-Holst.

Next 10 founder Noel Perry says the research was commissioned nine months ago, with the hope that it would be ready before voters went to the polls to decide on the fate of Proposition 23, which would have frozen AB 32. But, Perry says, the work wasn't ready until now. The release is still timely, as next week the California Air Resources Board is expected to formally approve a huge package of AB 32 regulations, including the carbon trading program.

That program will almost certainly go forward with the staff recommendation that 90% of carbon allowances be given away, at least at first. Environmental groups have pressed for a "100% auction" of permits, in which all carbon allowances would have to be purchased by industry. The Next 10 study, which may be the first detailed comparison of the two methods, suggests that selling permits would provide a bigger boost to the state's economy than giving them out. Roland-Holst says that's because funneling the proceeds back through households in the form of utility rebates or tax relief, would fuel the kind of spending that supports more jobs than providing direct relief to industry. Roland-Holst says a 100% auction would bring in anywhere from \$7 billion to \$15 billion annually, with full implementation of carbon trading.

When the poll asked respondents what should be done with the money, 54% of respondents favored using it to plug holes in the state budget -- the largest single response by far. Thirty-nine percent preferred that the money be "returned to residents." The poll has a margin of error of four-to-five percent.