

# Climate change law's suspension slammed by UC Berkeley study

**Rick Daysog, Sacramento Bee, 9-10-10**

Suspending California's landmark climate change law would result in the loss of millions of dollars in state revenue and hurt the state's growing clean-tech industry, a new report says.

The Center for Law, Energy & the Environment at the University of California, Berkeley Law School also said the rollback initiative, Proposition 23, would benefit oil and power companies while increasing regulatory burdens to real estate developers and auto makers.

"It adds significant uncertainty at a time when we have a lot of economic uncertainty," the report's co-author Dan Farber said.

California's climate change law, signed by Gov. Arnold Schwarzenegger in 2006, attempts to reduce carbon emissions statewide to 1990 levels by the year 2020.

The rollback measure seeks to suspend the law until the statewide unemployment rate drops to 5.5 percent or below for four quarters in a row.

Farber said Proposition 23 would force the state to suspend a \$63 million fee it plans to charge oil companies, utilities and other energy companies.

It also would require the state to set aside a cap-and-trade program that places limits on greenhouse gas emissions from oil refiners, utilities and other energy companies.

Under such a system, the state would sell carbon allowances to the state's largest polluters, which could then use those allowances to offset their emissions or sell them on a secondary market.

Estimates of the state's revenues from a cap-and-trade system have ranged from \$220 million to \$550 million.

Another casualty: California's budding clean-tech sector.

Part of AB 32 requires utilities to purchase about a third of their energy supply from renewable sources.

Setting aside the law would result in the loss of clean jobs and limit investments in new technologies, the report said.

The study also said Proposition 23 will create inequities between industries regulated by different climate change laws.

Oil companies and utilities would be relieved of their burdens under AB 32 while real estate developers and car makers governed by a separate set of climate change laws could see increased pressures from regulators, the report said.

"You're going to end up with this patchwork of climate change regulations that will affect some sectors and not others," Farber said.

Anita Mangels, spokeswoman for the Yes on 23 committee, disputed the report. She said Proposition 23 would have a positive impact on state revenue and California's economy.

She cited a July study by the state Legislative Analyst's Office which said the state could see "a potentially significant increase in revenue" from greater economic activity if AB 32 was delayed.