

Global Warming -- ballot initiative would curb California efforts

Margot Roosevelt, Los Angeles Times, 1-25-10

So what happens if California delays the implementation of its landmark global warming law, AB 32? The state's nonpartisan Legislative Analyst's Office has done the math on Measure 94, a proposed ballot measure, and assessed the fallout. Its verdict? The measure would cripple but not completely dismantle the state's efforts to slash its greenhouse gas emissions; it could lead to bigger short-term profits for some businesses, but dampen investments in clean technology and green jobs.

The legislative analyst report, the first step in qualifying an initiative for the ballot, was sent to the California attorney general Tuesday. He has 15 days to give the initiative a title and a summary. Once that happens, proponents can begin gathering the 433,971 valid signatures required to place Measure 94 on the November ballot. An attorney general's spokeswoman said that is likely to happen on Feb 5. Atty. Gen. Jerry Brown, an advocate for climate curbs, is unlikely to retain proponents' current title: "California Jobs Initiative."

Assembly Bill 32, adopted in 2006, would require the state to reduce its greenhouse gas emissions -- which mostly come from burning fossil fuels in power plants, factories and cars -- to 1990 levels by 2020. That would be an effective cut of about 15% below today's levels. The California Air Resources Board is expected to adopt a cap-and-trade program by the end of the year, which would limit the amount each industry can emit, but allow companies to buy and sell emissions credits to lower their costs.

Measure 94 would delay implementing the law until California's unemployment drops to 5.5% for four consecutive quarters (two other versions in the pipeline would delay the law until joblessness sinks even lower). The state's current unemployment rate is 12.4%. The measure is proposed by Assemblyman Dan Logue (R-Marysville), Rep. Tom McClintock (R-Granite Bay) and Ted Costa, of the People's Advocate Initiative Committee (the anti-tax, Prop. 13 folks), and California tea-party activists.

The measure would suspend not only the proposed cap-and-trade program, but also rules that have already been adopted by the California Air Resources board, including a measure to slash the amount of carbon in gasoline and other fuels. That first-in-the-nation low-carbon fuel standard was adopted in April.

It would also invalidate Gov. Arnold Schwarzenegger's executive order requiring that 33% of all retail electricity sellers get their electricity from renewable sources such as wind, solar and geothermal by 2020. (The current standard of 20% by investor-owned utilities by 2010 would still apply.) That order would curb greenhouse gas emissions of the state's power plants, its biggest polluters.

Nonetheless, one key measure, the limit on greenhouse gas emissions from cars, would "probably" be unaffected by the proposed ballot measure, legislative analyst Mac Taylor concluded. That's because vehicles fall under a 2002 statute, AB 1493, known as the Pavely law after its author, state Sen. Fran Pavely (D-Agoura Hills). The analyst's report estimates that half of the emissions reductions contemplated under the state's climate plan would still be required because they are authorized by other statutes.

Suspending AB 32 could lead to short-term cuts in consumer energy prices, the analyst found. But he added that it could "delay investments in energy technologies reaping longer-run savings, or dampen additional investments in clean energy technologies or in so-called 'green jobs' by private firms, thereby resulting in less economic activity than would otherwise be the case."

As for saving the cash-poor state money, the analyst's report notes that auctions of permits to emit greenhouse gases under a cap-and-trade program could result in "billions of dollars annually" in state revenue. Under

Measure 94, that revenue would not fill state coffers (albeit much of it would be kicked back to consumers to compensate for higher energy costs, under the most likely proposed cap-and-trade design).