

California global warming law may lead to job losses, report says

The state's nonpartisan legislative analyst's office says the losses could occur in the short term. State Sen. David Cogdill uses the report to criticize climate regulation.

Margot Roosevelt, Los Angeles Times, 3-10-10

Debate over the economic effects of California's first-in-the-nation global warming law flared this week, with a report saying short-term job losses can be expected.

The state's nonpartisan legislative analyst's office examined 2008 economic modeling by the California Air Resources Board and concluded that it "may overstate the number of jobs" attributable to future implementation of the 2006 climate law.

While acknowledging the uncertainty of such projections, the report said, "On balance, however, we believe that the aggregate net jobs impact in the near term is likely to be negative, even after recognizing that many of the . . . programs phase in over time."

The report comes at a politically charged moment, when polls show employment to be Americans' top concern. Signature gathering began last week on a November ballot initiative that would delay the law, known as AB 32, until unemployment drops to 5.5% for at least a year. California joblessness is over 12% today.

The report came in response to a query from Sen. Dave Cogdill (R-Modesto), a critic of the law. Released by Cogdill on Monday, the report emphasized that job effects are "difficult to accurately predict . . . with gains in some occupations (including so-called green jobs) and losses in others (primarily involving fossil fuel-related energy production)."

Long term, any effect on jobs "will likely be modest in comparison to the overall size of the state's economy," the analysis concluded.

Cogdill used the report Monday to blast the state's climate regulation. "It's time to put the brakes on this failed environmental policy," he said. "It's obvious that the quest for 'green' jobs will only take more cold hard green cash from Californians' wallets."

Industry groups have sharply criticized the air board's economic analysis of its mixture of regulations and incentives to slash the state's greenhouse gas emissions. The board found that on balance, the plan would create 120,000 jobs by 2020 (a 0.7% gain), boost the state's expected \$2.6-trillion gross product by \$4 billion and increase per capita income by \$200.

The analysis, based on broad economic models, drew criticism from some academics, including Harvard economist Robert Stavins.

As a result, last May, Secretary of Environmental Protection Linda Adams appointed a 17-member committee to help revise the analysis. Their report is due this month.

Asked about the legislative analyst report, Gov. Arnold Schwarzenegger cited new solar facilities and biofuel plants in the state and said, "I'm absolutely convinced that AB 32 will create more jobs than kill jobs."

By pushing the state into renewable energy, AB 32 is expected to boost the clean-tech sector, which is particularly strong in California.