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Schwarzenegger Orders Cuts in Emissions

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SACRAMENTO, Jan. 9 — Gov. [Arnold Schwarzenegger](#) said Tuesday that he would ask regulators to require the state's petroleum refiners and gasoline sellers to cut by 10 percent the emissions of heat-trapping gases associated with the production and use of their products.

The order for cuts, which the governor wants completed by 2020, follows [California's](#) trademark pattern of hitching its environmental aspirations to its market muscle. It also represents one of the first examples of a state or a national government regulating the fuel in its passenger vehicles as part of a strategy to reduce both emissions that contribute to [climate change](#) and dependence on foreign oil.

The plan, which Mr. Schwarzenegger delivered to legislators Tuesday night in his State of the State address, was the second part of a one-two policy punch the governor announced this week. On Monday, he proposed providing health care to all the state's residents, which unlike the emissions plan is subject to approval by the Legislature.

"Our country has been dependent on foreign oil for too long," Mr. Schwarzenegger said in his address. "I ask you to set to motion the means to free ourselves from oil and from [OPEC](#). I ask you to encourage the free market to overthrow the old order. California has the muscle to bring about such change. I say use it."

The executive order asks state air regulators to take up the governor's challenge. The California Air Resources Board will be responsible for drawing the blueprints to carry out the order, with the help of advisers from the [University of California](#), Berkeley.

It is the first example of the practical impact of a deal made last summer between the

Legislature and the governor to reduce carbon dioxide emissions by about 25 percent by 2020. The transportation sector is responsible for about 40 percent of the state's carbon dioxide emissions, state officials said, and cars make up about half that amount.

The 10 percent cut in emissions would be accomplished, experts said, largely through the use of alternative fuels, like ethanol and other gasoline blends, which would be provided by the refineries and other producers.

Hal Harvey, the environmental program director for the William and Flora Hewlett Foundation, called Mr. Schwarzenegger's plan "a really big deal."

"In my opinion there are no successful rules anywhere in the world, except Brazil, to get carbon out of fuels," Mr. Harvey said. "It is the big, hairy unmentioned problem with cleaning up carbon." The [European Union](#), he added, is considering a similar rule.

Environmentalists expected the order to turbocharge the market demand for corn-based ethanol and biodiesel fuels, and for natural gas, and to jump-start the introduction of experimental fuels like cellulosic ethanol, which is made from plant waste or nonfood crops like switch grass or wood chips.

The contemporary environmental movement links clear air goals to potential profits, and Mr. Schwarzenegger's order, with input and support from lobbyists from Environmental Defense, the [Natural Resources Defense Council](#) and the Hewlett Foundation, mirrors that approach. The companies or industries that stand to benefit financially from his plan include producers of corn-based ethanol, biodiesel and other, more experimental forms of renewable fuels.

Mr. Harvey and Fred Krupp, the president of Environmental Defense, said they hoped that the California approach would be a template for other governments, whether in state capitals, in Washington or abroad.

The plan, Mr. Harvey said, is unusual in its focus on the so-called cradle-to-grave emissions associated with each fuel. In the case of ethanol, this can mean carbon emissions generated in the production of fertilizer, in the planting and harvesting of corn, in distilling the fuel and, finally, in transporting it to the distributor and burning it in a car.

Thus, two otherwise identical gallons of ethanol could have different greenhouse-gas ratings, if one were refined using carbon-intensive coal-fired electricity, while the other was refined using relatively carbon-light electricity from natural gas.

At a technical briefing on Tuesday, Bill Jones, the chairman of the board of Pacific Ethanol, a fuel producer, and the former Republican leader of the California Assembly, praised the effort as “the most comprehensive, well-thought-out plan I have ever seen.”

The governor’s staff said his mandate had the support of the oil industry. But that support was clearly not unanimous. Jay McKeeman, a spokesman for the California Independent Oil Marketers Association, which represents about 85 percent of the state’s fuel distributors, said the order required too much of his industry and not enough of the automakers.

“This initiative seems to focus strictly on fuels,” Mr. McKeeman said. “And of course a whole part of this equation has to be the technology that uses the fuels. That is at least as important as the carbon content of the fuel.”

The auto industry, in turn, believes California has asked plenty, and has sued the state over environmental rules. Charles Territo, a spokesman for the Alliance of Automobile Manufacturers, said the trade group had not taken a position on the proposal, but added: “Currently there are more than nine million alternative fuel automobiles on the road. In 2007, manufacturers are offering 60 different models for consumers to purchase.”

“Manufacturers,” Mr. Territo said, “must recognize that we need to reduce our reliance on foreign sources of oil.”

Mr. Schwarzenegger, who is recovering from a broken leg and appeared somewhat in pain on Tuesday, used his address to hit on other policy goals for the year, including changes to the state’s health care system, the creation of thousands of new classrooms and continued investment in infrastructure.

Calling California’s severely overcrowded prison system a “powder keg,” he said he wanted the state to consider prison construction and hinted at the establishment of a sentencing commission to address the problems that have led to overcrowding.

He also suggested that the Legislature consider an overhaul of the state’s redistricting system, which heavily favors incumbents.

“You will not benefit politically from this,” Mr. Schwarzenegger said. “I will not benefit politically from this. But the people will benefit from this.”

Jennifer Steinhauer reported from Sacramento, and Felicity Barringer from Washington.