



Union of Concerned Scientists
Citizens and Scientists for Environmental Solutions

press release

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CALIFORNIA TAKES ANOTHER GIANT LEAP ON GLOBAL WARMING POLICY

AIR BOARD RELEASES COMPREHENSIVE PLAN TO CUT POLLUTION

SACRAMENTO (June 26, 2008) — The California Air Resources Board (CARB) released the nation's most comprehensive plan to date for reducing the pollution that causes global warming. While the plan is still a proposal, it represents the furthest step forward any state has taken in the fight against global warming, according to the Union of Concerned Scientists (UCS).

Patricia Monahan, the director of UCS's California office, said CARB's plan would add more momentum to the fight against global warming. "California is showing the rest of the country how we can build a clean energy economy," she said. "There's no drilling our way out of energy problems. As energy prices skyrocket, consumers need real alternatives that sip rather than guzzle, that are homegrown instead of imported."

The 75-page plan includes a range of policy recommendations. Chief among them is increasing the state's renewable electricity standard. The plan also contains provisions for a regional cap-and-trade program that would work in harmony with other more specific policies to reduce pollution economywide. The plan also says CARB will consider a "feebate" program that would provide incentives to consumers to buy cleaner cars.

In addition, the proposal includes plans to reduce emissions from heavy-duty trucks with hybrid engine technology and better fuel economy. Like many of CARB's proposals, the heavy-duty truck provisions would improve public health by also reducing smog-forming pollution.

Christopher Busch, a UCS climate economist, pointed out that many of the draft plan's policies would save consumers money and yield economic benefits, while the overall cost of implementing the plan would be negligible. "Fundamentally, we're talking about making our economy more efficient, which will give us energy savings," he said. "And investing in clean, renewable energy will make our electricity and fuel supplies more diverse, and insulate us from price swings in the fossil fuel market."

Busch added that global warming pollution reduction strategies also would provide public health benefits by cleaning up the air as well as support the state's growing clean technology industries. "California has proven time and again that we can clean our air and grow our economy," he said. "Now the state is going to prove the same thing with global warming."

The renewable electricity standard in the plan would require utilities to generate 33 percent of their electricity from clean, renewable sources, such as wind and solar power, by 2020. Such a standard would reduce global warming pollution by an amount equivalent to avoiding the construction of 10 new large fossil fuel power plants or removing nearly 3 million cars from the road. Such a standard could save residents money on their electricity bills by displacing natural gas. Additionally, it would reduce smog-forming pollution, create new green-collar jobs in the state, and bolster California's growing clean technology sector.

"California has a wealth of renewable electricity potential we aren't tapping into yet," said Dan Kalb, UCS's California policy coordinator. "Shifting to clean, safe sources of carbon-free electricity is a win for the environment, the economy and consumers."

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(For more about the benefits of boosting the state's renewable electricity standard, go to: www.ucsusa.org/assets/documents/clean_energy/33_percent_RES.pdf.)

CARB identified a feebate program as one avenue for reducing vehicle pollution. Such a program would establish one-time rebates and surcharges on new passenger cars and light trucks based on the amount of global warming pollution they emit. Such a program would deliver benefits on its own, but also would complement California's tailpipe standards if both were implemented. According to a University of Michigan study, implementing a clean car discount program would deliver an additional 21 percent reduction in global warming pollution beyond the tailpipe standards.

More than 1.5 million new vehicles are sold in California each year, which represents about 10 percent of the new vehicle market in the United States. A quarter of California's global warming pollution comes from cars.

"A feebate program is a great way to make cleaner cars more affordable for everyone," said Spencer Quong, a UCS senior vehicles engineer. "Cleaner cars simply cost less to operate, so people will save money on gas with this program, too. On top of that, this 'clean car discount' program would give automakers an added incentive to produce cleaner vehicles."

(For more about feebate programs, go to: www.ucsusa.org/assets/documents/clean_vehicles/CCCD-3-6-06.pdf.)

The regional cap-and-trade market approach in CARB's plan would work best if California can strengthen the Western Climate Initiative (WCI), according to UCS. The WCI is a partnership among several states and Canadian provinces to reduce global warming pollution.

"CARB's plan on cap-and-trade is a step in the right direction and draws on some lessons learned from other cap-and-trade systems," said Busch. "But until the details are filled in, the jury remains out on whether or not the program will be as well designed as it could be." UCS is pleased to see that cap and trade accounts for 20 percent of the needed reductions, while the remaining 80 percent will come from direct regulations. "The plan appropriately recognizes that cap and trade is not a silver bullet," Bush said.

Busch said CARB's plan implies that the agency is considering auctioning less than half of the pollution allowances under a cap-and-trade system initially. He pointed out that cap-and-trade systems work best when as many pollution allowances as possible are auctioned and that giving them away can create windfall profits for polluters. (On page 19 of the plan, CARB calls for the program to "quickly transition ... to a system in which the majority of allowances are auctioned.")

CARB also recommends limiting the number of "offsets," or substitutes polluters could use to avoid making pollution reductions on their own. But until those offset limits are specified, Busch said, it will not be possible to determine how effective a cap-and-trade program would be at reducing pollution, fostering innovation, creating jobs, or improving public health in California. Ideally, in-state offsets would be emphasized more than out-of-state offsets. UCS urges CARB to prohibit the use of offsets for compliance with direct regulations such as the renewable energy standard.

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Formed in 1969, the Union of Concerned Scientists is the leading science-based nonprofit organization working for a healthy environment and a safer world. Headquartered in Cambridge, Massachusetts, UCS also has offices in Berkeley, Chicago and Washington, D.C. For more information, go to www.ucsusa.org.