

## **State OKs tough plan to counter global warming**

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California's air quality board approved on Thursday the nation's most sweeping plan to reduce **global warming** by curbing emissions, a move that state regulators hailed as a nationwide model for President-elect Barack Obama.

State leaders predicted that the blueprint, unanimously approved by the California Air Resources Board, would stimulate California's lagging economy by creating thousands of jobs and billions of dollars of commerce, while business owners said the plan would worsen the state's fiscal woes.

"Today is the day we help unleash the full force of California's innovation and technology for a healthier planet, a stronger and more robust economy and a safer and more secure energy future," Gov. Arnold Schwarzenegger said in a statement.

The changes called for over the next 12 years are sure to affect the products Californians buy, the cars they drive and the places they live. They are designed to allow the state to reach its legally mandated goal of reducing greenhouse gas emissions to 1990 levels by 2020, a reduction of about 30 percent.

California is "taking on a **global** responsibility that can be a model for others," said air board Chairwoman Mary Nichols. "It's a sample of what we think can and should be done" by the Obama administration, she said.

The plan spells out 31 rules, including emissions-reduction targets for a wide range of industries, creation of an elaborate cap-and-trade program to limit emissions and will require local governments to reduce sprawling development.

Specific regulations to lower greenhouse gases will be created by the board in the coming months.

Most of the reductions will come from fuel efficiency standards for new vehicles that have been blocked by the Bush administration. Consumer appliances and new and existing buildings will be subject to higher efficiency standards. Utility companies such as Pacific Gas and Electric Co. must provide 33 percent of their electricity from renewable sources.

The cap-and-trade program, under which participants are allotted so-called carbon credits that they can trade with others who exceed their limits, would cover 85 percent of greenhouse gas-emitting sources in the state, including electricity generation, large industrial sources and residential and commercial use of natural gas.

Details of the program were the subject of testimony during Thursday's meeting.

Environmental organizations want participants to buy the credits in an auction, while affected businesses and organizations such as the California Taxpayers Association want them for free. The European Union, which has the largest cap-and-trade program in the world, allots some credits for free, but its leaders want to charge all participants.

The average Californian will at first see subtle effects from Thursday's vote, such as increasing numbers of electric cars, Nichols said.

"There will still be cars, but there will be more that are able to be plugged in," she said. Also, small business owners are likely to be visited by their utility companies and asked to install meters to help monitor or regulate energy use, Nichols said.

But some small business owners and business advocacy groups said they were worried about the economic impact of the plan, pointing to a report by the nonpartisan legislative analyst's office and an academic peer review that criticized the air board's findings that the plan would have an overall net benefit to the state.

"The reality of climate regulations is that there will be costs in the near term," said Amisha Patel of the California Chamber of Commerce.

Other groups have called for the process to be put on hold until the board conducts an economic analysis of how the plan will affect small businesses, a call echoed by Assemblyman Roger Niello, R-Fair Oaks (Sacramento County).

But Nichols lashed out at such criticism.

"Frankly, we don't think they understood what this analysis is about," she said, adding that the air board is aware of the weakened economy and will consider that as it fleshes out the plan with official regulations. The new regulations will be decided by Jan. 1, 2011, and be in full effect by Jan. 1, 2012.

Board member Daniel Sperling said that while the plan is specifically focused on the 2020 goal, it will put the state on course to meet a larger goal of lowering greenhouse gas emissions to 80 percent of 1990 levels by 2050.

"What we're doing is breathing life into a movement," Sperling said.

Sen. Fran Pavley, D-Agoura Hills (Los Angeles County), who co-authored the bill that mandated the plan, said California is in a strong position.

"We're going to be in the right place at the right time as the federal government will probably use this as a model," Pavley said.

### **California's plan to cut emissions**

Highlights of the Air Resources Board's blueprint for cutting greenhouse gases to 1990 levels in the next 12 years, a 30 percent reduction:

- Put 85 percent of greenhouse gas-emitting industries into a cap-and-trade program.
- Require utilities to produce 33 percent of their energy from renewable sources.
- Increase efficiency standards for new and existing buildings.
- Discourage urban sprawl by building housing near transit hubs.
- Lower methane levels in landfills and encourage high levels of recycling and zero trash in landfills.

Source: California Air Resources Board

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