



**Governor, one directive from you will make the difference.**

By Hank Ryan, Executive Director

Small Business California was the first state-wide business organization to support AB32, California's first-in-the-nation global warming emissions law. We supported this "hybrid" law – containing both market incentives and regulatory controls – because we believe it is good for business. We testified and "walked the halls" of the legislature to convince elected officials to back AB32 for the same reasons you've stated; we believe well designed emissions reduction strategies equals a stronger economy for California businesses.

Climate change didn't happen overnight. Neither will the effective implementation of this important legislation. One reason we supported AB 32 was that it directed the California Air Resources Board to achieve reduction of greenhouse gas emissions using a sequential, deliberative process designed to produce cost-effective and technologically feasible solutions. A logical and measured approach will inspire other states and countries will follow our leadership. This is perhaps one of the most important considerations of this landmark global warming bill – that it be implemented in a manner that causes others to follow our example.

So let's start right here to set one effective example others will follow.

Governor, we are asking you to direct to every state agency that interfaces with California businesses and consumers to do everything possible within the parameters of current rules to help AB32 lower emissions and energy use and to report back to you on their progress.

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Current ratepayer funded utility incentive programs are designed to reduce energy use. Developing new ways that take advantage of those funds in cooperation with state agencies will help California accelerate progress.

As an example, CPUC mandated utility programs provide financial incentives for businesses to invest in new energy efficient food service equipment. New refrigerators, ovens and fryers are just a few of the types of more efficient equipment on that menu. Unfortunately rebates are often not enough to leverage new equipment investments. Refrigerators and stoves last for many years and business owners often find the marginal operating savings new equipment offers cannot compete with other demands for capital. Recently a food service equipment distributor suggested, “Talk to us when we’re setting up the business, like when we’re applying for the liquor permit.”

Following this advice, we asked the California Department of Alcohol Beverage Control to consider, among other ideas, that applicants who provide evidence in their DABC application process of at least \$2500 in purchases of energy efficient refrigeration or food service equipment get “fast track” preference regarding the general application backlog that follows the public comment waiting periods.

With guidance from Assembly Member Arambula’s office, we had the opportunity to meet with Steve Hardy, your new DABC



Director, to address this issue. During the meeting, I was pleased to see that while significant hurdles exist, DABC supported the general concept of using funds from the utilities in a cooperative approach. They suggested ideas for using DABC to make businesses aware of utility rebate programs or to provide fee waivers. DABC clearly wanted to help be part of the solution.

At the end of the meeting, Steve Hardy said how important it was for the Governor to provide direct support when the state is trying to keep businesses in or attract businesses to California. He provided examples where that influence made the difference, strengthening the tax base and creating quality jobs. Given our request to DABC, the message was clear.

During the next 18 months, the Air Board will decide, in the words of Air Board Chair Mary Nichols, “how to get to the ultimate goal of AB 32, which is the rollback of emissions ... that we've got to get out of the air.”

Governor, in that spirit, we ask that you act now to direct each state agency to assist in making California’s landmark emissions reduction legislation successful and to report back to you on their progress.