

I'm Bob Stockton, a principal with the civil engineering firm of Rick Engineering. We have offices throughout the southwestern United States with most of our offices located in California. I practice in the southern California region, more specifically in the western regions of San Bernardino and Riverside Counties. I'm also speaking today on behalf of the Riverside Chamber of Commerce in providing support to CARB for the proposed AB32 implementation procedures.

The region in which I work has been one of the hardest hit by the recent recession. I've followed the implementation process of AB 32 closely and have been very concerned how it would impact future development of the greater Inland Empire region. Our engineering projects are often viewed as one of the first indicators whether the recession is continuing or if it looks like the recession may be coming to an end. My main concern is that a full-fledged cap-and-trade system as earlier proposed would have significant utility rate impacts on top of the costs of implementing increased renewable resources and reducing green house gas emissions. While my client's proposed projects show very faint indicators that we may be pulling out of the recession, I'm really worried that significant electric rate

increases might push those projects out of California and prolong the recession.

I'm thankful that CARB has proposed regulations implementing the goals of AB32 that are very sensitive to reducing rate impacts to our business customers in this still fragile economic environment. Rate increases are unavoidable to meet our emission goals, but with the proposed implementation they are small and phased in over the next decade. I believe we all can work with the small annual rate increases that are required in order for California to continue to be a leader in environmental stewardship. CARB has shown great leadership in ensuring that these environmental goals are met in the most cost effective manner.