

August 7, 2015

AB 32 Implementation Group Comments CARB Symposium to Discuss 2030 Climate Commitments Cutting Petroleum Use in Half by 2030

The AB 32 Implementation Group is a coalition of employers and taxpayer groups advocating for policies to achieve greenhouse gas emission reductions in a manner that will protect jobs and the economy.

The AB 32 Implementation Group (AB 32 IG) is submitting these comments regarding the July 8th public symposium to discuss efforts to reduce petroleum consumption by 50 percent by 2030 as outlined by Governor Brown in his January 2015 inaugural speech.

The symposium demonstrated to us that the California Air Resources Board (CARB) is aggressively moving forward to meeting the goal of 50 percent reduction in petroleum usage by 2030 by considering ideas that are unrealistic and expensive.

Most of California's businesses and families rely on petroleum for day-to-day transportation needs. A 50 percent reduction of petroleum use by 2030 could compromise the availability of transportation fuels. The California Energy Commission reported in its 2014 Integrated Energy Policy Report that 92 percent of all transportation fuels in California are made up of petroleum. Businesses rely on petroleum to transport goods and people, and it is unclear how the arbitrary goal will be met. Will there be a 50 percent straight reduction in the production of petroleum in the state? Will we have to ration petroleum to achieve the 50 percent reduction?

Realistically, most Californians can't just cut their gasoline use and travel distances in half. They can't afford new electric cars, higher taxes, or 'carbon pricing' to help subsidize zero emission vehicles and renewable fuel production, or the infrastructure necessary to support them. In a recent PPIC poll, 75percent of the respondents drove to work and 60 percent drive alone.¹

Under AB 32's existing rules California consumers pay some of the highest energy costs in the country. As you proceed with future symposiums that may influence climate

-- more --

¹ http://www.ppic.org/content/pubs/survey/S_715MBS.pdf

change policy and regulations the AB 32 IG recommends a robust economic and technical analysis to determine whether a cost effective pathway to this arbitrary 50 percent reduction in petroleum use exists and the actual costs that will hit California consumers.

This information will give all stakeholders the tools to assess what has been accomplished, what needs to be achieved, take stock in which policies have worked, and what course corrections may need to be taken.

It's easier to set ambitious goals than it is to achieve them without harmful and unintended consequences. Our best chance of making California the model for other states and countries on climate change is to make our California policies a success at the same time we plan for the years beyond 2020.

It is important to note that no matter what occurs, the AB 32 IG is not advocating the 'do nothing' scenario that it is so often accused of reinforcing. AB 32 is the law and numerous regulations and complementary measures are currently being implemented. California is staying the course with regard to reducing greenhouse gas emissions, let's give other states and nations time to meet California's standards before we consider additional climate change policies goals that at this point in time are unrealistic and costly for all Californians.

Should you have any questions or need anything further from us, please feel free to contact Shelly Sullivan at (916) 858-8686.