Report: Emission rules to boost Calif. Economy
By SAMANTHA YOUNG, The Associated Press
Washington Post, Merced Sun-Star & other papers Wednesday, September 17, 2008

SACRAMENTO, Calif. -- Efforts to reduce greenhouse gas emissions over the next 12 years ultimately will benefit California's economy and save its residents money, according to a report released Wednesday by state air regulators.

The analysis found that the state's economy would grow at a faster rate than if it did nothing to cut the emissions that have been blamed for contributing to global warming. It offers the most authoritative projection yet of the economic consequences of the state's 2006 greenhouse gas law.

"Our historic effort here in California to deal with the crisis of global warming will also have a benefit of saving our businesses and residents money," state Air Resources Board Chairwoman Mary Nichols told reporters during a conference call.

In June, the board proposed a series of ambitious measures to require cleaner-burning vehicles, increase renewable energy and impose an emissions cap on major polluters. It is working under a year-end deadline to finalize those strategies.

California law requires the state to cut its emissions to 1990 levels _ a reduction of roughly one-third _ by 2020.

Regulators estimate that under their emission-cutting proposals, California's economy would be slightly more productive than it would be without the regulations.

They also project 100,000 more jobs would be created as a result of the regulations and that an average California household would save $400 a year thanks to more energy-efficient vehicles and homes.

Investments made by businesses to comply with global warming regulations eventually will save them money as they become more efficient, according to the report.

"This is the green-light analysis that says we should keep pushing on this," said James Fine, an economist at the Environmental Defense Fund. "It's only going to help our economy, not hurt it."

The air board's projections contradict claims by business groups and some Republican lawmakers, who say the regulations will cost the state billions of dollars and send thousands of jobs out of state. They say Californians would pay more to heat their homes, buy energy-efficient appliances and fuel their cars.

"What we need is more specifics," said Shelly Sullivan, a spokeswoman for the AB32 Implementation Group, a coalition of 160 California businesses. "It paints a very rosy picture, but I think businesses and consumers need to know what it's going to cost them next year, in three years and in five years."

While the report predicts that the economy as a whole would grow slightly faster, some sectors would suffer _ at least in the short term. For example, revenues for utility companies won't grow as much because customers will be using less electricity, Nichols said.

Study says greening will raise state's economy
Jane Kay, Chronicle Environment Writer

S.F. Chronicle, Thursday, September 18, 2008

Taking strong measures to reduce greenhouse gases to combat global warming would help California's economy, boost employment and increase household savings and personal income, according to a new analysis.

The study, released Wednesday by the state Air Resources Board, predicts the results of a series of proposed measures requiring energy savings by 2020, the state's self-imposed deadline for rolling back carbon emissions to 1990 levels.

Under the California Global Warming Solutions Act of 2006, the state must impose a limit on the amount of pollutants companies emit and expand renewable energy. These changes, along with others, would result in 100,000 new jobs, boost the state economy by $27 billion and increase personal income by $14 billion, the study said.

Households would save $400 a year because of improvements in energy inefficiency, and per capita income would rise by $200, according to the analysis.

Mary Nichols, chairwoman of the Air Resources Board, said the analysis shows that going ahead with the state plan is good for the economy and the environment.

"Our historic effort here in California to deal with the crisis of global warming will also have the benefit of saving families and citizens money," she said.

If agriculture, forestry, construction, manufacturing and other business sectors followed the carbon-cutting measures proposed by the air board in June, each sector would see growth and an increase in jobs, according to the analysis.

Only two sectors - utilities and retail trade - wouldn't increase production and jobs under the plan.

In the case of utilities, an expansion of renewable energy sources as well as a surge of building and appliance efficiency would "significantly reduce the need for additional power generation and natural gas consumption," the analysis said.

So far, investors have shown an interest in creating new technologies that would replace outdated fossil-fuel plants and inefficient buildings and appliances, the study says. The new analysis shows an increase in venture capital investment in the state over the last decade. In 2007, there was $1.2 billion in investments for energy innovation.

A separate analysis showed that the measures designed to curb greenhouse gas and save energy also would improve public health. In 2020, the measures would avoid an estimated 300 premature deaths, nearly 9,000 cases of asthma and other respiratory symptoms and the loss of 53,000 workdays.

"If we don't choose to implement the state's plan, we'll be forfeiting more economic development, more jobs and better public health," said Margaret Bruce, western regional director of the Climate Group, a multinational nonprofit organization concerned with reducing global climate impacts.

"Doing nothing is an ill-advised option," said Bruce. "Choosing to adopt the state's emission plan would encourage and foster innovation. We owe it to California to keep our competitive edge through public-policy support of renewable energy and efficiency."

Under California's 2006 law, by the end of the year, the air board is required to produce a final scoping plan showing emission reductions. Among the measures are strategies to cut energy waste in buildings, lighting, appliances and in tailpipes of cars and light trucks.

Providing an economic analysis of the measures is also required by the law.

The air board staff based the economic analysis on two models, both developed by UC Berkeley economics professors. The models take into account the costs and benefits of energy saved from the proposed measures. They do not consider the avoided costs of global warming damage, including sea-level rise, coastal erosion, a worsening of smog and extreme weather events including heat waves and drought. Carbon dioxide and other gases are associated with a rise in atmospheric and ocean temperatures.

The San Francisco Chamber of Commerce - which works with entrepreneurs on environmental business policy and the Business Council on Climate Change, a Bay Area group of big and small businesses - has supported the state's climate-change law.

Rob Black, the chamber's vice president for public policy, said, "By taking leadership on the issue of global warming, we have turned California into the clean-tech capital of the country, and positioned our state to be a leader in the future multibillion global clean technology industry."

The Union of Concerned Scientists, a nonpartisan energy-policy group, said the analysis released Wednesday affirms other studies that show efficiency saves money.

"California has a history of lowering electricity bills for consumers and businesses through bold standards and other policies, and this just shows that there is remaining potential for gains," said Chris Busch, economist in the group's California climate program.

California is considering a program where businesses could "offset" their emissions by investing in green projects that reduce carbon releases, but Busch said that given the economic benefits of taking climate action, that might not be needed.

"There is no need to out-source the effort through offsets," Busch said. "In fact, the promise of job creation and economic growth could be put at risk if too many offsets are allowed."

How some industries would fare

The California Air Resources Board analyzed several industries to see what impact the preliminary regulations outlined in the California Global Warming Solutions Act of 2006 would have. The findings show that if the following industries reduce greenhouse gas emissions instead of making no changes by 2020, their output would change as follows:

Agriculture, forestry, fishing +3.7 percent
Utilities -15.9 percent
Construction +1.5 percent
Retail trade -1.5 percent
Finance, insurance and real estate +2.1 percent

State warms to greenhouse gas emissions plan

The Air Resources Board touts economic benefits in its analysis, but business groups say companies would be forced to flee.
By Margot Roosevelt, Los Angeles Times Staff Writer
L.A. Times, Thursday, September 18, 2008

Few dispute that reducing planet-heating greenhouse gas emissions is a good idea. But fewer still know how much it will cost.

Wednesday, California officials served up their official economic analysis of the state's ambitious global warming plan: By 2020, it would boost the state's expected $2.6-trillion gross product by $4 billion, create 100,000 additional jobs and increase per capita income by $200, the state Air Resources Board concluded after months of complex modeling.

"These are good-news numbers," board Chairwoman Mary Nichols said. "We are not claiming this is the way to economic salvation. But making our state more energy-efficient and less reliant on imported oil . . . will have a net positive effect."

California is poised to adopt the nation's most comprehensive plan to slash emissions of carbon dioxide and other greenhouse gases, which come mostly from burning fossil fuels.

A draft blueprint, to be finalized by the end of the year, would force utilities to produce a third of their electricity from solar, wind and other renewable sources, require automakers to sell cars that are more fuel-efficient, and wedge energy-saving measures into home-building, manufacturing and other sectors of the economy.

Business groups attacked the analysis, saying the state's plan would cause companies to flee to states or countries with less restrictive laws.

"The plan assumes all these investments by businesses, utilities and consumers," said Dorothy Rothrock, vice president of the California Manufacturers and Technology Assn. "Where will all the upfront capital come from?"

Utilities already have said they will fall short of complying with a current law requiring 20% of their electricity to come from renewables by 2010. The state has yet to figure out how to implement plans to lower the carbon content of gasoline and other fuels.

Nichols acknowledged that hiking the renewable-energy portion of a utility portfolio to 33% may increase electricity rates, but that would be offset, she said, by efficiency measures that would decrease overall power use. The analysis projects that the average electricity bill would drop 5% in 2020.

As for capital, she said, "Investment money is available for clean and green technology in California. It is in the billions. Investors are out there looking for a place to spend it."

In the second quarter of 2008, California topped world investment in clean-technology venture capital, receiving $800 million of the global total of $2 billion, the report said.

Whether California's global warming law results in "a small overall positive impact" on its huge economy, as the report puts it, or a modest cost, "there is a strong argument that this is the right thing to do," said James Bushnell, research director of the University of California Energy Institute in Berkeley. "This is a policy to reduce greenhouse gas emissions, not an economic stimulus package."

But Bushnell said that getting individual households and businesses to implement energy efficiency measures wasn't easy.

"This is a situation where people are apparently not doing something that is in their best interest," he said. "It is a mystery and a major policy challenge. It will require a major adjustment in how Californians produce and consume energy, ranging from the cars they drive to the appliances they own."

The air board's economic analysis acknowledged that effects will vary among different sectors of the economy. The agriculture, fishing and forestry sector would see 3.7% growth by 2020, partly because of investment in forestry for storing carbon, Nichols said.

Two sectors would suffer: Utilities would experience a 15.9% drop in output and a 13.8% drop in employment because households and businesses would need less power as they conserve more energy, according to the analysis.

The retail trade sector is projected to drop 1.5%, mainly because of a decrease in retail sales of gasoline.

In another report released Wednesday, the board found that reducing greenhouse gas emissions would result in an estimated 300 fewer premature deaths in 2020 and slash the number of cases of asthma and other respiratory illnesses by 9,000.

The loss of 53,000 work days would be avoided, the analysis found.

House votes to end offshore oil drilling ban

Feeling the heat of Republican election-year attacks, the Democratic majority votes to allow states to decide whether to permit energy exploration 50 to 100 miles off their coasts.

By Richard Simon, Los Angeles Times Staff Writer
L.A. Times, Wed., September 17, 2008

WASHINGTON -- In a stunning political turnabout, the House voted Tuesday to end a long-standing ban on new offshore oil drilling as part of an energy bill aimed at rebutting Republican election-year attacks that the Democratic majority wasn't doing enough to try to ease the public's pain at the pump.

The measure would let states decide whether to permit energy exploration 50 to 100 miles off their coasts, ending a drilling ban that was put in place for much of the California coastline in 1981 and expanded to much of the rest of the United States in 1985. It would allow drilling 100 miles or more offshore regardless of a state's wishes.

The bill drew a veto threat from the White House, which contended that it didn't go far enough to generate new domestic supplies of oil and natural gas and objected to a number of its other provisions, including the repeal of oil industry tax breaks that it said could discourage new exploration.

Its prospects are uncertain in the Senate, which may begin debating energy legislation as early as Wednesday. The 236-189 House vote was, until recently, unthinkable.

"Before us today is landmark legislation that would for the first time since 1982 sweep away moratoria precluding oil and gas leasing in much of the federal waters off America's coastlines," said Rep. Nick J. Rahall II (D-W.Va.). The drilling ban was first approved in 1981 as part of the 1982 Interior Department spending bill.

But the unthinkable became viewed as political necessity in an election year when gas prices have become a hot issue. Democratic leaders saw the legislation as preferable to the alternative: the scheduled Sept. 30 expiration of a ban on new drilling as close as three miles to the coast.

Rep. Jane Harman (D-Venice) said her preference was to retain the drilling ban, "but we don't have the votes to do that."

The bill includes a number of Democratic priorities, including repealing $18 billion in oil industry tax breaks and using the money to promote renewable energy and energy efficiency. It would require utilities to generate 15% of their electricity by 2020 from cleaner sources, such as the sun and wind. And it would force oil companies to pay additional royalties for drilling in the Gulf of Mexico.

It also includes measures aimed at preventing future misconduct in the federal agency responsible for collecting oil and natural gas royalties, a response to recent revelations that Minerals Management Service employees accepted gifts and had sex with industry contacts.

While Democrats have resisted ending the drilling ban, they faced increasing political pressure to do so. President Bush and GOP presidential nominee John McCain have called for lifting it entirely, and Democratic nominee Barack Obama has said that he would consider limited offshore drilling as part of a broader energy-policy compromise.

Even in California, where a 1969 oil spill devastated the Santa Barbara coastline, public support for offshore drilling has increased, though Gov. Arnold Schwarzenegger has opposed lifting the drilling ban.

Rahall called the bill a compromise "between the drill-nowhere crowd and the drill-everywhere crowd."

Republicans complained that the bill denied states a share of the drilling royalties, removing a strong incentive for them to open their coasts. They also argued that the 50-mile buffer would exclude potentially large reserves of oil and natural gas.

"Are we now to believe that these same liberal Democrats standing before us today with a salesman smile on their face, are we to believe them that they are now declaring that this is a pro-drilling bill?" Rep. Doc Hastings (R-Wash.) asked. "There's an election coming up, and Democrats are desperately in search of political cover."

With Congress set to adjourn before the end of the month -- and partisan tensions growing as election day nears -- there may not be enough time for the House and the Senate to reconcile any differences and send a bill to Bush that he will sign.

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Sustainable communities not popular with residents

By Barbara Zivica - Columnist

With all the budget troubles, California legislators still managed to find time to pass special interest bills, such as SB375, sponsored by Darrell Steinberg, a senator from Sacramento and incoming president pro tem of the Senate.

The bill would give existing and new high-density, multi-purpose projects priority in receiving local, state and federal transportation funds. Steinberg is an avid proponent of "smart growth" policies, which override local control, allowing regional government agencies and special interest advocates to impose land-use and transportation mandates, under the guise that urban sprawl and autos cause congestion, pollution and affect climate change.

Smart Growth policy initiatives promote development of "sustainable" communities that produce "sustainable" lifestyles as determined by the authors and promoters of the Agenda 21 report, adopted in 1992 at the United Nation's Conference on Environment and Development. Agenda 21 called private land ownership an instrument of accumulation, which contributes to social injustice and concluded that public control of land is inevitable.

SB375 is only one of many such socialist bills. Others include: AB1221 (Senator Steinberg), a bill to enable legislators to mandate the kind, type, location and quality of development in local communities and AB1320 (Assemblyman Dutra; coauthor Senator Tom Torlakson) directing cities and counties to develop plans for transit-oriented, multi-purpose, high-density residential housing developments (TODs) on all land within not less than a quarter of a mile of the exterior boundary of a parcel on which is located a transit stop.

Seems to me that both legislators and transportation planners should stop "sipping the Kool-Aid" and familiarize themselves with the survey on land use done by the Public Policy Institute, which revealed 66 percent of residents would choose to live in low-density neighborhoods, only 31 percent would choose a high-density neighborhood with convenient access to public transit.

Fortunately, the majority of cities in Contra Costa County voted down the county's attempt to impose a smart growth policy mandate. That "Shaping our Future" plan was backed by the building industry, Realtors, environmentalists and affordable housing advocates. A study on urban development by Wendell Cox Consultancy (see www.demographia.com) shows the SOF premise is flawed and that smart growth intensifies the very problems it's supposed to solve. The county did manage to persuade voters to pass Measure C in 1990, which specified that a maximum of 35 percent of the total area of the county could be in urban use and a minimum of 65 percent in non-urban use. The resulting Urban Limit Line restriction resulted in an explosion of highly expensive wall-to-wall housing tracts on developable land, homes with generous square footage, but devoid of yards, many of which are now facing foreclosure.

Unfortunately, the Metropolitan Transportation Commission, which has responsibility for transportation planning, coordinating and financing for the nine Bay Area counties, spends two-thirds of its transportation money on public transit and only one-third on freeways and roads. That despite its 2006 ridership report, which revealed the breakdown of annual trips made in the Bay Area as: auto, 84 percent; walk, 9 percent; transit, 6 percent; and bicycle, 2 percent. Recently MTC audaciously adopted a transit system expansion, requiring local government to require TOD development. TODS don't persuade people to give up their cars or improve ridership on highly subsidized rail lines; a 2004 survey of the Pleasant Hill BART transit village, showed that 60 percent of those living or working there drive alone, 1 percent vanpool, 14 percent take public transit, 1 percent bike, 2 percent park — and the level of parking provided for business and residents is wholly inadequate.

It's a con job folks, even the U.N. Food and Agriculture Organization found that animal agriculture accounts for 18 percent of greenhouse gas emissions that cause global warming, which is more than autos cause. As for traffic congestion, it's not the result of urban sprawl. It's due to California neglecting its roadways for years. If voters don't start tossing out legislators who are more interested in partying with lobbyists than taking care of business, Sacramento will continue its attempts to wrest away local control and force us out of our cars while continuing to drive their flashy, fuel-sucking cars at taxpayers' expense.