



AB 32 Implementation Group



Working Toward Greenhouse Gas Emission Reductions
And Enhancing California's Competitiveness

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Contact: Shelly Sullivan
Phone: (916) 858-8686

Now More Than Ever We Need a Climate Change Plan That Delivers Emission Reductions at the Lowest Possible Cost

SACRAMENTO – Declaring that there are better, less costly ways to reduce greenhouse gas emissions especially in these difficult economic times, a coalition representing 165 business organizations expressed concern about the billions of dollars of increased energy costs that would result from a climate change plan released today by the California Air Resources Board.

“We support the greenhouse gas emission reduction goals of AB 32,” said Dorothy Rothrock, chair of the AB 32 Implementation Group and vice-president of the California Manufacturers and Technology Association, “But now more than ever we need a climate change plan that avoids high cost regulations and instead relies on strategies that provide emissions reductions at a much lower cost.”

The Air Board staff asserts that the plan will save consumers money, but their analysis relies on existing laws to promote vehicle fuel efficiency (Pavley) which are already on the books, independent of AB 32. The cost savings anticipated by Pavley hide the reality that other measures in the Scoping Plan will cause electricity rates to increase by 11%, natural gas rates by 8%. Additionally, gasoline costs would go up by \$11 billion a year under the plan.

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“The Scoping Plan will add to the worsening economic problems facing California companies and families,” said Shelly Sullivan, executive director of the AB 32 Implementation Group. “Why not give consumers a break by adopting a well-designed cap-and-trade program that reduces the cost of cutting greenhouse gas emissions?”

Market mechanisms such as a cap-and-trade program give companies the ability to reduce emissions at the lowest cost, either on site or through the purchase of offsets. The Scoping Plan provides that some of the reductions could be achieved by a western region trading system, but unfortunately has opted for a high cost “auction” method for the cap-and-trade system. Such a program would act as a multi-billion dollar tax increase on energy providers, leading to higher gasoline and electricity costs for consumers.

“The last thing California companies need in this challenging economic climate is billions in more taxes,” said Amisha Patel of the California Chamber of Commerce. “California is already one of the highest tax states in the country.”

The AB 32 Implementation Group is a coalition of 175 business organizations working for a climate change strategy that achieves real greenhouse gas emissions in a balanced, cost-effective way.