

Environmental Advocates Oppose Gov. Brown's Deal to Extend Cap and Trade

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Concessions to Fossil Fuel Lobbyists Endanger Low-Income Communities

By David Harris / SanDiego350

Governor Jerry Brown wants to renew California's Cap and Trade program for another ten years, which on the face of it sounds like a great idea for the climate. Cap and Trade is designed to reduce greenhouse gas (GHG) emissions through a market mechanism that places a reasonable price on carbon.

The new bill introduced just this week to extend the program (AB 398) is being expedited through both the Assembly and Senate. A vote is scheduled for this Monday, July 17th, which is an unusually fast process.

One major hurdle is that the new Cap and Trade program will require a $\frac{2}{3}$ majority vote in both the Assembly and Senate, in order to avoid any legal challenge. It appears that the bill negotiated by Governor Brown has enough carrots for both Democrats and Republicans to support it.

Environmental justice advocates, including SanDiego350, see it differently. We are concerned over proposed rules in the bill, instigated by the fossil fuel industry, that would allow oil refineries and other industries to continue spewing air pollution into vulnerable communities.

In closed door negotiations with the Western States Petroleum Association, Governor Brown has gone too far to please industry, by preempting state and local air regulatory power over GHG emissions. We are also concerned that our voices will go unheard as the Governor pushes this bill through the State legislature without any opportunity to amend it.

[**Action alert:** Call your Assembly and Senate representatives today to oppose AB 398. See information on how to

contact your legislators at the end of this article.]

The underlying question is whether the proposed bill will actually achieve a 40% reduction in GHG emissions by 2030 (below 1990 levels), and it appears that the State Legislature is not taking the time to analyze this. Speaker of the Assembly Anthony Rendon (D-Lakewood) is rushing the bill through committee hearings in hopes of getting the bill passed within a week.

Under California's Cap and Trade program, initiated in 2012, major polluters are required to obtain permits for their greenhouse gas emissions, which are capped. Companies that exceed their caps can trade for more capacity – through state-run auctions or on the private market where they can purchase allowances and offsets. Revenue generated by the auctions are granted to projects that reduce GHG emissions, such as Governor Brown's proposed high-speed rail system and affordable housing projects built around transit hubs.

The current Cap and Trade program is not working to significantly reduce emissions and the new bill does not adequately address the program's deficiencies. With the price of carbon offsets falling to below \$15 a ton, refineries and industrial plants have been able to continue high levels of emissions cheaply by obtaining allowances and purchasing carbon offsets in other states.

AB 398 does not sufficiently increase the price of carbon offsets to a level that provides a true incentive for a given industry to reduce its pollution.

The concept behind Cap and Trade is to create a regulated marketplace for carbon emissions, one that will create a fair playing field for all industry and provide a sufficient economic incentive for industries to reduce emissions. But to be successful in meeting State targets, the price on carbon offsets needs to steadily increase from \$20 a ton so that the industry has a true incentive to purchase new technology and equipment that reduces both its use of fossil fuel energy and its GHG emissions.

At the beginning of the current legislative session, Senator Bob Wieckowski (D-Fremont) introduced a bill (SB 775) to create an entirely new carbon pricing program that would create a floor of \$20 per ton of carbon emissions and steadily increase the price over time. But this legislation has stalled – it has not been scheduled for any committee hearings.

Fossil fuel lobbyists have successfully inserted preemption language that prevents new state and local regulations on GHG emissions from gas production facilities and other stationary sources covered by Cap and Trade. In addition, it will prohibit the Air Resources Board from adopting additional regulations on refineries participating in Cap and Trade.

Environmental justice advocates are especially concerned about this language because local regulation is essential to protect public health.

Community leaders from the Environmental Health Coalition, representing communities of color including Barrio Logan and National City, have been complaining for twenty years about high asthma rates. Epidemiological studies have clearly shown the link between asthma rates and particulates and other criteria pollutants in vulnerable communities. To date, the ARB has not done enough to address their health concerns.

Assemblymember Cristina Garcia of Bell Gardens (L.A.) represents several neighborhoods where air pollution has seriously impacted the lives of its residents. In June, Garcia and 15 of her Democratic colleagues sent a letter to Governor Brown requesting that the yet-to-be proposed bill protect low-income communities of color burdened by air pollution. She wrote: "If Cap and Trade is extended, we believe it must be designed in a manner that maintains environmental integrity, supports our long term climate and air quality goals, and assures that disproportionate pollution burdens are alleviated, not exacerbated."

In the [letter](#), the democratic lawmakers outline four key principles:

1. Cap and Trade must support improving air quality- polluting facilities should not be permitted to increase their GHG emissions via allowance trading and offsets, while also emitting excessive air pollution.
2. Low-value offsets should be limited or eliminated- ensuring that offsets reductions are real is inherently difficult as many of the offsets are located out of state so they are difficult to monitor and evaluate. Even if they are real, they do not produce the same co-benefits such as air pollution reductions, jobs and revenue for California
3. Price on carbon should not be artificially suppressed through a price cap that is much lower than the cost of direct emission reductions, excessive allocation of allowances, or reliance on offsets
4. Authority of ARB and air districts must be preserved- our climate change program is part of a broader suite of environmental policies which collectively protect public health and serve as a pillar of innovation and economic growth

Governor Brown has completely ignored the environmental justice principles put forth in Garcia's letter. That is why some environmental groups, including **Sierra Club of California**, **Environmental Health Coalition** and **SanDiego350**, are opposing AB 398. But with the Governor and Speaker determined to push this bill through quickly, these opponents are left with little time to organize and mobilize.

Action Alert from SanDiego350 – Call your legislators today!

SanDiego350 is an inclusive, grassroots climate change organization mobilizing citizens to effect changes in public policy at the state and local level. We encourage you to call your state representatives in the Assembly and Senate.

Oppose AB 398 – Cap and Trade Program; call both your state Assembly and Senate representatives. We oppose this bill because it preempts the regulatory powers of state and local agencies charged with protecting our air in favor of extending a Cap and Trade program that fails to sufficiently lower emissions and raise the price of carbon emissions in California .

Support SB 100 – 100% Clean Energy; call your state Assembly representative.

We support this bill because California must reach the goal of 100% clean energy from solar, wind, and other renewable sources by 2045. This ambitious goal will speed the transition to clean energy and sharply reduce greenhouse gas emissions from fossil fuel burning power plants.

[Find your representatives here](#)

State Senators

- 36th District, Patricia Bates (R) 916-651-4036
- 38th Dist., Joel Anderson (R) 916-651-4038
- 39th Dist, Toni Atkins (D) 916-651-4039
- 40th, Ben Hueso (D) 916-651-4040

State Assemblymembers

- 71st –Randy Voepel (R) 916-319-2071
- 75th — Marie Waldron (R) 916-319-2075
- 76th — ROCKY CHAVEZ (R) 916-319-2076
- 77th — BRIAN MAIENSCHIN (R) 916-319-2077
- 78th — TODD GLORIA (D) 916-319-2078

- 79th — SHIRLEY WEBER (D) 916-319-2079
- 80th — LORENA GONZALEZ (D) 916-319-2080

David Harris is a climate action volunteer with SanDiego350. Over a 15 year span, he worked in affordable housing and community development for the cities of Oceanside, Chula Vista, and Encinitas. He began his career as a consumer advocate with CalPIRG and community educator with Environmental Health Coalition.