

Date of Hearing: July 7, 2009

ASSEMBLY COMMITTEE ON JOBS, ECONOMIC DEVELOPMENT AND THE  
ECONOMY

V. Manuel Perez, Chair

ACR 77 (Swanson) – As Introduced: May 28, 2009

SUBJECT: California Global Warming Solutions Act of 2006

SUMMARY: Calls on the Air Resources Board (ARB) to include a sector-based workforce impact assessment and mitigation plan within its analysis of the AB 32 Scoping Plan and related rulemaking.

- 1) Calls on the ARB to meet statutory requirements of the California Global Warming Solutions Act of 2006 (GWSA) for the preparation of the best available economic analysis by ensuring that the analysis of the emission reduction measures proposed in the Scoping Plan and related rulemaking include the following:
  - a) An analysis of the projected employment impacts of the proposed measure by industry sector in each of the years leading up to 2020, and beyond, that specifies, in particular, the potential for green collar jobs to be located in or outside California;
  - b) Identification of the types of jobs that will be created in California, the industry sectors for which the jobs will be created, and the wage and benefit levels expected for those jobs;
  - c) Identification of the types of jobs, including industry sectors, that may be lost in California; and
  - d) A plan for providing California workers a training program for new green technology jobs that are different from the traditional jobs in energy, transportation, and construction.
- 2) In addition, the resolution makes a numbers of findings and declarations including, but not limited to:
  - a) Retaining and creating good jobs with middle-class wages and benefits should be an essential element of the GWSA;
  - b) The draft scoping plan prepared in connection with the GWSA acknowledges that certain job sectors will experience a reduction in workforce and, therefore, will create hardship for the workers currently employed in those industries;
  - c) The implementation of the act may likely increase California's demand for new, advanced, and green technologies, but California may not necessarily enjoy any comparative advantage in the production of those technologies; and
  - d) Current economic conditions require extreme caution in implementing new regulations that may further hamper job creation and the state's economic recovery.

EXISTING LAW:

- 1) Requires the ARB to adopt a statewide greenhouse gas emissions (GHG) limit equivalent to 1990 levels by 2020 and adopt regulations to achieve maximum technologically feasible and cost-effective GHG emission reductions.
- 2) Requires ARB to adopt a "Scoping Plan" for AB 32 implementation by January 1, 2009, including an evaluation of the total potential costs and total potential economic and non-economic benefits to California's economy, environment, and public health, using the best available economic models, emission estimation techniques, and other scientific methods.
- 3) Requires ARB, when adopting AB 32 regulations, to rely upon the best available economic and scientific information and its assessment of existing and projected technological capabilities.
- 4) Authorizes the Governor, in the event of extraordinary circumstances, catastrophic events, or threat of significant economic harm, to adjust the applicable AB 32 deadlines for individual regulations, or for the state in the aggregate, to the earliest feasible date after that deadline.

FISCAL EFFECT: Unknown

COMMENTS:

- 1) Purpose of the resolution: According to the author, AB 32 was a landmark piece of legislation that set the bar high for reducing GHG emissions in California. However, without appropriate implementation, AB 32 could eliminate economic opportunities for some, in the course of providing opportunities to others.

According to a UC Berkeley Center for Labor Research report, more industry-specific and occupational research is greatly needed to assess the workforce needs of the State's emerging green economy. In addition, a report by the Legislative Analyst's Office (LAO) states that the ARB's economic analysis has weaknesses that need to be addressed. In order to direct resources to the proper areas, such as training, retraining, and education programs that will provide workers with the skill sets necessary to work in the jobs created by a new green economy, an accurate analysis is crucial for policymakers.

The author states that ACR 77 is not meant to undermine the provisions of AB 32; it was introduced to develop a win-win scenario. The resolution simply encourages ARB to conduct a more comprehensive analysis of the impact that AB 32 will have on jobs in the State, to ensure that California is maintaining employment opportunities and preparing the workforce for the emerging green economy.

- 2) AB 32, climate change and GHG emissions: GHGs contribute significantly to climate change and are a key sustainable development challenge to California's ability to meet its environmental, economic, and quality of life objectives. Among the consequences of climate change are rising sea-levels, changes in precipitation patterns, and an increased risk of droughts and floods. These changes threaten biodiversity, existing human economic development patterns, and public health.

Carbon dioxide, a byproduct of fossil fuel combustion, is the principal greenhouse gas (84%) contributing to global warming. However, other GHGs include methane (8%), nitrous oxide (6%), and what have been called the "synthetic gases" (2%), (hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride), are also important contributors to climate change. There is general global consensus that the significantly increased levels of these pollutants are primarily the result of human activities including activities associated with transportation, manufacturing, and energy generation.

Historically, the U.S. is considered the single largest contributor of carbon dioxide emissions, contributing 29.3% of worldwide emissions between 1850-2002. Since 2006, however, China with 6017 million metric tons of carbon dioxide (MMTCO<sub>2</sub>E) emissions is generally considered to be the largest global emitter with the U.S., at 5902 MMTCO<sub>2</sub>E, keeping a close second. Russia's 1704 MMTCO<sub>2</sub>E is ranked as the third largest emitter.

California is estimated by ARB to be the 15<sup>th</sup> largest GHG emitter in the world and the largest U.S. state contributor, emitting about 2% of global GHG emissions. Emissions in California between 2002-2004 break down by industry as follows:

- Transportation, 38%
- Electricity, 23%
- Industry, 20%
- Recycling and Waste, 1%
- High Global Warming Potential Gases, 3%
- Agriculture, 6%
- Commercial and Residential, 9%

California, like states across the country, faces many challenges in adapting to climate change. Risks associated with climate change differ broadly by industry, region, and target markets, among other things. For illustration, the following is a partial list of the impacts climate change is expected to have in California and how these impacts may affect companies doing business in the state.

- a) Reduced snow pack is likely to reduce spring snowmelt and result in more winter runoff, which could effect access to water throughout the state.
- b) Less snowmelt runoff would mean lower early summer storage at major foothill reservoirs with less hydroelectric power production. The added winter runoff is generally not storable because of flood control needs. The loss of electricity could affect the price and even the availability of electricity in certain areas of the state.
- c) Lower summer reservoir levels would adversely affect recreation and tourism which could affect employment within the foothills, as well as manufacturing and retail of products associated with these activities.
- d) Sea level rise would affect the Sacramento/San Joaquin Delta worsening existing levee problems and causing more saltwater intrusion. This could affect the availability and cost of clean water, which is necessary for a variety of manufacturing purposes.
- e) Climate change in California will also likely result in a higher frequency of large damaging fires. Beyond the direct impact of the fires, the cost and availability of

insurance will likely be impacted. Taxes may be increased to cover the cost of fighting the fires and redeveloping areas damaged by the fires.

Governments have a variety of tools to address these risks and help people and businesses adapt to climate change. Key public policy tools could include, but are not limited to, regulations such as those required in AB 32; disclosure standards; tax rates, credits and deductions; local development incentives; depreciation schedules; grants, loans, guarantees, and rebates; construction and design standards; professional licensing standards; connection authority to public facilities; and, government purchasing power.

Given the broad breadth of tools available to government and the importance of maintaining as healthy an economy as possible during the economic transition to a lower carbon-based economy, it will be important that each emission reduction action be carefully evaluated to ensure that the least economically harmful choices are made to reach the state GHG reduction targets.

- 3) The Scoping Plan: Existing law requires the ARB to approve and implement a framework for California to reduce GHG emissions to 1990 levels by 2020 and to reach 80% of 1990 GHG emission levels by 2050. In December 2008, the ARB approved the Scoping Plan to begin this work.

ACR 77 asks for further analysis to be considered within the Scoping Plan, particularly in the area of its impact on workforce and the related training needs that may occur in implementing the programs, fees, and regulations identified in the Scoping Plan. Below is a general summary of the Scoping Plan including a chart of the proposed emission reduction actions.

Recommended Greenhouse Gas Reduction Measures	2020 Reductions (MMTCO <sub>2</sub> E)
<b>Estimated Reductions from the combination of the Cap-and-Trade Program and complementary measures including the 12 items below.</b>	<b>146.7 total</b>
1. California Light-Duty Vehicle GHG Standards (Transportation Sector) <ul style="list-style-type: none"> <li>• Implement Pavley standards</li> <li>• Develop Pavley II light-duty vehicle standards</li> </ul>	31.7
2. Energy Efficiency (Electricity & Commercial and Residential Sectors) <ul style="list-style-type: none"> <li>• Building and appliance energy efficiency and conservation</li> <li>• Increase Combined Heat and Power (CHP) electricity production by 30,000 GWh</li> <li>• Solar Water Heating (AB 1470 goal)</li> </ul>	26.3
3. Renewables Portfolio Standard (33% by 2020) (Electricity Sector)	21.3
4. Low Carbon Fuel Standard (Transportation Sector)	15
5. Regional Transportation-Related GHG Targets	5
6. Vehicle Efficiency Measures (Transportation Sector)	4.5
7. Goods Movement (Transportation Sector) <ul style="list-style-type: none"> <li>• Ship Electrification at Ports</li> <li>• System-Wide Efficiency Improvements</li> </ul>	3.7
8. Million Solar Roofs (Existing Program Target) (Electricity Sector)	2.1

9. Heavy/Medium Duty Vehicles (Transportation Sector) <ul style="list-style-type: none"> <li>• Heavy-Duty Vehicle GHG Emission Reduction (Aerodynamic Efficiency)</li> <li>• Medium- and Heavy-Duty Vehicle Hybridization</li> </ul>	1.4
10. High Speed Rail (Transportation Sector)	1.0
11. Industrial Measurer for sources covered under the cap-and-trade program including refineries and energy efficiency and co-benefits audits (various industry sectors)	0.3
12. Additional reductions necessary to achieve the cap	34.4
<b>Estimated Reductions from Uncapped Sources as indicated in 1 to 4 below</b>	<b>27.3 total</b>
1. High Global Warming Potential Gas Measures (various sectors) <ul style="list-style-type: none"> <li>• Reduction of Use, Recapture and Recovery</li> </ul>	20.2
2. Sustainable Forests (Forestry Sector)	5.0
3. Industrial Sectors not covered under the cap-and-trade program including oil and gas extraction and transmission	1.1
4. Recycling & Waste including landfill methane capture (Recycling and Waste Sector)	1.0
<b>Total Reductions Counted Toward 2020 Targets</b>	<b>174 total</b>
<b>Other Recommended Measures items 1 to 6 below</b>	<b>2020 Reductions (MMTCO<sub>2</sub>E)</b>
1. State Government Operations	1-2
2. Local Government Actions and Regional GHG Target	TBD
3. Green Buildings	26
4. Recycling and Waste including mandatory commercial recycling	9
5. Water Sector Measures	4.8
6. Methane Capture at Large Dairies (Agriculture Sector)	1

Source: AB 32 Scoping Plan, CARB, 2008

As the chart indicates, one of the most significant components of the Scoping Plan is a cap-and-trade program covering 85% (147.7 MMT) of the state's carbon dioxide emissions. This program will be developed in conjunction with the Western Climate Initiative, comprised of seven states and four Canadian provinces that have committed to cap their emissions and create a regional carbon market.

Additional key recommendations of the Scoping Plan include specific actions to enhance and expand energy efficiency programs; implement cleaner car operation standards; increase the renewable portfolio standard; and, implement a low-carbon fuel standard. The Scoping Plan proposes full deployment of the California Solar Initiative, high-speed rail, water-related energy efficiency measures and a range of regulations to reduce emissions from trucks and from ships docked in California ports. There are also measures designed to reduce or recover a range of very potent GHGs, called including refrigerants and other industrial gases, which are known to contribute to global warming at levels many times greater than CO<sub>2</sub>.

In implementing this Scoping Plan, ARB forecast a net gain of \$33 billion in economic activity resulting in \$7 billion in additional GSP. In addition, ARB states that many of the measures in the plan will deliver significant gains in energy efficiency. ARB believes that even with the projected increases in per unit energy costs, that implementation of the actions

in the Scoping Plan will result in annual savings per household of between \$400 and \$500 on average by 2020. Similar savings are projected in the transportation area. It is further stated that the state's proactive climate change policy will create a strong incentive for additional private investment.

The Scoping Plan also recommends, and the ARB is currently in the process of adopting, fees to fund the state's implementation and administration of AB 32. Existing law specifies that these fees can be assessed on the sources of GHG emissions which include, but are not limited to: producers and importers of transportation fuels, refineries, cement manufacturers importers of out-of-state electricity, facilities that combust coal, and natural gas utilities and pipeline owners and operators.

AB 32 implementation costs are estimated by the ARB to be \$24 million in 2007-08; \$32 million in 2008-09; and \$39 million in 2009-10 for a total program start-up cost of \$95 million through June 30, 2010. ARB's proposed AB 32 budget for FY 2009-10 includes funding for 177 personnel years for a variety of boards and departments, 155 of which are located at ARB. ARB estimates that administration, implementation, and enforcement of the proposed emission reduction strategy, as outlined in the Scoping Plan, will require a continuing source of funding of approximately \$55 million per year.

Most of the measures in this Scoping Plan will be implemented through the full rulemaking processes at ARB or other agencies. Conceivably, the public and key stakeholders will have an opportunity to further engage as individual measures are developed and analyzed in more detail. ARB believes that this additional analysis and public input will help to provide greater certainty about the estimates of costs and expected GHG emission reductions.

With the exception of Discrete Early Actions, which will be in place by January 1, 2010, other regulations are expected to be adopted by January 1, 2011 and take effect at the beginning of 2012. This means more than 20 additional Scoping Plan measures will be adopted by ARB in 2009 and 2010.

- 4) Economic Analysis Models: In evaluating the economic impact of the Scoping Plan, ARB compared estimated economic activity under a business-as usual (BAU) case to the results obtained when actions recommended in the Scoping Plan are implemented. Under the BAU case, GSP in California is projected to increase from \$1.8 trillion in 2007 to almost \$2.6 trillion in 2020. The results of ARB's analysis indicate that implementation of the Scoping Plan will have an overall positive net economic benefit for the state primarily because of the substantial energy savings, which "should more than pay back the cost of the investments at expected future energy prices." More specifically, ARB states that the projected economic benefits in 2020 compared to the BAU are as follows:

- \$33 billion in increased economic production;
- \$7 billion in increased overall gross state product;
- \$16 billion in increased overall personal income;
- \$200 in increased per capita income; and,
- More than an additional 100,000 jobs.

In undertaking its economic analysis, ARB used two macroeconomic models, the E-DRAM and the BEAR models to forecast overall economic output and employment based on the same underlying data and estimates of the costs of specific policy measures. The E-DRAM and BEAR models can provide a detailed picture of the California economy that includes 120 distinct industrial sectors. Based on this modeling, it is estimated that the California economy can absorb the costs of lowering GHG emissions to the AB 32 levels without reducing employment. The table below shows employment, by industry sector, that is estimated to be impacted by the implementation of the Scoping Plan, based on E-DRAM modeling.

<b>Table 27 from Scoping Plan: Summary of Employment Changes by Sector from Modeling and Scoping Plan Using E-DRAM</b>				
Sector	Employment (thousands)			
	2007	Business-as-usual	Scoping Plan	Percent Change from BAU
Agriculture, Forestry and Fishing	398	449	464	3.5%
Mining	26	26	26	1.3%
Utilities	60	67	57	-14.7%
Construction	825	929	934	0.5%
Manufacturing	1,821	2,046	2,057	0.5%
Wholesale Trade	703	791	793	0.1%
Retail Trade	1,688	1,901	1,916	0.8%
Transportation and Warehousing	447	503	510	1.2%
Information	398	448	450	0.4%
Finance, Insurance and Real Estate	911	1,026	1,046	2.0%
Services	5,975	6,729	6,773	0.7%
Government	3,100	3,491	3,502	0.3%
<b>Total</b>	<b>16,352</b>	<b>18,405</b>	<b>18,528</b>	<b>0.6%</b>

Source: Air Resources Board, December 2008 AB 32 Scoping Plan

ACR 77 calls for additional work on the workforce impacts of actions recommended in the Scoping Plan and in the development of related regulations. As illustrated in the chart above, the proposed actions in the Scoping Plan are expected to have a significant impact on workers in the utilities area. Historically these jobs have represented quality jobs, paying above average wage rates including benefits. Concerns have arisen that implementation AB 32 will not only eliminate these jobs, but also other high wage jobs in the manufacturing sector.

Further, there is a concern that the Scoping Plan provides only a limited understanding of how California's economy will transition from its current economic status to the 2020 economy envisioned in the Scoping Plan. To address this issue ACR 77 also calls for the Scoping Plan to more clearly identify potential jobs lost and those that will be created, including the wage rates and benefit levels. Given the importance of a successful economic transition, implementation of the recommendation in ACR 77 will provide greater transparency and an opportunity for better planning and assistance to impacted workers and the businesses in which they currently work.

5) California Economy: California is one of the ten largest economies in the world with a 2008 gross state product of \$1.84 trillion. May 2009 unemployment was at 11.5% (seasonally adjusted) representing an estimated 2.1 million unemployed workers in California. Below is a selection of county unemployment rates for May 2009.

- Alameda County: 10.7% (Up from 5.6% in 2008)
- Colusa County: 17.8% (Up from 10.6% in 2008)
- Contra Costa: 10% (Up from 5.6% in 2008)
- Fresno County: 15.4% (Up from 9.4% 2008)
- Imperial County: 26.8% (Up from 20.8% in 2008)
- Los Angeles County: 11.4% (Up from 6.8% in 2008)
- Riverside County: 13.1% (Up from 7.5% in 2008)
- Sacramento County: 11.1% (Up from 6.4% in 2008)
- Santa Clara County: 11.1% (Up from 5.4% in 2008)

These unemployment figures represent job losses in every sector, excluding the education and health services sector. Jobs losses for May 2009 ranked in order are as follows: government (14,200); construction (11,300); professional and business services (10,900); manufacturing (9,600); trade, transportation, and utilities (8,300); information (8,100) financial activities (3,500); leisure and hospitality (2,700); and other services 2,100).

Responding to the growing economic recession, in March 2009, the Assembly Committee on Jobs, Economic Development, and the Economy released a draft economic recovery strategy. The purpose of the recovery strategy is to provide a blueprint of specific economic and workforce development actions the state can take to address the immediate needs of its people and to provide for its longer-term economic growth, particularly in the emerging green economy.

In setting a framework in which to consider the proposed recommendations, the recovery strategy outlines many of the challenges the state faces in transitioning to a lower carbon economy. Among these challenges is competition from other states and abroad for venture capital and the establishment of new and expansion of existing cleantech manufacturing.

In addition to these external challenges, the recovery strategy notes that California's inability to reach a reasonable accommodation among stakeholders on how the state will develop, review, and enforce regulations could impair its ability to leverage the full potential of the emerging green economy. Conversely, without dominance in the green technology fields, California may be less successful in meeting its GHG reduction targets.

6) Independent Review of the Scoping Plan: The purpose of the Scoping Plan is to provide significant background and policy direction for the state to use in charting a path toward a lower carbon economy. Questions have arisen about the current Scoping Plan, however, as to whether ARB has fully addressed all relevant issues and whether sufficient care has been taken to choose the most cost-effective, equitable, and least economically damaging GHG emission reduction actions. These concerns have been raised by a number of stakeholders including policy makers, environmental justice groups, and business and labor organizations. Due to this heightened scrutiny, a number of independent reviews were undertaken of the



Scoping Plan. In the subparagraphs below, two of those reviews are discussed in more detail including identification of areas that the Legislature may wish to select for special ongoing oversight.

- a) The Legislative Analysts Office Review: According to the LAO, that undertook its assessment of the scoping plan based on a request from Assemblymembers Niello and Villines:
  - i) Inconsistent and Incomplete Cost-Savings Analysis: The plan's evaluation of the costs and savings of some recommended measures are inconsistent and incomplete. As an example, the plan does not reflect all known costs and savings for recommended actions in the plan, such as the "million solar roofs" program where these calculation are specifically excluded. In other cases, such as the cap-and-trade program, the plan didn't include its potential costs and savings because it had not been developed at the time the plan was finalized. The ARB does not dispute that the evaluation of the costs an savings of some recommended measurers are incomplete.
  - ii) Rudimentary Macroeconomic Modeling: Macroeconomic modeling results show a slight net economic benefit to the plan, but ARB failed to demonstrate the analytical rigor of its findings. Even with additional details of the ARB's analysis, the LAO concludes that ARB's work "has, thus far, been very rudimentary."
  - iii) Limited Use of Economic Analysis in Selection of Reduction Measures: Economic analysis played a limited role in the development of the scoping plan. While statute requires that emission reductions should be achieved in a cost effective basis, the LAO states that it appears that reduction measurers were selected first and the economic analysis was developed after. ARB confirmed the LAO understanding that economic analysis played a very limited role in the selection of measures recommended in the Scoping Plan and in the amount of GHG reductions assigned to each measure.
  - iv) Significant Reliance on a Single Regulatory Action: The scoping plan's overall emission reductions and purported net economic benefit are highly reliant on one measure – the Pavley regulations, AB 1493, Chapter 200, Statutes of 2002 – which account for 18% of the plan's emissions reductions and 70% of the plan's net direct economic savings (\$11 billion) to businesses and consumers. The ARB does not dispute this finding.
  - v) No Investment Blueprint: The plan fails to lay out an "investment pathway." The LAO states that the scoping is deficient in idenitifying an investment pathway that would describe on a year-to-year basis, what investments would be required in order to reach AB 32's statutory GHG emission reductions. The ARB in responding to written questions by the LAO stated that (1) most measures would require little up-front capital investment by the state, (2) what capital investment that would be required would be financed over many years and annual savings from the implementation of the measure would offset the annual costs, and (3) those measure that did require major capital outlays were in large industrial entities.

In conclusion, the LAO recommended that the Legislature exercise its oversight as the ARB continues to develop actions related to the Scoping Plan. This is necessary, the LAO states, to ensure that AB 32 is implemented in the most cost effective and efficient manner and that the weaknesses in the economic analysis can be addressed as implementation proceeds.

- b) U.C. Berkley Center for Labor Research and Education (UCB): In February 2009, the UCB released a policy analysis of the job impacts of AB 32 and identified potential policy design options to best promote lower GHG emission reductions and good jobs. The policy brief states that implementation of AB 32 can present significant challenges and that green technologies often require a well-trained technical and blue-collar labor force. In the absence of careful and farsighted implementation strategies, the policy brief states that California could lose businesses to other regions and ultimately result in trading well-paying jobs for new jobs of lesser quality. Below is a summary of specific findings in the UCB analysis:
- i) Models have Inherent Limitation: Small overall job growth was demonstrated based on UCB's review of the E-DRAM and BEAR macroeconomic models commissioned by ARB to forecast the economy-wide effects in 2020. The analysis also notes that while these are high quality macroeconomic models, they do have limitations. "On the one hand, the models assume quick responses to price signals, access to credit, and full employment of resources, including labor. As a consequence they do not fully capture the dislocation that can occur in specific industries and firms and that may result in job loss for some. On the other hand, they also do not fully capture the productivity improvements from future technological innovations that may lower energy use over time."
  - ii) Analysis Results in Inconsistent Findings: Inconsistent findings were identified relative to job growth within individual industry sectors based on UCB's review of the E-DRAM and BEAR macroeconomic models. While in some industry analysis, both models show net job loss such as in the energy and energy-intensive industries. In other industry areas, however, the two models provide divergent results. As in the example, under the E-DRAM model it shows a 33% decline in jobs in the generation and distribution sectors, while the BEAR model shows a 2% gain over the BAU scenario. UCB's analysis states that inconsistencies in the results between the models lend doubt to the credibility of the overall results.
  - iii) Potential Loss of Higher Wage Jobs: Job losses anticipated in the Scoping Plan account for about 20% of all California jobs, have a higher than average wage and union density, and are disproportionately filled by men and by Latinos.
  - iv) Green Economy May Require Different Skills: Growth in green jobs is not likely to use the skill sets of workers who are most likely to lose their jobs under AB 32. UCB estimates that 36% of new green jobs will be in professional, scientific and technical services, 19% in construction, and 15% in manufacturing.

Overall, the policy brief supports ARB's individual policy recommendations, but urges the ARB to take specific steps to protect workers who are likely to lose jobs and improve job quality. Among its specific recommendations, the policy brief recommends that

investment is needed in workforce development initiatives that complement existing workforce development programs, that provide transitional worker support and retraining, and that steps should be taken to ensure that California's green jobs don't become low-wage jobs.

- 7) New federal legislation: Encouraged by the White House, Congress is in the process of adopting, HR 2454 the "American Clean Energy and Security Act of 2009," the first U.S. climate change policy which includes provisions for a cap-and-trade program. The Scoping Plan anticipates the adoption of a federal program and states that ARB's efforts to "design a broad cap-and-trade system that works in concert with sector- or source-related measures and meets the requirements of AB 32 that can serve as a model for a federal program." If California is to serve as a model for the rest of the nation, there may need for a greater emphasis on the economic modeling and analysis of how businesses and workers can successfully transition from where they are today and where they need to be in the next five to ten years.
- 8) Related legislation: The following is a list of bills related methods for determining the best ways in which the state can implementation of AB 32 in a cost-effective manner.
  - a) AB 1033 (Nielsen) – Independent Study for Large Impact AB 32 Regulations: Requires any state or local agency adopting a regulation to reduce GHG emissions after January 1, 2010, to evaluate existing regulations and obtain an independent third-party economic impact analysis if the regulation is determined to impose potential costs of over \$1 million. Status: Awaiting a January hearing in the Assembly Natural Resources Committee.
  - b) AB 1506 (Arambula) - GHG Business Incentive Study: This bill would have required the Business, Transportation and Housing Agency (BTH) to undertake a study to determine the most effective ways for the state to provide incentives to businesses to reduce their GHG emissions and increase their energy independence. BTH was required to report its findings and recommendations to the Legislature by January 1, 2009. Status: Held in the Senate Committee on Appropriations in the 2007-08 legislative session.
  - c) AB 1620 (Arambula) - California Clean Technology Services Unit: This bill would have established the California Clean Technology Services Unit within BTH to serve as a one-stop shop for businesses and investors who required information on the GHG reduction regulations in order to develop environmentally-friendly technologies to meet those regulations. Status: Held in the Senate Committee on Environmental Quality in the 2007-08 legislative session.
  - d) ACR 14 (Niello) - Calls upon the ARB to perform a more accurate and complete economic analysis prior to proceeding with regulations to implement AB 32. Calls upon the Governor to use his authority under AB 32 to adjust deadlines for adoption of regulations. Status: Awaiting a January hearing in the Assembly Natural Resources Committee.
  - e) SCR 131 (Migden) - Calls on the ARB to meet statutory requirements of the GWSA for the preparation of the best available economic analysis by ensuring that the analysis of the emission reduction measures, as proposed in the scoping plan and related rulemaking,

include adequate analysis of its impacts on workforce issues, as specified. Status: Held in the Senate Natural Resources Committee, in the 2007-08 legislative session.

REGISTERED SUPPORT / OPPOSITION:

Support

Coalition for Green Jobs (sponsor)  
American Council of Engineering Companies of California  
Associated General Contractors of California  
Building Owners and Managers Assn of California  
California Apartment Association  
California Association of Electrical Workers  
California Business Properties Association  
California Dump Truck Owners Assoc  
California Grocers Association  
California League of Food Processors  
California Manufacturers & Technology Association  
California Retailers Associations  
California State Pipe Trades Council  
California State Association of Electrical Workers  
Coalition of California Utility Employees  
Construction Industry Air Quality Coalition  
Engineering & Utility Contractors Association  
International Council of Shopping Centers  
National Association of Industrial and Office Properties  
Western States Council of Sheet Metal Workers  
Western States Petroleum Association

Opposition

None known

Analysis Prepared by: Toni Symonds / J., E.D. & E. / (916) 319-2090