

Republicans in California say they're ready to work on climate change. Should Democrats take them seriously?

[Sammy Roth](#), **The Desert Sun** Published 10:12 a.m. PT May 5, 2017 | Updated 11:56 a.m. PT May 5, 2017

Chad Mayes is in a bind.

As Republican leader of the California Assembly, Mayes oversees just 25 of the body's 80 members, giving him little political power. Democrats hold two-thirds supermajorities in both houses of the state Legislature, meaning they can pass whatever measures they want if they mostly stick together — as they did last month when they [raised the gas tax](#) to pay for infrastructure fixes, with support from just one Republican.

Now Democrats in Sacramento are debating the future of a program long hated by Republicans: cap and trade, which requires oil refiners, power plants and other climate polluters to pay a fee for the planet-warming greenhouse gases they emit. A two-thirds vote in both houses to extend the program past 2020 is a priority for Gov. Jerry Brown.

Mayes has fought against previous climate legislation. Last year, he voted against a bill requiring California to slash its greenhouse gas emissions 40 percent below 1990 levels by 2030, as well as a companion measure written by his Coachella Valley colleague, Democratic Assemblymember Eduardo Garcia. Mayes also opposed a 2015 bill raising the state's renewable energy mandate to 50 percent by 2030.

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This time, Mayes wants to try something different.

Fighting climate change, he said, is now a "matter of law" in California. Rather than trying to kill cap and trade — a battle he knows he's unlikely to win — the Yucca

Valley Republican wants to work with Democrats to improve the program and limit what he says are its negative economic impacts, including higher gas prices and electricity bills.

"California has said, 'We are going to engage in trying to reduce greenhouse gas emissions.' That's settled here," Mayes, whose Assembly district includes Palm Springs, said in an interview with The Desert Sun. "This is about policy. It's about focusing on what the current policy is in California, and how to make the policy better."

Former Gov. Arnold Schwarzenegger, a Republican who set cap and trade in motion, has cheered Mayes' change of direction. But the assemblymember has already faced a backlash in his district, with some local activists questioning his conservative credentials and one prominent Republican saying he "makes me want to throw up as a Republican."

But Mayes is undeterred. Late last year, he started talking to his colleagues about how they might make cap and trade "more efficient and effective." He put together a three-member working group to develop conservative ideas for reforming cap and trade — the most important one being that revenue generated by selling pollution permits should be returned to Californians to offset the impacts of higher energy prices, rather than set aside for unrelated projects that are supposed to reduce greenhouse gas emissions.

"How do we create value for the people that we serve here, and how do we make sure that the costs in California aren't going to be so burdensome?" Mayes asked. "How do we both protect the environment, reduce greenhouse gas emissions to protect the climate and make sure California is a state people can live in and afford to live in?"

To be clear, Mayes hasn't become a climate evangelist.

Asked how worried he is about the impacts of global warming in California — from [rising sea levels](#) and scorching heat to [worsening droughts](#) — Mayes acknowledged that the climate is changing and that humans play a role. But pressed to go further, he turned to a classic climate-skeptic talking point, saying he's "not a scientist" and implying that some of the rhetoric from Democrats on global warming may be exaggerated.

That kind of hedging isn't unusual for Republican politicians who want to act on climate but are worried about offending their conservative base, said David

Bookbinder, chief counsel at the Niskanen Center, a libertarian think tank in Washington, D.C. that has encouraged Republicans to support a tax on carbon, the main climate pollutant.

If conservatives are ever going to get behind policies to reduce emissions, Bookbinder said, they'll do it for economic reasons, not for climate reasons. In Washington, that could mean supporting a carbon tax to raise revenue for infrastructure projects. In California, it could mean supporting a carbon pricing program — such as cap and trade — in exchange for fewer hard-and-fast regulations mandating reduced emissions.

"Maybe there's a way to wind up with a smaller regulatory footprint in exchange for a more robust and effective carbon price," Bookbinder said.

Kathryn Phillips, director of the Sierra Club's California chapter, said she welcomes Republican engagement on cap and trade. But for now, she's skeptical.

"I hope they come to the table prepared to represent the best interests of the people of California, and not just the best interests of the oil industry," Phillips said.

So far, the "principles" for reforming cap and trade developed by Mayes' three-member working group are more political talking points than policy proposals: "protect California families from harmful financial effects," "make cap and trade program effective and efficient," "stop unneeded and damaging regulations" and "ensure sensible climate goals are achieved." Those points were crafted by Republican assemblymembers Rocky Chávez of Oceanside, Jay Obernolte of Hesperia and Jim Patterson of Fresno.

It's also not clear Mayes' willingness to engage on cap and trade will extend to other climate initiatives. Asked about a bill by Senate leader Kevin de León, which would raise the state's clean energy mandate to 100 percent by 2045, Mayes was cautious.

"Almost every member of my caucus supports renewable energy," he said. "When you get to 100 percent renewable, that is very difficult to be able to make happen. And then of course the question is, should the government mandate that, or do we allow the market to get us there?"

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Competing visions for California's future

Cap and trade was originally a conservative idea: a market-based mechanism for cutting pollution, rather than strict regulations. President George H. W. Bush signed into law a national cap-and-trade system, designed to reduce acid rain, in 1990. That emissions-trading system has been a success. According to a [2012 report](#) from Harvard's Environmental Economics Program, cap and trade has reduced sulfur emissions from power plants faster than expected and will cost billions of dollars less than projected.

Over the last two decades, cap and trade has become more controversial, especially as a climate tool. In California, many Republicans see it as a hidden energy tax, and some Democrats say it allows industry to keep polluting low-income communities, rather than reducing the hazardous air emissions that usually accompany greenhouse gases.

Under cap and trade, state officials set an overall cap on the amount of carbon that power plants, oil refineries and other major climate polluters are allowed to emit in a given year. They enforce that cap by issuing a limited number of "allowances" each year, and by requiring companies to have enough allowances to cover their pollution. Companies can buy extra allowances from the government or from other polluters.

The program's goal is to make cutting emissions as inexpensive as possible. Companies that can slash their pollution cheaply are allowed to sell allowances to polluters for whom cutting back would be prohibitively expensive. On the flip side, polluters who can't afford to cut emissions can instead buy allowances. The overall emissions cap — and thus the number of allowances in the marketplace — drops every year.

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The California Air Resources Board devised the cap-and-trade system in response to legislation signed by Schwarzenegger in 2006, which required the state to reduce its carbon emissions to 1990 levels by 2020. But the California Chamber of Commerce sued over cap and trade, claiming the program is an unconstitutional tax because it wasn't approved by two-thirds votes in both houses of the Legislature.

A state appeals court rejected the chamber's argument last month. But an allied group called the Pacific Legal Foundation intends to appeal, and there's also legal

uncertainty about whether cap and trade can continue past 2020. Brown isn't taking any chances: He wants two-thirds votes from lawmakers explicitly extending cap and trade past 2020.

For Democrats and environmental justice advocates like Eduardo Garcia, who see the program as useful but flawed, that's opened up an opportunity to push for changes.

In February, Garcia and Assemblymember Cristina Garcia, D-Bell Gardens, introduced [legislation](#) that would require the Air Resources Board to prioritize emissions reductions in the low-income, largely minority communities they say cap and trade has left behind. The bill is still a work in progress, but one provision would prohibit regulators from selling allowances to industrial facilities that don't meet standards for toxic air pollution.

"We are focused on the communities that are most impacted by carbon and by other co-pollutants that have tremendous impacts on air quality," Eduardo Garcia said.

[Another bill](#) in the Senate, rolled out this week by Sen. Bob Wieckowski, D-Fremont, takes a different approach to environmental justice. Wieckowski's legislation — which is supported by de León, the Senate leader — would end carbon "offsets," which allow climate polluters to pay for projects that reduce emissions elsewhere, rather than reducing their own emissions. Critics see offsets as a loophole that lets industry off the hook too easily. It's also difficult to guarantee that some of the projects being paid for — which can be anywhere in the United States — wouldn't have happened anyway.

What's cap and trade supposed to accomplish?

The proposed changes to cap and trade have divided environmentalists.

Groups focused on reducing air pollution in disadvantaged communities, like the California Environmental Justice Alliance and the Asian Pacific Environmental Network, have hailed Wieckowski's bill as a major step forward. But some major environmental groups, including the Environmental Defense Fund, are skeptical. They say cap and trade is designed to fight climate change, and lawmakers should find other ways to reduce the local, toxic air pollution that harms low-income, minority communities.

"It's undeniable that there are parts of California that don't have air that's clean enough to breathe. So we've really been trying to work with other allies and members to figure out what other policies we could have to directly target those emissions," Erica Morehouse, a senior attorney at the Environmental Defense Fund, said in an interview. "But let the cap-and-trade program do what it's good at, which is reducing carbon."

In a [blog post](#) outlining EDF's concerns with Wieckowski's bill, Morehouse defended offsets, saying they help keep costs low for Californians by giving some businesses a cheaper option for compliance than reducing their own emissions. She also criticized another provision in the bill, which would remove a hard cap on the amount of climate pollution industries are allowed to emit. Instead of making a fixed number of allowances available each year, state officials would sell as many extra pollution permits as oil refiners, power plants and other industrial sources want to buy — above and beyond the amount that would keep California's carbon emissions on a downward trajectory.

The bill's supporters aren't worried. Those extra allowances would be sold at steadily rising prices, hitting \$100 per ton of carbon before 2030. There would also be a price floor for allowances sold at auction, which would increase over time. That "price collar" is designed to increase certainty for businesses, while still giving them a strong incentive to stop polluting.

Bookbinder, from the libertarian Niskanen Center, likes that approach.

"It's cap and trade up to a fixed amount. After that it's just a tax," he said.

Morehouse, though, thinks a hard cap on allowances is the only way to ensure emissions keep dropping. In her blog post, she called Wieckowski's proposal "a loophole that could undermine the program's environmental integrity and California's climate leadership."

Some Republicans are furious — but the Governor is pleased

If Democrats don't coalesce around a vision for the future of cap and trade, it could create an opening for Republicans to get involved. The Democrats' supermajority is narrow, meaning there's a scenario where Republicans votes are needed.

"Depending on where the disagreements lie (among Democrats), that will determine how many votes they have to get from the Republicans," said V. John White, executive director of the Center for Energy Efficiency and Renewable Technologies, a Sacramento-based coalition of environmental groups and clean energy companies.

Already, there appears to be room for bipartisan agreement — Wieckowski's bill would require some of the revenue from cap-and-trade auctions to be returned to Californians as a dividend, a top priority for Mayes. Still, Mayes was hesitant to say much about Senate Democrats' legislation, saying he hasn't thoroughly studied it yet.

"I do like the idea of a climate dividend — we would have called it a rebate. That part of it is fine, but the cost (to consumers) could still be incredible," he said.

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Mayes has good reason to be cautious — the mere suggestion he wants to work with Democrats on climate change has already sent some local Republicans into a frenzy.

In an email blast to Inland Empire conservatives last week, Bob Richmond, a former chair of the Riverside County Republican Party, said Mayes' pivot on cap and trade "makes me want to throw up as a Republican." Andrew Hirsch, a Republican activist in Palm Springs, followed Richmond's email with a message blasting Mayes for not endorsing Donald Trump, and for his willingness to work on climate change.

"His job is to make the Democrats mad. To block, hinder, and obstruct their efforts to harm our state. Not to endorse meaningless environmental science fiction," Hirsch wrote, adding, "While it may be impractical to recall Mr. Mayes, he certainly should be denied any Republican endorsement, starting immediately."

At least one Republican has Mayes' back. The assemblymember got a congratulatory video call from Schwarzenegger after news of Mayes' cap-and-trade efforts was reported last week. The former governor called from Paris to say he's "excited to see that California Republicans are engaging," Mayes said.

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