

Jerry Brown says his climate plan is in danger. To lose would be a tragedy ‘for the world’

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With his international reputation as a climate leader at stake, Gov. Jerry Brown moved Tuesday to defend his efforts to extend the state’s cap-and-trade program, which the veteran Democrat described in an interview as a crucial method to reduce emissions from greenhouse gases.

“If we don’t get it, it’d be a tragedy for California, and for the world,” Brown said. “Because from China, to the European Union, people are looking to the California cap-and-trade program.”

Brown and legislative leaders released legislation late Monday that would extend the program through 2030, an effort to bring more stability to the market it creates.

The measures immediately generated criticism from the left. Environmentalists and academics suggested the package was moving too far to the right by making the program more palatable to industry.

Diane Takvorian, a member of the state Air Resources Board aligned with social and environmental justice movements, said it would put the board in danger of missing its pollution-control mandates and will have a “devastating impact on our climate.”

Added Amy Vanderwarker, co-director of the California Environmental Justice Alliance: “We feel as a coalition that Big Oil is dictating climate policy in California.”

While a vote on the package could come as soon as Thursday, Brown said he isn’t sure whether it will pass, noting lawmakers from both sides of the aisle represent districts with disparate priorities and constituencies, from “dairy cows to oil rigs to electric companies.”

“It’s very up in the air at this point,” he said in a telephone interview with The Sacramento Bee. “We got Republican issues and we got Democratic issues.”

Republican leaders of both houses, whom Brown has said he’s counting on to help the bill achieve the needed two-thirds margin in the Legislature, did not react publicly Tuesday. The powerful Western States Petroleum Association did not return calls and messages seeking comment.

The cap-and-trade bill includes a suspension of the state’s fire prevention fee, [a controversial charge on more than 800,000 property owners](#) who live in rural areas, as of July 1 to sweeten the pot for Republican lawmakers long unhappy about the charge. It also exempts electric power companies from paying the sales tax on equipment purchases, certain construction-related costs and other expenses.

The hushed reaction, following weeks of intense, closed-door negotiations, underscored the delicate nature of culling enough votes to win passage for the complex, market-based program that has never been the preferred method for some environmentalists. Seeking the extension through 2030, Brown himself argued the industry would come pleading for cap and trade to avoid more onerous commands that are less beneficial to their bottom lines.

Over the last several weeks, observed Michael Wara, a professor of environmental law at Stanford University who worked on a rival bill, “it’s been interesting to see who really wants cap and trade.”

“The answer is Gov. Jerry Brown,” Wara said. “And the industry has been willing to exploit that ... it’s written all over the bill.”

Cap and trade requires polluters to obtain permits for the greenhouse gases they emit as an incentive for companies to reduce their carbon footprint.

Total allowable emissions are capped, and companies can trade for more capacity through a state-run auction or on the private market. The proceeds go to programs intended to reduce emissions, including the state’s high-speed rail system that is tied closely to Brown.

Brown’s agreement to prolong cap and trade requires the California Air Resources Board to decide the maximum cost of emissions, known as a price ceiling, and auction reserve prices. The program would allow companies to continue to use offset credits to meet their total compliance obligations, but limit them over time.

It permits some businesses to seek free allowances to pollute, a point of contention that critics assail as a “giveaway.” Its harshest critics from the environmental community seized on language preventing local air districts from putting more carbon emission restrictions on polluters.

Brown argues the proposed system would be tighter than the current program and rejected critiques that it would harm the environment. He said there’s no need for local air districts to set carbon rules because “the air board is more aggressive and I think wiser than the local districts” in these areas.

Responding to some of the criticism, Brown added that Takvorian’s remarks were “100 percent false, and I say that with experts in the room and my 40 years of experience.”

“I am really tired of these people peddling their propaganda,” he said.

Brown said he listened to environmentalists on Sunday for nearly four hours.

“I took careful notes. I know what each of them said,” Brown said. “And no one even came close to making that kind of a wild claim.

“This is about dealing with a wide variety of groups that don’t agree with one another, that don’t talk to one another,” he added. “If somebody can point out, specifically, where I blew it, and how they could have done it better, they should tell me. No one has even come close to that standard of evidence. They are mostly mouthing off with overgeneralized statements that are not anchored in evidence or truth about the language of the statute.”

The legislation cements cap and trade’s status as the dominate way to fight climate change and help the state reduce greenhouse gas emissions by 40 percent from 1990 levels by 2030. It includes AB 398, by Assemblyman Eduardo Garcia, D-Coachella, and AB 617, a separate measure on [air quality](#) from Assemblywoman Cristina Garcia, D-Bell Gardens.

Several business organizations stretching from Silicon Valley to the Sierra Nevada released statements Tuesday supporting Brown’s efforts, as did some environmental groups.

Dean Florez, a former senator now serving on the air board, agreed with Brown that it’s no “win” for oil companies. He pointed to provisions requiring aging facilities that pollute more to be retrofitted to current

standards and an adjustment to air pollution penalties that hadn't been raised in nearly four decades.

"People say it's an 'industry bill.' I think this is clearly the governor's bill," Florez said. "The governor has to wear this around his neck, and I clearly have to think he understands that. This is his ... after meeting with (several interest) groups and legislators. It's a hodgepodge policy that *will* lead us to our cap-and-trade goal."

Florez conceded he isn't thrilled with the local air-quality provision, but touted AB 617 from Garcia as a marked improvement for local air quality.

"If you don't support cap and trade as a market, you don't like this bill. You don't like this package no matter what happens," he said. "But if you kind of submit to the fact that cap and trade is the system we are working in, I think it could be a better cap-and-trade program" under the new plan.

To that end, Florez suggested it was "worth the vote" and "the best you are going to get out of the Legislature."

It wasn't too long ago that the governor and legislative leaders from both parties were forced to meet the two-thirds threshold at least once a year to enact a new state budget.

"It used to be the rite of summer in Sacramento," said Bill Whalen, a Hoover Institution research fellow and an aide to former Republican Gov. Pete Wilson. "It was a lot of two sides staring at each other and a lot of bluff and a lot of bravado."

Brown hasn't had as much practice with it lately, with the exception of a \$52 billion fuel and vehicle-license fee increase to pay for road repairs and transit projects.

"It's a wily move if he manages to pull it off," Whalen said. "But this is one of those times where there is as much pressure from the left as there is from the right."