



PRESS RELEASE

Report Outlines Key Conditions for Successful Post-2020 Climate and Energy Policy that Protects California Consumers and Businesses

Californians for Affordable and Reliable Energy Promote Five Requirements for Development of Effective Climate Change and Energy Legislation and Regulation in 2015

December 16, 2014, Sacramento, CA – A new report released today outlined several conditions that must be met in order to craft the most economically responsible post-2020 climate change program for California and help ensure that the state creates a model other jurisdictions can follow. Californians for Affordable and Reliable released a whitepaper called, “Getting Straight A’s For California: The CARE Coalition’s Post-2020 Energy and Climate Policy Platform.” The purpose is to provide proactive input to policymakers who are preparing new legislative and regulatory proposals for consideration in 2015. Many within the Administration and Legislature have indicated a desire to adopt new programs and mandates to address energy and climate change beyond the current AB 32 regulations. Already there are myriad programs in place to reduce greenhouse gas emissions that span across all sectors of the economy and are being implemented by many different government agencies. New and expanded post 2020 policies will be layered on top of those existing programs.

“We want to provide early and constructive input from the perspective of the statewide business community and consumers who are paying the costs of the state’s climate and energy policies today,” explained Rob Lapsley, President of the California Business Roundtable and member of Californians for Affordable and Reliable Energy. “We want to be sure that the new programs are crafted in the most cost-efficient and effective manner. That is critically important if the programs are to be successful and supported in California, and to be exported to other jurisdictions. Policymakers must understand the cumulative impact of the states’ many different energy-related policies, and have the information necessary to take steps to avoid unintended consequences.”

The CARE whitepaper outlines common-sense conditions that should inform the development of new or expanded policies in order to both achieve California’s climate goals and protect the state’s economy. Both outcomes are necessary to encourage other jurisdictions to follow our lead and achieve meaningful reductions in global climate emissions. The five key conditions include:

1. **Affordable Energy:** New and expanded programs must be affordable, ensure economic competitiveness and avoid disproportionate impacts on disadvantaged communities.
2. **Achievable Goals:** California’s energy and climate laws must be technologically feasible, fact-based, scientific, and transparent in the purpose and execution of the program.
3. **Accountability for Regulators:** New programs must be crafted through a transparent legislative process, and they must include benchmarks for measuring success during implementation and determining if modifications are needed.

4. **Alignment with Other Jurisdictions:** California’s emissions are less than one percent of global emissions (and falling); therefore, emission reductions in California alone are not enough to make a real impact on climate change. Because California cannot “go it alone,” new climate policies must be crafted to work in coordination with other jurisdictions. Leakage of businesses (and their emissions) from California is counter-productive in the fight to reduce greenhouse gas emissions, so new mandates should avoid putting the state at a competitive disadvantage and make stringent requirements contingent on similar action from outside the state.

5. **Accommodation to Meet Changing Economic, Environmental and Infrastructure Challenges:** California’s climate change policies may create long term requirements for the state. It is impossible to anticipate all of the changing dynamics in technology, climate modeling, economic conditions, or national or worldwide climate action. For that reason, post-2020 climate change policies must be crafted in a way that allows flexibility to meet changing conditions in the future.

The CARE Coalition has been a vocal advocate for a comprehensive energy plan that ensures balance between environmental and economic goals. “We want to ensure a strong economy while we achieve our climate change goals,” said Lapsley. “We need to be smart about crafting policies that foster California’s economic competitiveness rather than undermine it. We can encourage new technology and promote a green economy without sacrificing existing businesses and jobs. Green jobs are being created in small numbers with big subsidies, so the state simply can’t afford to hollow out good middle class jobs in its traditional economic sectors.”

The business community has long argued that cost impacts of California’s environmental and energy policies are not a priority. Third party experts have started to raise similar concerns; the Little Hoover Commission wrote in October 2014 that the state lacked measuring tools to evaluate the full costs of major energy policy goals and issued caution about that lack of information: “This veil of fiscal ignorance could undermine California’s reputation for environmental stewardship and weaken efforts to implement similar policies nationwide and beyond. We all will be much better off if we have a steely-eyed review of the costs so that the benefits can be fully seen and understood.”

The CARE Coalition is calling for heightened attention and analysis on cost and affordability impacts of the new post-2020 energy and climate change programs that are being developed. The policies need to take a comprehensive look at the state economy and balance many different community priorities – this includes environmental progress along with education, health care, affordable homeownership, growing jobs and a ensuring a strong middle class.

The Californians for Affordable and Reliable Energy (CARE) Coalition consists of small businesses, community groups, local officials, local business organizations, statewide associations, energy providers and energy consumers. The Coalition advocates for a comprehensive statewide energy plan that ensures affordability, reliability and adequate energy supplies in order to maintain a competitive business climate.

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