

Jane Williams, Co-chair of the Environmental Justice Advisory Committee on Greenhouse Gases

Testimony for the Joint Hearing by the Assembly Natural Resources Committee and the Senate Energy Committee of the California State Legislature- March 3, 2008

Good Afternoon Assemblymember Hancock and Senator Kehoe, and members of the committees. Thank you for including me in this hearing today and for taking such a deep, hard look at the implementation of AB 32, the Global Warming Solutions Act of 2006.

I am Jane Williams, co-chair of the Environmental Justice Advisory Committee on Greenhouse Gases. As you recall, this committee was created in AB 32 to ensure that the interests of vulnerable communities and the poor were given the consideration that they deserve in the setting of state policy on climate change. You are all well aware of the terrible impacts which our existing pollution problems have on California's most vulnerable communities and can well imagine what bad climate policy can do to exacerbate those already unacceptable conditions.

The committee has been working very hard over the last 10 months to give the Air Resources Board the kind of guidance and advise it needs to avoid the worst impacts on environmental justice communities from its climate policies. We reviewed the early action measures and made a number of recommendations. Those recommendations encompassed measures we felt would have a disproportionate impact in environmental justice communities and those which we felt would have a beneficial effect. After a bruising battle, which these committees witnessed and examined in another oversight hearing, I would say we have a mixed bag. Some measures are moving forward which we did not recommend, such as the low carbon fuel standard and others which we did recommend, stricter emissions controls on a number of diesel sources for instance.

We issued a plea to the Board under the leadership of Chairman Sawyer on the low carbon fuel standard, warning that adoption of such a standard without protections spelling out which fuels would be suitable for use to meet the standard, would result in rising food prices. Such price impacts would literally take food out of childrens' mouths and put it in the tanks of our cars. Since that time, the United Nations Special Rapporteur for Hunger has issued a call for a moratorium on biofuels. This is so that the critical issues on how best to reduce petroleum usage can best be balanced with the need to feed people in the rush to embrace biofuel production. The Economist magazine has declared that the era of inexpensive food is over because of competition from biofuels.

Last week, the World Food Programme has issued a plea to Americans and other wealthy countries for the additional \$500 million it needs to fund its shortfall. Soaring food and fuel prices is the cause of the shortfall. The World Food Programme feeds millions of people each year; in Dafur, today, 3 million people are being feed by the programme. Food prices have risen 40% in some poor countries, in part due to crops being diverted for biofuels. For people who live on pennies a day, rising food costs force people to ration themselves at inadequate calorie levels to avoid starvation. The price of a bushel of wheat was \$3 a bushel four years ago and is

now \$24. Ambassador Josette Sheeran of the World Food Programme indicates that 25,000 people die each day from starvation.

Onto the next topic, the process for the scoping plan has begun. The committee co-chairs and members have attended numerous workshops and meetings. The tone and tenor of those meetings has adopted an eerily similar format. We express the grave concerns of the committee, make suggestions on how the agency can address the concerns, staff listens intently and indicates that they will consider our concerns and get back to us. Time passes, we express the concerns again, staff listens intently, and say they will address our issues in the future.

For instance, we have repeatedly asked the agency if they are looking at the regressive price impacts of energy in the utility sector. We have been told from the experts that have been hired to do the modeling that they have the capacity to measure this, but that the ARB did not tell the PUC to engage in this analysis and so it has not, and will not.

In the workshops on the scoping plan we have pointed out that the word “price” does not appear in AB 32. AB 32 calls for the “maximum technologically feasible and cost-effective” greenhouse gas emissions reductions. The agency has yet to clarify its interpretation of cost-effectiveness and when we ask for such clarification they respond that they will get to that eventually. Yet, decision paths are already being forced using a very narrowly defined definition of cost effectiveness. For instance, the PUC has put out a proposed determination for the utility sector that an unfettered cap and trade system is best for it. It does not specify:

- 1) How such a system would be good for the 1 in 5 children in California who live in poverty or how rising utility prices will affect their ability to eat, attend school, or gain access to a healthy environment.
- 2) How such a system would “consider overall societal benefit, including reduction in other air pollutants, diversification of energy sources, and other benefits to the economy, environment, and public health.” Such a cap and trade system definitely benefits large utilities, but does little for consumers or the poor, much less our most vulnerable communities.
- 3) How such a system would ensure that environmental justice communities are protected from increases in pollution, including efforts to achieve and maintain federal and state ambient air quality standards and to reduce air toxic emissions. Odd, since currently the Administration is approving the construction of a new fossil fuel plant in an environmental justice community about every 4-5 months.

Though the legislature labored mightily to provide direction and guidance to the Air Resources Board in AB 32, clearly pointing out that it was an imperative of the legislation that California's poor and vulnerable be protected, so far the agency's efforts on this are dismal. Despite being directed by this body to look at all available options, the PUC has clearly looked only at a cap and trade mechanism to reduce greenhouse gases. It has declined to look at increased tax incentives for clean energy, it has declined to look at carbon taxes or fees, and it has declined to look at more command and control measures.

In its declination to even feign to analyze these measures to see if they would meet the confines of AB 32, they make a mockery of the process they are part of. And to the extent that the Air Resources Board accepts these recommendations, and continues down its merry path of analyzing only the price of compliance options instead of the real costs to California of continuing on its fossil fuel path, it is ignoring the direction of the legislature.

The environmental justice community in the state has made a yeoman's effort to participate both in the political process of drafting AB 32 and in remaining very involved in its implementation. Yet I can say to you today that we have gained very little for our efforts.

We want to warn these committees and this body of the extreme peril which lies before the people of California if the legislature does not play a more active role in the oversight of this incredibly important law. Not only does California set the moral underpinnings for what will happen at the federal level on this issue, but the entire world is watching.

It is watching to see if the worst polluters in the state will be handed billions of dollars in consumers' money in one of the greatest wealth transfer schemes of the century.

It is watching to see if the fossil fuel industry will be enshrined as the permanent, majority provider of energy for California.

It is watching to see if our power plants will just be able to offset their emissions with cheap, unverifiable, international credits, doing little to create the clean energy renaissance which the entire world needs.

It is watching to see if we will burn the world's food in our cars, unfettered by our conscience and with complete disregard for the impacts that decision will have on the world's poor.

It is watching to see if democracy and the protection of the vulnerable are values which this great state will embrace.

It is watching..

Thank you for your time and attention, and I wish you the very best in your difficult and challenging job governing this great state.