

Associated Press

Wednesday, October 15, 2008

California releases plan to cut greenhouse gases

By Samantha Young – Associated Press

To reach its global warming goals, California must cut greenhouse gas emissions by about four tons per person, which would require cleaner cars, more renewable energy and a cap on major polluters, according to a state plan released Wednesday.

It's the first comprehensive effort of any state to reduce greenhouse gases in the absence of federal regulation. The plan to be voted on by the California Air Resources Board in December builds upon an earlier draft on ways to meet the global warming law signed by Gov. Arnold Schwarzenegger two years ago.

"Despite a difficult economy, it is important that we move forward on our environmental goals, which is why I am pleased that in California we have put together a plan for reducing our greenhouse gas emissions that also boosts our economy," Schwarzenegger said in a statement.

The plan will be implemented over the next few years through lengthy regulations that haven't yet been written, so many details remain unknown. An analysis released by the board last month suggested California's economy would grow faster under the proposal than if the state did nothing to cut emissions blamed for global warming.

One of the most contentious proposals is a cap-and-trade program to help power plants, oil and gas refiners and other major polluters lower their carbon emissions. The idea is to allow businesses that cannot cut their emissions because of cost or technical hurdles to buy credits from cleaner businesses. Many embrace a trading scheme as cost-effective, but some worry businesses could shirk their responsibilities and continue polluting the air. The latest plan suggests businesses could get some emission credits for free, but polluters eventually would have to buy into the market.

Local governments also will be asked to build residential developments near public transportation, shops and businesses in an effort to reduce the number of miles Californians drive.

Regulators said decisions would be made later. Air Resources Board Chairwoman Mary Nichols explained that regulators first wanted to think through the implications of such a plan before addressing the specifics.

"We're facing the reality at the moment of a very uncertain business climate," Nichols said. Some businesses have criticized the board's analysis that California's economy would grow under the plan. They also say requiring companies to initially buy their way into a carbon trading market would amount to a tax on struggling businesses.

"The last thing California companies need in this challenging economic climate is billions in more taxes," Amisha Patel, a policy advocate at the California Chamber of Commerce, said in a statement. "California is already one of the highest tax states in the country."