

Thursday, December 11, 2008

Editorial: Time for candor on climate plan

Ever since he signed California's 2006 law to reduce emissions linked to global warming, Gov. Arnold Schwarzenegger has made the transition sound startlingly easy.

A 30 percent reduction in greenhouse gas emissions by 2020? No problem. Bring on the hydrogen-powered Hummers, the geothermal-powered Jacuzzis and the solar-powered plasma televisions.

There is no need for sacrifice or higher energy prices in Schwarzenegger's vision of a low-carbon future.

"It's all about technology, because we all know that the guilt trip that we have put on people has not worked, to tell them that they should not use the Jacuzzi, or the big, large plasma TV," the governor said in a speech last month.

Sadly, this overly optimistic view of the world has crept into the "scoping plan" that the California Air Resources Board is expected to vote on today to implement the state's global warming law.

The plan, a mixture of regulations and market mechanisms aimed at reducing emissions to 1990 levels in a mere 12 years, underestimates the possible costs involved in transforming the state's modes of transportation, its energy sources and its industries, according to several economists who peer-reviewed the document.

"The economic analysis is terribly deficient in critical ways," wrote Robert Stavins, a professor at the John F. Kennedy School of Government at Harvard University.

"The net dollar cost of each of these regulations is likely to be much larger than what is reported," wrote Matthew E. Kahn, a professor at the University of California, Los Angeles.

We remain convinced that California must aggressively implement programs to reduce greenhouse gas emissions. The law requires it (and requires the air board to have a scoping plan approved by January 2009).

In addition, the threat of climate change is arguably the worst long-term threat to the state's economy. If other governments see California weakening its climate crusade, it likely will undermine the growing international effort to bring emissions under control.

That said, the California air board must be candid about the real costs of the transition it is contemplating. Energy prices will rise, and major capital investment will be needed in public transit, energy-efficient buildings and new transmission lines. Industries that are energy-intensive will move elsewhere. Industries that are building the green grid of the future will flock here, as they are already doing.

Unfortunately, the current scoping plan doesn't adequately acknowledge these realities or establish a clear funding mechanism to mitigate the possible costs. Any final plan must strongly advocate for fees on polluting vehicles and a cap-and-trade system in which allowances are auctioned, with revenues plowed back to industries and communities to ease the transition.

Major reductions in emissions should be expected from more efficient planning of new communities. Neighborhoods burdened by toxic pollution need assurances that those problems won't worsen under a market trading system.

This is a huge undertaking for California, and while we sympathize with the tight deadlines the air board has faced, it may need to take a little more time to do the job right. One thing's for sure: If the air board approves a deficient plan, the courts or the Legislature could derail all progress to date. That would truly be a climatic disaster.