MS. PAVLEY: IT IS A PLEASURE FOR ME TO
8 ATTEND THE CONFERENCE, AND I HAVE TO TELL YOU, I'M
9 NOT A SCIENTIST AND I'M NOT AN ENGINEER, AND I HAVE
10 NO REALLY TECHNOLOGICAL BACKGROUND. THIS WHOLE PANEL
11 HERE TODAY, THE POLICY PEOPLE WHO ARE IMPLEMENTING
12 SOME OF THE WONDERFUL WORK THAT YOU HAVE DONE, AND
13 IT'S A CHALLENGE ON THE GROUND DEALING WITH THE
14 POLITICS OF MOVING FORWARD IN A CARBON-CONSTRAINED
15 ECONOMY.
16
17 ONE OF THE BILLS THAT MIKE ALLUDED TO WAS
18 THE ASSEMBLY BILL 1493. AND I WANTED TO UPDATE YOU
19 ON THIS, BECAUSE FOR CALIFORNIA, THIS IS VERY
20 IMPORTANT. CALIFORNIA, JUST BY WAY OF BACKGROUND,
21 HAS 38 MILLION PEOPLE, GROWING AT 500,000 PEOPLE A
22 YEAR. 58 PERCENT OF ALL OUR GREENHOUSE GAS EMISSIONS
23 COME FROM THE TRANSPORTATION SECTOR. OF THAT 41 OF
24 THAT 58 PERCENT COMES FROM OUR 25 MILLION
25 AUTOMOBILES.
26
27 TO IMPLEMENT AB 32, THE GLOBAL WARMING
0731
1 SOLUTIONS ACT, CARS ARE A BIG PART OF THAT. SO THIS
2 BILL, WHICH IS AMAZINGLY STILL ALIVE, THE LAW, IS KEY
3 AND CRITICAL TO HOW WE OBTAIN OUR REDUCTION BACK TO
4 1990 LEVELS. SO THIS WAS PASSED BACK IN 2002 BEFORE
5 GLOBAL WARNING WAS POLITICALLY A REAL POPULAR TOPIC,
6 FOUGHT AGAINST BY THE OIL COMPANIES, THE CAR
7 DEALERSHIPS, AND THE AUTOMOBILE MANUFACTURERS.
8
9 I WANT TO LET YOU KNOW THAT THIS WASN'T A
10 LEGISLATIVE REQUIREMENT TO REDUCE BY 30 PERCENT BY
11 2016. WE SET THE MANDATE TO THE RESOURCES BOARD TO
12 COME UP WITH COST-EFFECTIVE, TECHNOLOGICALLY FEASIBLE
13 REDUCTIONS. THEY HIRED SOME OF THE BEST AND
14 BRIGHTEST AUTOMOBILE ENGINEERS AND CAME UP WITH A
15 PACKAGE OF TECHNOLOGIES THAT COULD BE USED ON
16 DIFFERENT CLASSES OF VEHICLES. SO THAT'S HOW WE
17 BACKED INTO A 30-PERCENT REDUCTION BY 2016 IN THE
18 FRAMEWORK AS YOU SEE FORWARD. THEY ALSO ANALYZED, OF
19 COURSE, THE COST-EFFECTIVENESS TO THE CONSUMER, AND
20 IT IS COST-EFFECTIVE.
21
22 CALIFORNIA, AS YOU MAY KNOW, UNDER THE
23 FEDERAL CLEAN AIR ACT, HAS THE ABILITY TO PASS MORE
24 STRINGENT TAILPIPE EMISSION STANDARDS THAN THE
25 FEDERAL GOVERNMENT, AND THAT GAVE US THE OPPORTUNITY
26 TO DO JUST THAT. OTHER STATES AROUND THE COUNTRY
27 HAVE THE OPPORTUNITY TO EITHER ADOPT CALIFORNIA'S
0732
1 CLEAN CAR STANDARDS OR THE FEDERAL GOVERNMENT'S
2 STANDARDS, PROVIDING CALIFORNIA STANDARDS ARE MORE
3 STRINGENT THAN THE FEDERAL GOVERNMENT'S.
4
5 WELL, AS OF THIS WEEK, NOT ONLY DO WE HAVE
6 THOSE ELEVEN STATES UP THERE THAT HAVE ADOPTED THE
7 CALIFORNIA CLEAN CAR STANDARDS, BUT I WANT TO SHARE
8 WITH YOU, ON WEDNESDAY OF THIS WEEK, NEW MEXICO
9 VOTED, AND THEIR TWO COMMITTEES THAT HAVE TO APPROVE
10 IT HAVE NOW MADE IT THROUGH AN ADMINISTRATIVE
11 PROCESS, PART OF THIS LIST. SO 12 ADDITIONAL STATES
12 IN ADDITION TO CALIFORNIA, THAT'S OVER 40 PERCENT OF
ALL THE VEHICLES SOLD IN THE UNITED STATES.

WE'RE MAYBE GOING TO BECOME A WEDGE -- IN
YOUR DISCUSSION THAT I HEARD EARLIER -- THIS YEAR.
SO WE'RE ALMOST AT THE TIPPING POINT. OTHER STATES
WILL BE INTRODUCING THIS LEGISLATION, SUCH AS
ILLINOIS IN JANUARY, STATES LIKE FLORIDA. THE
GOVERNOR IS TAKING A LEAD SAYING THAT HE WILL ADOPT
THOSE REGULATIONS BECAUSE FLORIDA IS ON THE FRONT
LINE WHEN IT LEADS TO CLIMATE CHANGE AND SEA LEVEL
RISE AND HURRICANE INTENSITY.

WE DID HAVE A FEW PROBLEMS ALONG THE WAY.
LIFE IS NEVER EASY. BUT THE AUTOMOBILE
MANUFACTURERS, NOT JUST THE AMERICAN AUTOMOBILE
MANUFACTURERS, BUT THE INTERNATIONAL ALLIANCE,
INCLUDING COMPANIES FROM EUROPE, AS WELL AS JAPAN,
HAVE FILED SUIT IN THREE COURTS -- CALIFORNIA,
VERMONT, AND RHODE ISLAND -- TO BLOCK THE
IMPLEMENTATION OF THESE REGULATIONS, LOOKING AT A
VARIETY OF REASONS FOR THEIR LEGAL ARGUMENTS, BUT ONE
WAS THAT EPA DOES NOT HAVE THE AUTHORITY TO REGULATE
CO2 OR OTHER GREENHOUSE GAS EMISSIONS, AND THE OTHER ONE THEY
KEEP BRINGING UP IS ONLY THE FEDERAL GOVERNMENT CAN
SET FUEL EFFICIENCY STANDARDS, AND THIS IS SO
CALIFORNIA CANNOT ESTABLISH GREENHOUSE GAS EMISSION
REDUCTIONS FROM TAILPIPES.

AS WAS DISCUSSED THE FIRST DAY OF THE
CONFERENCE, A HUGE SUPREME COURT DECISION WAS
RENDERED IN APRIL OF THIS YEAR. THE SUPREME COURT
FOUND IN A 5-TO-4 DECISION THAT CO2 AND OTHER
GREENHOUSE GASES ARE AIR POLLUTANTS.

THEY ALSO WENT ON TO SAY, DR. SPINRAD SAID
THAT THIS IS NOT A CONFLICT WITH FEDERAL CAFE
STANDARDS. THEY ALSO OPINED THAT THE DECISION NOT
ONLY REMOVES ANY OBSTACLES FOR THE EPA TO GRANT OR AT
LEAST LOOK AT GRANTING A WAIVER, BUT THE SUPREME
COURT ALSO SAID THAT IF THEY DENY THE WAIVER, THEY
HAVE TO HAVE SCIENTIFIC REASONS FOR THE DENIAL. SO
STAY TUNED TO THAT. SO FAR, THE EPA, THEY PETITIONED
FOR A WAIVER, THEY HAVE NOT MADE A DECISION, THE BUSH
ADMINISTRATION SAYS IT WILL BE IN DECEMBER OF THIS
YEAR. JUST SO YOU KNOW, CALIFORNIA HAS APPLIED FOR A
WAIVER UNDER THE FEDERAL CLEAN AIR ACT 50 TIMES, AND
OVER THE LAST THREE DECADES, NONE HAVE BEEN DENIED.

THEN THERE WAS A LAWSUIT FILED BY THE
AUTOMOBILE MANUFACTURERS. VERMONT WAS PICKED FOR THE
FIRST TEST CASE. THE DECISION WAS RENDERED IN
SEPTEMBER OF THIS YEAR BY JUDGE SESSIONS, ESSENTIALLY
SAYING THAT HE HAD FOUND NO REASON WHY THE AUTOMOBILE
MANUFACTURERS COULD NOT MEET THE TECHNOLOGICALLY
FEASIBLE REDUCTIONS AS ENVISIONED IN AB 1493.

WELL, IN 2005, GOVERNOR SCHWARZENEGGER
ISSUED AN EXECUTIVE ORDER TALKING ABOUT GLOBAL
WARMING AND SAID THE DEBATE IS OVER AND WE WILL BE
MOVING FORWARD IN CALIFORNIA. AND HIS EXECUTIVE
ORDER ENDED UP BECOMING A CORNERSTONE IN A BILL THAT
I had authored in 2005 which would require the following things:

Number one, it will mandate reporting of all significant contributors of greenhouse gas emissions -- talking about stationary sources -- beginning in January of 2008; utility power plants, oil refineries, cement factories, landfills, et cetera.

It will require the California Air Resources Board, who has the jurisdiction of implementing AB 32, to cap emissions at 1990 levels, and that is about a 25-percent reduction of business as usual.

Emissions will begin in 2012, although we do have a series of early-action measures that will be implemented sooner than that, and achieved by 2020.

In the findings of AB 32, we are very clear that this does not solve the problem; that we need to eventually accomplish an 80-percent reduction by 2050. But we thought this was doable, practical, where some of the policies that we have in place in California, we feel that we don't have to choose between a healthy economy and a healthy environment, that we can do both, as envisioned in AB 32.

A wide list of supporters, not only for the car bill, but also for this one. And we have public opinion polls -- and if you haven't done one in your state or area, they're interesting to do -- but it is not a difference between democratic and republican and independent voters; they all feel that we should be moving ahead on this tremendous environmental issue, probably the biggest challenge that we'll face in our lifetime; and in California, we see a real opportunity economically.

If you want to go to the California Air Resources Board website, they have this information on the timeline. They also show in their opinion, ways that we can get to the reductions of 25 percent by 2020, back down to 1990 levels, and you can see what a big piece cars are. They envision a 5 percent -- or a reduction of only 5 -- I'm not sure -- megatons of carbon from water efficiency. We think that will be a lot more. In California, 20 percent of all the energy we use comes from moving or treating water around our big state. And so that will be part of the puzzle.

What else is California doing? We do have a renewable portfolio standard, 20 percent by 2010, which is sending a nice clear signal to the renewable energies.

We have initiated the million solar roof program, with a surcharge on our utility bills to provide rebates to commercial, as well as residential consumers.
AB 1007, ALTERNATIVE FUELS ANALYSIS, WAS JUST COMPLETED BY THE ENERGY COMMISSION THAT LOOKS AT THE FULL-LIFE CYCLE IMPACTS OF ALTERNATIVE FUELS SO THAT WE DON'T PUSH IN THE DIRECTION, FOR EXAMPLE, OF CORN ETHANOL AND LOOK AT MORE ENVIRONMENTALLY-FRIENDLY OPTIONS. LOCAL GOVERNMENTS ARE STEPPING UP TO THE PLATE.

AND I WILL SKIP DOWN TO SB 1368. THIS WAS AN IMPORTANT PIECE OF LEGISLATION PASSED LAST YEAR IN SACRAMENTO. CALIFORNIA WILL NOT BE EXTENDING OR ADDING NEW LONG-TERM CONTRACTS FOR PURCHASE OF COAL FROM OUT OF STATE. WE DON'T HAVE COAL-FIRED POWER PLANTS IN CALIFORNIA. WE WILL NOT BE PURCHASING ANY NEW COAL FROM OUT OF STATE, AND THIS IS SENDING A SIGNAL TO OUT-OF-STATE COAL COMPANIES WHO ARE LOOKING ACTUALLY AT WIND AND OTHER OPTIONS.

EFFICIENCY DOES WORK. SOMEONE HAD THE ART ROSENFELD GRAPH UP THE OTHER DAY. WE'RE AT A PER-CAPITAL CONSUMPTION THAT HAS LEVELLED OFF THE LAST 30 YEARS; EFFICIENT APPLIANCES, LIGHTING FIXTURES, GREEN BUILDING DESIGNS, ET CETERA. BUT WHAT'S REALLY EXCITING IN CALIFORNIA IS THE INVESTMENT OF THE VENTURE CAPITALISTS IN THE SILICON VALLEY AREA, IN PARTICULAR, THE BUSINESS LEADERS. THEY STOOD UP AND SPOKE OUT QUITE STRONGLY IN FAVOR OF AB 32. THEY WANTED TO SEND A STRONG SIGNAL TO THE MARKET THAT CALIFORNIA IS OPEN FOR BUSINESS IN A HOME OF CLEAN TECHNOLOGIES AND ADOPTING AN ENFORCEABLE CAP.

AND THE LAST SLIDE I WANTED TO SHOW YOU IS THAT WHILE THE FEDERAL GOVERNMENT SEEMS TO BE TAKING AN INORDINATELY LONG PERIOD OF TIME TO MOVE FORWARD, STATES ARE MOVING FORWARD TOGETHER, NOT ONLY IN ADOPTING CLEAN CAR STANDARDS, BUT EXPLORING THE POSSIBILITY OF MANDATORY CAPS. OVER 20 STATES HAVE RENEWABLE PORTFOLIO STANDARDS. OVER 30 STATES NOW HAVE A CLIMATE REGISTRY PROGRAM. AND SO THE MOMENTUM IS COMING FROM THE BOTTOM UP, AND I LOOK FORWARD TO HAVING CALIFORNIA BE PART OF THE SOLUTION.

AND THANK YOU AGAIN FOR ALL YOUR WORK BECAUSE THE IMPACTS FINANCIALLY WILL BE FELT AT THE STATE LEVEL PERHAPS MORE SO THAN THE FEDERAL LEVEL.

THANK YOU VERY MUCH.