



AB 32 and You: How California's Global Warming Solutions Act Delivers Smart Solutions to Californians

With its implementation of the Global Warming Solutions Act of 2006, also known as A.B. 32, California is leading the country in its effort to curb global warming. In June 2008, the California Air Resources Board (CARB) released a draft plan outlining steps to a cleaner and more prosperous future. Once finalized and implemented, this visionary plan will strengthen California's economy, improve air quality and public health, help Californians use energy more efficiently, and make the state the hub of clean energy technology development—all while helping to curb global warming.

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Investments in Clean Energy Will Strengthen California's Economy

The average Californian household sends more than \$2,500 out of the state each year to buy fossil fuels, the primary cause of our global warming pollution. By curbing our reliance on fossil fuels we can bring home a portion of that \$30 billion and invest it in California businesses. Increased energy efficiency and a shift to clean energy sources, such as solar and wind, will reduce consumption of these dirty fossil fuels. By 2020, one-third of California's electricity will come from clean, renewable sources.

Giving this boost to California's burgeoning clean technology industry will create new jobs and bring yet more investment into the state. Venture capital investment in California's clean tech industry has increased from \$484 million in 2005 to \$1.8 billion in 2007. And California already claims nearly half of nationwide venture capital investment in clean technology. Because every \$100 million in clean tech investment creates 2,700 jobs, this investment benefits the state.¹ In total, California's efforts to cut pollution from global warming will add approximately 83,000 jobs to California's economy by 2020.²

Greener Homes, Offices, and Neighborhoods Will Improve California's Quality of Life

■ **Greater efficiency will lower utility bills.** Efforts to improve efficiency during the past three decades have already saved Californians approximately \$1,000 per person.³ Additional investments in energy efficiency will further reduce energy use and help lower utility bills for the average homeowner by about \$200 per year. To take advantage of the most efficient products and further reduce energy bills, customers can receive rebates, some as much as \$200, for more efficient appliances, lights, furnaces, and air conditioners. Further, rebates for residential solar panels will help homeowners generate clean electricity or hot water without burning fossil fuels.

■ **Increased conservation efforts will reduce water utility bills.** California could invest \$100 to \$500 million annually in water efficiency and conservation to improve water quality and supply reliability and lower Californians' water and energy bills.

■ **Greener buildings will improve health and pay for themselves.** Many of the same design features that increase building energy efficiency,



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such as natural lighting and improved airflow, also contribute to better air quality and health, increasing productivity and reducing worker sick days and improving student test scores. Because the average green building uses 30 percent less water, 32 percent less electricity, and 26 percent less natural gas than a traditional building, green buildings more than pay for themselves over their lifetimes.⁴

■ **Greener neighborhoods will reduce vehicle use, and improve air and water quality.** New neighborhood developments—and the smart redevelopment of existing neighborhoods—will reduce reliance on cars and trucks and reduce pollution. More housing and transportation choices will enable shorter commutes. Streets that accommodate pedestrians, bikes, and public transit will provide more options for how to get to the office. And mixed-use communities will shorten distances to access daily needs. Better development techniques will include more green spaces, improve water quality, and reduce the risk of water shortfalls. Planting trees in urban areas will provide more shade, beautify neighborhoods, and improve local air quality.

Innovative Regulations Will Improve Air Quality and Public Health

Proper regulation of global warming pollution—and fines for those who do not comply—will hold polluters accountable for harm to our state's environment and public health and stimulate development of new technologies and processes for reducing pollution. Policies that reduce air pollution, smog, and toxic pollutants could prevent 700 premature deaths and thousands of other negative health impacts, saving \$3 billion to \$4.7 billion in health costs in the year 2020.⁵

New Policies Will Bring Greater Vehicle Choice

Regardless of what type of vehicle you drive—or whether you drive at all—A.B. 32 will bring benefits. New policies under A.B. 32 will provide Californians with greater options when choosing new cars and trucks, ranging from fully electric-powered cars to affordable and convenient



A.B. 32 and the Protection of Treasured Forests

Annual investments of just \$11 million through A.B. 32 could prevent the destruction of 14,000 acres of forestland each year, equating to an area the size of Sequoia National Park every 25 years.⁶ Preserving forests and reforesting previously damaged areas will improve our air and water quality while protecting needed biodiversity.

plug-in hybrids, all of which can be powered with clean, renewable energy. The next generation of alternative-fuel and fuel efficient vehicles will cost less to own and save Californian drivers \$5 billion each year through lower operating costs by 2020.⁷ The average buyer of a new, fuel-efficient vehicle will save about \$400 per year and be less vulnerable to rising gasoline prices.⁸ And funding for pay-as-you-drive insurance, incentives for carpools and telecommuting, and increased funding for public transit will give residents alternatives to daily driving.

Along with greater choice in vehicles, Californians will enjoy more fuel choices, including low-carbon fuels such as biofuels and electricity, both of which will help end our dependence on oil and reduce our risk related to fossil fuel supply disruptions and price shocks.

Roadmap for a Stronger, Safer, and Healthier California

The California Air Resources Board and its plan for implementing A.B. 32 offer cutting-edge solutions to the challenges of global warming and fossil fuel dependence and serve as a model for the rest of the nation. CARB's plan will give a boost to our state's economy while providing residents with well-paying jobs in important and exciting industries. As we build a path toward energy independence, our businesses will produce the best and most innovative clean energy technologies in the world. As we improve the efficiency of neighborhoods old and new, our residents will enjoy better health in greener homes and offices, with more affordable choices and greater flexibility in their daily lives. CARB's plan offers excellent solutions to the challenging problems of global warming and fossil fuel dependence while making California an even better place to live.

¹ James Stack, *Cleantech Venture Capital: How Public Policy Has Stimulated Private Investment*, pp. 33-34, available at <http://www.e2.org/ext/doc/CleantechReport2007.pdf>.

² Climate Action Team Report, March 2006, p. 88, available at http://www.climatechange.ca.gov/climate_action_team/reports/index.html.

³ RAND, *The Public Benefit of California's Investment in Energy Efficiency*, 2000, p. xiv, available at http://www.rand.org/monograph_reports/2005/MR1212.0.pdf.

⁴ CARB, *Draft Scoping Plan Appendices*, July 2008, p. C-93, available at <http://www.arb.ca.gov/cc/scopingplan/document/draftscopingplanappendices.pdf>; USBGC, LEED and Climate Change, available at <http://www.usgbc.org/ShowFile.aspx?DocumentID=2360>.

⁵ NRDC, *Boosting the Benefits: Improving Air Quality and Health by Reducing Global Warming Pollution in California*, June 2008, available at <http://www.nrdc.org/globalWarming/boosting/boosting.pdf>.

⁶ Climate Action Team Report, p. 49.

⁷ Id. at 41.

⁸ CARB's *Draft Scoping Plan* predicts savings of \$30 per month per new car buyer, p. ES-6.

