



# **NO on Proposition 10**

## **Costs Too Much. Does Too Little.**

Because of its flaws and weaknesses, Proposition 10, the California Renewable Energy and Clean Alternative Fuel Bond Proposition, is an inefficient use of public bond funding at a time when the state is facing a multi-billion dollar budget crisis.

The Union of Concerned Scientists and NRDC are dedicated to finding cost-effective alternatives to petroleum-based fuels that will reduce the pollution that causes global warming. But Prop 10 is not the solution. We are joined by the Sierra Club, the California League of Conservation Voters, and the Consumer Federation of California, among others in opposing Prop 10.

Prop 10 would appropriate \$5,000,000,000 through general obligation bond monies to fund alternative fuels for transportation and renewable electricity. The Clean Alternative Fuels Account—which would receive nearly 75 percent of the total bond funds—sets up a poorly crafted rebate program with weak environmental criteria to reduce emissions from passenger and heavy-duty vehicles. Some of the reasons we oppose Prop 10 include:

- Prop 10's vehicle rebates give natural gas an unfair advantage over other alternatives.
- Prop 10's vehicle rebates exclude or provide inadequate support for vehicle technologies that could provide greater environmental benefits than natural gas in the long run, such as hybrid heavy duty trucks or plug-in hybrid electric passenger vehicles.
- Prop 10's vehicle incentives are not tied to strong enough environmental performance criteria to achieve the greatest reductions in global warming pollution per public dollar spent. And Prop 10 requires no reduction in smog-forming or toxic air pollution!
- Prop 10's definition of "clean alternative fuel" is overly broad, and allows any fuel that reduces carbon intensity by 10 percent to qualify. Since a 10 percent reduction in carbon intensity will soon be mandated state policy under the Low Carbon Fuel Standard, it is not clear whether the bond will provide any emissions reductions in excess of state requirements.

The details for the remaining 25 percent of the bond funds slated for renewable energy—the Solar Wind and Renewable Energy Account—raise only minor concerns compared to the serious problems with the fuels and transportation component of the measure's proposed Clean Alternative Fuels Account.

An additional concern we have is that Prop. 10 could have the unintended consequence of worsening climate change by shifting natural gas away from electricity generation, likely resulting in a continued reliance on dirty electricity produced from coal, which has a much higher greenhouse gas output compared to natural gas.

## **Better Climate Solutions Are Available!**

**Climate solutions supporters have alternatives to Prop 10.** You can do something positive to reduce the pollution that causes global warming. Here are four immediate proposals that will outperform the expected results of Prop 10, allowing us to increase our renewable electricity and move towards cleaner fuels and vehicles that reduce harmful pollutants including greenhouse gases.

- **Raise California's renewable electricity standard to 33 percent by 2020**, which would establish a legal requirement for all California utilities to deliver a cost-effective array of renewable energy to their customers. This proposal has been recommended by the California Air Resources Board as part of its global warming plan, and the state legislature will be considering legislation in 2009 to codify the standard.
- **Establish the California Clean Car Discount program** (also known as the vehicle feebates program), which would make cleaner cars and trucks more affordable for everyone by providing one-time rebates on the purchase of new cars, trucks and SUVs that emit relatively low levels of global warming pollution. The rebates are funded by one-time surcharges on gas-guzzling new vehicles. The California Air Resources Board is currently studying this program and the state legislature will likely consider a Clean Car Discount bill in 2009.
- **Implement a strong Low Carbon Fuel Standard**, which will reduce the carbon intensity of our transportation fuels by at least 10 percent. The California Air Resources Board is expected to adopt a Low Carbon Fuel Standard Regulation in the coming months.
- **Implement proposed new state regulations to clean up smog-forming and toxic air pollution and greenhouse emissions from heavy duty trucks.** The California Air Resources Board is expected to consider adoption of these rules in the coming months.

**Looking ahead, we can further reduce pollution from transportation** through California's regulations and incentive programs, such as

- implementing the state's landmark global warming standards for passenger vehicles (the Pavley standards),
- improving the state's Zero Emission Vehicle program, and
- implementing transportation components of the forthcoming Scoping Plan for AB 32, California's Global Warming Solutions Act of 2006.

These protections demonstrate true potential to provide cost-effective cleanup, reduce our dependence on oil, and foster low carbon alternative fuels.

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