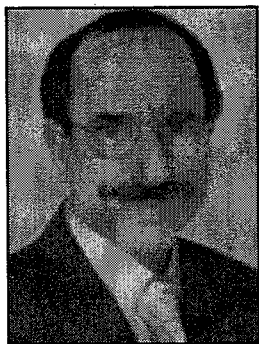


COMMENTARY

Special Section

A positive fiscal impact of AB 32: venture capital investment



by

BOB EPSTEIN

Bob Epstein is Vice Chairman of California's Economic and Technology Advancement Advisory Committee.



by

STEVE FALK

Steve Falk, former publisher & president of the San Francisco Chronicle, is the President of the San

Capitol Weekly asked the California Air Resources Board to submit a commentary for our special section on greenhouse gas. The two commentaries that follow were submitted by members of the CARB staff.

Last year, clean technology venture capital poured into California at an unprecedented rate. Nearly 1.8 billion dollars were invested in California companies - that's almost a 50 percent increase over the year before. What opened the floodgates? Multiple factors but perhaps the most significant was the passage of the Global Warming Solutions Act (AB 32).

Before AB 32's adoption, a lot of venture capital investment in clean technology - now the third largest and fastest growing category of venture capital investment - was going elsewhere. By adopting emissions caps in AB 32, California removed uncertainty over its commitment to global warming reductions, creating an economic landscape that supports investment in innovation and technology to address climate change.

By acting early, California stands to benefit. According to Clean Edge Inc., by 2017, total worldwide revenue from clean energy technologies -- \$77 billion in 2007 -- is projected to grow to \$254 billion. As a result of AB 32, California companies are now in a lead position in the race to capture this market.

But the economic impact of AB 32 is


not limited to the clean technology sector. Energy efficiency represents a savings for all consumers in California. For over thirty years, California's groundbreaking energy efficiency standards - later copied by the federal government -- have

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saved consumers billions, helped grow our economy to one of the largest in the world and reduced greenhouse gas emissions. California consumers have lower electricity bills per capita than the rest of the nation, according to Collaborative

Economics and Next Ten, a nonpartisan research organization. -- and one of the country's cleanest electric systems. According to the International Energy Agency (IEA) every \$1 spent on high-efficiency electrical equipment, appliances, and buildings avoids more than \$2 in spending on power plants. That is money in the pocket of the consumer, money that gets spent on goods and services in our economy.

The transition from a dirty to a clean energy economy further benefits our economy by moving dollars into communities throughout the state. In 2006, California exported \$30 billion - \$2,500 from every California household - to buy fossil fuels. The costs of oil have doubled since then. Implementation of AB 32 will keep more of that money here in California and because clean energy production is distributed broadly, every part of the state will share in the jobs that it creates.

The price of fossil fuels has nowhere to go but up - both for the consumer and society. AB32 is an investment in the state's future. Any delay to the implementation of AB 32 will only increase those costs, and delay or lose the benefits of our inevitable transition to renewable energy. California is trailblazing the implementation of this landmark law, for our nation and our globe. It will not be simple or easy, but it is critical to the health of the State's economy and the well being of present - and future - Californians. 

Fighting global warming: a spiritual view



by

**THE REV. CHARLOTTE
W. MYERS**

*Reverend Myers, former
Minister at Lakeshore
Avenue Baptist Church
in Oakland CA, is the
state program director of
California Interfaith Power
and Light*

Concern over global warming is uniting the world's religions in a way rarely seen in history. Faith leaders recognize that rising temperatures endanger the life support systems for all creation and put at risk the most vulnerable among us. People of faith are charged with caring for all God's creation and caring for the poor. We know that poor and vulnerable communities are least able to adapt to the consequences of global warming. In response to this crisis, faith-based organizations like mine, California Interfaith Power and Light (CIPL), represent people of all faiths working together and calling for immediate effective action.

In 2006, CIPL joined environmental advocates to urge passage of The Global Warming Solutions Act (AB 32), our nation's first cap on global warming pollution. It mandates that by 2020, California will reduce emissions by more than 25 percent. Next week, the California Air Resources Board will release its first draft of a plan to get us there. Over the summer, they will hold workshops across the state.

One important concern is how this plan will affect our poorest and most vulnerable citizens. Historically inequitable treatment of these communities – which bear the brunt of

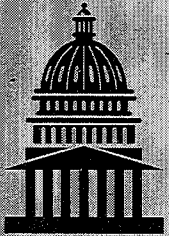
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environmental pollution – has led to skepticism about government's goals. We are working for the involvement of those communities most affected by cost and environmental

consequences. CIPL advocates that the plan require that polluters pay, and revenue is used to speed the transition to a clean energy future, as well as to assist low-income communities with energy costs, investment in energy efficiency, and green jobs skills training.

If done right, a clean energy economy will save consumers money, generate green jobs and improve the air quality of the very neighborhoods that need it most. To get there, we must all work together to ensure the success of this plan for the sake of the poorest communities.

The world's leading scientists say that by 2050 we need to cut emissions by 85 percent if we are to avert catastrophic climate change. Hurricane Katrina portends the future if we, as a people, do not act together to meet this goal. In New Orleans, the wealthy have moved on. But for the poorer citizens a degraded environment, increased costs and lack of employment has been a second disaster. Next week, California will take the first step toward creating a safer, healthier, more just future. The State's success is in everyone's best interest. ☺



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