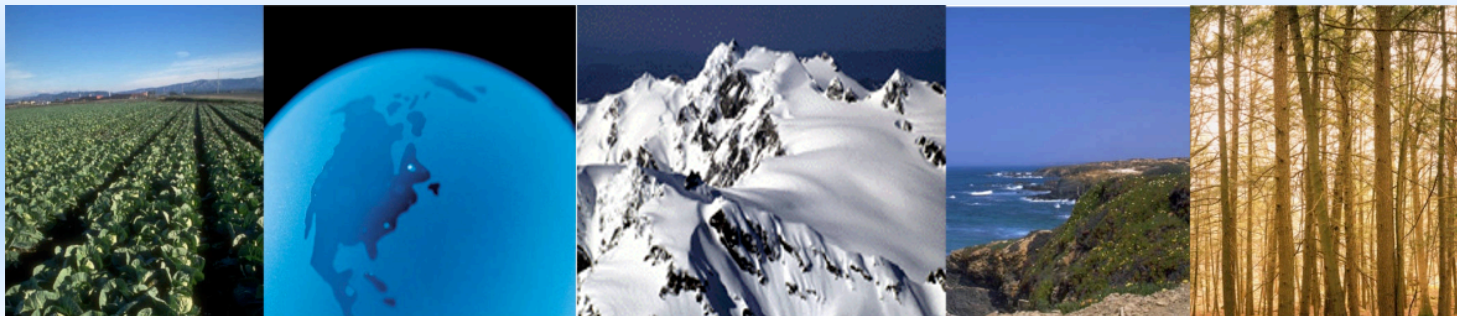


FACT SHEET



CALIFORNIA'S PROGRAM TO REDUCE THE IMPACTS OF GLOBAL WARMING

Questions and Answers

Q: What is the Climate Action Team?

A: The Climate Action Team was established by Governor Schwarzenegger under an Executive Order. The Team is led by the Secretary of the California Environmental Protection Agency and includes the Secretary of the Business, Transportation and Housing Agency, Secretary of the Department of Food and Agriculture, Secretary of the Resources Agency, Chairperson of the Air Resources Board, Chairperson of the Energy Commission and President of the Public Utilities Commission. The Climate Action Team is charged with implementing global warming emission reduction programs and reporting on the progress made toward meeting the statewide greenhouse gas targets that were established in the EO. The first report is due to the Governor and the Legislature in January 2006 and bi-annually thereafter.

Q: How were the statewide greenhouse gas targets established?

A: An external technical evaluation of potential strategies to reduce greenhouse gas emissions was conducted by the Tellus Institute. The Tellus Institute is a premier not-for-profit research firm addressing energy policy in the United States. Potential strategies were evaluated, some of which are already underway in California and some of which will require new policy directives. The California Environmental Protection Agency, Air Resources Board and California Energy Commission reviewed the work done by the Tellus Institute and recommended targets to the Governor. The targets were established based on actions already underway in California and the realization that GHG emission reduction technologies and strategies will improve with innovation and continued government leadership. The agencies also established a long-term stretch goal for 2050 intended to clearly represent the long-term nature of the effort to combat global warming.

Q: What are the costs/savings associated with meeting the statewide GHG targets?

A: Most of the GHG emission reduction strategies considered when developing the GHG targets will provide significant emission reductions and benefit the economy. Industry has voluntarily adopted efficiency measures that have directly increased profits while cutting emissions. For example, DuPont has reduced GHG emissions by almost 70 percent since 1990 and realized a net savings \$2 billion dollars. IBM reduced GHG emissions by 65 percent realized a net savings of \$791 million. CalEPA estimates that worldwide demand for new technologies developed to reduce GHG emissions will create a global market potential of over \$180 billion annually. Some GHG emission reduction

strategies are relatively costly, such as the million solar roofs initiative, but also have tremendous cost-reduction potential and cross-cutting benefits including reducing air pollution, benefiting the energy sector and reducing the state's reliance on fossil fuels.

Q: *How will the state meet the GHG targets?*

A: The Climate Action Team will prioritize GHG emission reduction strategies and monitor progress in achieving the GHG targets. Implementation of the strategies will be directed by the appropriate state agency. As has been the case with many of the existing GHG emission reduction strategies, it is anticipated that future strategies will rely on technological innovation.

The Climate Action Team will determine the next group of strategies to be enacted. That analysis will include consideration of a range of policies including voluntary efforts, regulatory programs and cap and trade options within the state. The Climate Action Team will report to the Governor on the range of strategies considered, including cap-and-trade options, in the January 2006 report.

Q: *Why is California taking actions to reduce GHG emission? Shouldn't these actions be taken at the federal level?*

A: California is the 5th largest economy in the world and therefore is uniquely positioned to take action. California leads the world in energy efficiency technology development and implementation, in ambitious efforts to shift energy production to renewable resources, and in adopting stringent GHG emission standards for motor vehicles. Transportation is single largest source of GHG emissions in California. By 2016, when the motor vehicle standards are fully implemented, GHG emissions from vehicles will be 30 percent lower than present.

Climate change will adversely affect public health, the environment and the economy in California. California has a long history of leadership in protecting public health and the environment. Adoption of the GHG targets is the next step in that leadership.

Q: *Why didn't the Governor adopt the Kyoto GHG targets as many cities are doing?*

A: The Governor's goal is to establish California leadership on GHG targets by going beyond the Kyoto targets. Kyoto set *national* GHG reduction requirements in 1997 to be attained over 2008-2012. To set *state* reduction goals today, we have to account for a whole different set of factors, including the passage of time since 1997, differences among 1990 state emission baselines, and the narrower scope of state regulatory powers and emission trading options (compared to federal government). Kyoto is not therefore an appropriate point of comparison for state climate targets

The United States is the largest GHG emitter in the world (19 tons per capita), while California is the 9th largest emitter (12 tons per capita). If the United States reduced per-capita pollution to the current California per-capita level, US pollution would be 1.7 *billion* tons *lower* than the reduction level required by Kyoto.

The targets established for California reflect our state's high economic and population growth. They are ambitious in the timeframes and allow our state to continue to grow at a rapid rate while cutting greenhouse gas emissions.