



CALIFORNIA CEMENT MANUFACTURERS ENVIRONMENTAL COALITION (CCMEC) COALITION FOR SUSTAINABLE CEMENT MANUFACTURING & ENVIRONMENT



August 16, 2022

The Honorable Gavin Newsom
Governor, State of California
State Capitol
Sacramento, CA 95814E

SUBJECT: Letter of Concern Governor's Climate Package

Dear Governor Newsom,

California is regarded both nationally and internationally as a leader in climate policy. We acknowledge Governor Newsom's continued leadership on this issue and appreciate his interest in and commitment to gaining substantive and useful input from regulated firms and the business community at large, given the profound impacts on the economy caused by greenhouse gas regulations.

We support climate change laws and regulations that are cost-effective, technology-neutral, and promote the use of market-based strategies to reduce GHGs. For example, we supported the bipartisan authorization of a cap-and-trade system in 2017 (AB 398), which solidified California's future as a leader in the market-based approach to climate solutions.

On behalf of the organizations listed below, we therefore wish to express our urgent request that the Legislature give careful deliberation to the recently released climate proposals from the Administration, with which we have considerable concerns. We believe a rush to address these difficult and controversial issues in the waning days of the 2022 session will provide inadequate time for real input or debate and would undermine the legislative process.

The Administration's proposals cover a broad swath of some of the most contentious issues in climate policy and environmental regulation, including:

- codifying a statewide carbon neutrality goal,
- increasing the greenhouse gas emissions reduction goal,
- establishing pathways to 100% clean electricity retail sales,
- setbacks for new oil and gas production wells, and
- carbon capture regulation.

Any one of these issues has been and would assuredly be a matter of extensive debate in the regular legislative process. Considering the totality of these issues in less than three weeks at the close of the session is an affront to considered legislative analysis and policy making.

Just to give an example of the magnitude of the changes being proposed, adopting a more aggressive GHG 2030 emissions reduction target, from 40% to 55% below the 1990 level, would require the state to remove an additional 17 million gasoline vehicles off the road by 2030, according to data developed by the California Air Resources Board. CARB's initial modeling of scenarios in this range concluded them to be "economically and technically infeasible due to the current lack of low-carbon energy infrastructure, unavailability of technology, large job loss and high implementation costs."

The 2030 and 2045 goals proposed by this legislation appear to be far-off aspirational goals, but CEQA makes them immediate mandates in 2023. CEQA will be a super-charged anti-housing weapon in the hands of NIMBYs. These proposals would increase the price of a new home by a minimum of \$50,000, for additional energy equipment making California's affordable housing crisis worse than at any time in our history. This means that the Legislature's efforts over the past several years - enacting more than 80 bills to plan for, approve and produce the 2.5 million more homes that the Department of Housing and Community Development say we need - will have been for nothing.

To say the least, such a policy requires extensive public vetting and debate – and this is just one of five new climate initiatives.

In fact, this last-minute proposal undermines the existing public and transparent process at the Air Board, where hundreds of stakeholders have been engaged on the Scoping Plan. It is vital to reconcile the Administration's recently released proposals with the proposals being vetted by the Board over an inclusive, months-long process. Naturally the Legislature sets overall policy on these matters, but you have traditionally given great deference to the formal processes undertaken by the Air Board, which would be upended by a rushed consideration of these proposals.

To take another example, legislative analysis of an earlier, failed attempt to enact setback restrictions on oil and gas production wells found the setback requirement threatens the loss of 8,000 jobs, including 3,000 high-paying direct jobs in the oil and gas industry, and another 5,000 jobs in supplying industries such as construction and trades, not to mention shutting down revenue streams to state and local governments.

Like the rest of the nation, Californians are suffering the punishing effects of inflation, reflected in ever higher prices of gasoline, food, and other necessities. Our state's residents and business owners deserve to know by how much and when the costs of these new climate initiatives will be felt in our economy – whether in higher fuel prices, utility bills, elimination of certain industries and their related jobs, limits on driving or of vehicle purchases, and the many other foreseeable economic and lifestyle impacts inherent in these proposals.

We appreciate the Administration's fierce sense of urgency on climate issues. California should contribute to a global solution, but not attempt to resolve a global issue beyond the means of our economy and that would stifle growth and opportunities for our residents. Indeed, the worst outcome for California's leadership on this issue would be an overreach that discredits climate change reduction strategies because of severe damage to the state's economy.

The Governor recently stated, in the context of our water crisis, that we should move “away from a scarcity mind-set to one more of abundance.” Our climate policy should likewise embrace growth, since over the long term, successful global reductions in GHGs will happen only through increased global wealth and massive technological innovation, much of which can take place in California – if we do not embrace scarcity.

Sincerely,



Ben Golombek
Executive Vice President and Chief of Staff for Policy
California Chamber of Commerce
on behalf of

African American Farmers of California, Will Scott, Jr.
Agricultural Council of California, Tricia Geringer
Agricultural Energy Consumers Association, Roger Isom
Alameda Chamber and Economic Alliance, Madlen Saddik
American Pistachio Growers, Richard Matoian
BizFed Los Angeles County Business Federation, Sarah Wiltfong
Building Owners and Managers Association of California, Matthew Hargrove
California Apple Commission, Todd Sanders
California Blueberry Association, Todd Sanders
California Blueberry Commission, Todd Sanders
California Business Properties Association, Matthew Hargrove
California Cement Manufacturers Environmental Coalition, Frank T. Sheets
California Chamber of Commerce, Ben Golombek
California Citrus Mutual, Casey Creamer
California Cotton Ginners and Growers Association, Roger Isom
California Fresh Fruit Association, Ian LeMay

California Fuels and Convenience Alliance, John Wenger
California Independent Petroleum Association, Sean Wallentine
California League of Food Producers, Trudi Hughes
California Pool & Spa Association, John Norwood
California Poultry Federation, Bill Mattos
California Strawberry Commission, Rick Tomlinson
California Walnut Commission, Robert Verloop
Carlsbad Chamber of Commerce, Bret J. Schanzenbach
Chino Valley Chamber of Commerce, Zeb Welborn
Coalition for Sustainable Cement Manufacturing & Environment, Erika Guerra
Corona Chamber of Commerce, Anthony Maldonado
El Dorado County Chamber of Commerce, David Butler
El Dorado Hills Chamber of Commerce, David Butler
Elk Grove Chamber of Commerce, Katie Beskeen
Folsom Chamber of Commerce, David Butler
Far West Equipment Dealers Association, Joani Woelfel
Garden Grove Chamber of Commerce, Henry Rogers
Greater Bakersfield Chamber, Nicholas Ortiz
Greater High Desert Chamber of Commerce, Mark Creffield
Greater Riverside Chambers of Commerce, Andrew Sall
Harbor Association of Industry and Commerce, Henry Rogers
Imperial Valley Regional Chamber of Commerce, Bari Smith Bean
La Cañada Flintridge Chamber of Commerce and Community Association, Pat Anderson
Lake Elsinore Chamber of Commerce, Kim Joseph Cousins
Los Angeles Area Chamber of Commerce, Esthela Pacheco
Lincoln Area Chamber of Commerce, David Butler
NAIOP of California, Matthew Hargrove
National Federation of Independent Business (NFIB), Kevin Pedrotti
Nisei Farmers League, Manuel Cunha, Jr.
Oceanside Chamber of Commerce, Scott Ashton
Olive Growers Council of California, Todd Sanders
Orange County Business Council, Connor Medina
Palos Verdes Peninsula Chamber of Commerce, Marilyn Lyon
Rancho Cordova Area Chamber of Commerce, David Butler
Redondo Beach Chamber of Commerce, Henry Rogers
Rocklin Area Chamber of Commerce, David Butler
Roseville Area Chamber of Commerce, David Butler
San Pedro Chamber of Commerce, Henry Rogers
Santa Maria Valley Chamber of Commerce, Glenn Morris
South Bay Association of Chambers of Commerce, Henry Rogers
Torrance Area Chamber of Commerce, Donna Duperron
United Chamber Advocacy Network, David Butler
Valley Industry & Commerce Association, Peter Warda
Western Agricultural Processors Association, Roger Isom
Western Independent Refiners Association, Craig Moyer
Western Propane Gas Association, Colin Sueyres
Western States Petroleum Association, Zachary Leary
Yuba Sutter Chamber of Commerce, David Butler

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