Frequently Asked Questions

Why is the Climate Action Team releasing this report?

On June 1, 2005, Governor Schwarzenegger signed Executive Order S-3-05. The order directed the Secretary for Cal/EPA to report every two years on the state's progress toward meeting the Governor's greenhouse gas emission reduction targets. This report is the first step in the process of meeting the Governor's targets.

According to the report, how would the state meet the Governor's GHG emission reduction targets?

The report recommends 46 specific emission reduction strategies ranging from energy efficiency programs to new automotive emission reduction measures to reforestation programs – just to name a few. Combined with emission reduction efforts already underway, these new strategies will help the state meet the Governor's targets in 2010 (approximately 60 million tons CO_2 equivalent in emission reductions) and 2020 (approximately 175 million tons CO_2 equivalent in emission reductions).

How would the state ensure these goals can be achieved?

The CAT report contains several key recommendations to meet the Governor's greenhouse gas emission reduction targets, including:

- Develop a multi-sector, market-based system that considers trading, emission credits, auction, and offsets for consideration by the Governor no later than January 2008. The Governor's 2020 emission reduction target should be the basis for an emission cap in the development of the program.
- Mandatory reporting of emissions by the largest sources of greenhouse gases, including oil and gas extraction facilities, oil refineries, power generators, cement manufacturing plants, and solid waste landfills.
- Require new electricity generated for use in California to come from sources with climate change emissions equivalent to or less than new combined cycle natural gas power plants.
- Require all utilities, whether publicly or privately owned, to meet the state's energy efficiency goals and Renewable Portfolio Standard.
- An aggressive alternative fuels program jointly developed by Cal/EPA, the California Energy Commission, and the Department of Food and Agriculture.
- A coordinated investment strategy for state funding programs, to provide incentives for industry to develop new emission reduction technologies that can be used in California and exported.

Could the measures in this report harm the economy?

Measures that reduce greenhouse gas emissions ultimately save businesses and consumers money. California's building and appliance efficiency standards, for example, saved businesses and individuals $56 billion dollars in energy costs between 1975 and 2003. These standards are projected to save businesses and individuals an additional $43 billion in utility costs by 2013. At the same time, they will dramatically reduce greenhouse gas emissions (7 million tons of CO_2 by 2020).

Does the report recommend a tax increase on businesses or consumers?

No. The CAT report recommends existing public goods charges on electricity and natural gas should remain in place. To decrease our dependence on petroleum, and reduce climate change emissions associated with this fuel, the report considers development of a similar charge on gasoline and diesel. The report does not include specifics for such a proposal, as additional work is needed in this area.

Hasn't the Governor rejected the idea of a new tax on petroleum?

The Governor likes to hear all perspectives, and expects those serving in his administration to offer "outside the box" solutions. As an advisory panel, the Climate Action Team's role is to give the Governor a menu of options to meet his climate change goals.

Will the Governor adopt the recommendations as his own?

The report does not reflect the Governor's position on any specific measure. Rather, it presents to the Governor a menu of options drawn from extensive public input and expert analysis.

Does the report recommend a mandatory emissions reporting program?

Yes. An effective market-based, multi-sector program requires an accurate inventory of greenhouse gas emissions – something that currently doesn't exist in California. The report proposes the mandatory reporting of GHG emissions to build a foundation for an emissions trading program.

Why is a coordinated investment strategy needed to develop emission reduction technologies?

California is home to many of the companies that are developing technologies to reduce greenhouse gas emissions. By investing in these companies through pension programs or other investment programs, California can bring these technologies to the marketplace more quickly, and insure the state reaps the economic benefits of their use throughout the world.