

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: September 20, 2010
Reviewed by: BP

SUBJECT: Resolution Opposing Proposition 23

REPORT BY: Beth Pollard, City Manager

STAFF RECOMMENDATION

That the City Council adopt Resolution No. 2010-48 – A Resolution of the Albany City Council in Opposition to Proposition 23.

BACKGROUND

On September 27 2006 Governor Schwarzenegger signed Assembly Bill 32, the Global Warming Solutions Act of 2006. The bill requires that California greenhouse gas (GHG) emissions be reduced to 1990 levels by 2020. A Climate Change Proposed Scoping Plan(Scoping plan) was prepared by the California Air Resource Board and approved on December 11 2008.

The Scoping Plan outlines reductions in California’s carbon footprint by reducing today’s business as usual GHG emissions by 15%. The implementation of the Scoping plan would improve the environment, reduce dependence on oil, diversify energy sources, save energy, create new jobs and enhance public health.

DISCUSSION/ANALYSIS

Proposition 23 will appear on the November 2010 ballot, and if approved, would suspend the regulations established in AB32 and the subsequent Scoping plan until the California unemployment rate is 5% or lower for four consecutive quarters. The most prominent supporters of Proposition 23 are Valero and Tesoro, two major oil companies based in Texas.

The primary issue is the alleged loss of jobs that AB32 would create. Supporters of Prop 23 claim that approximately one million California jobs would be lost because manufacturers would be forced to move out of state or use foreign labor to circumvent the regulations established by AB 32.

Arguments in opposition to Proposition 23 released by the California Air Resources Board on March 17, 2010 concluded that AB32 would likely have a net positive effect on California's economy. The recent analysis concluded that fuel expenditures will drop by 4.9% as a result of greater investment in energy efficiency, and California's economy would grow 2.4% per year. Further, according to economic analysis prepared by the California Air Resources Board, California is expected to create about two million jobs by 2020 regardless of whether AB32 is implemented. The analysis concludes that AB32 would in fact give the state a small job boost adding about 10,000 jobs in the next ten years.

When AB32 was adopted it was widely supported by businesses, labor groups, environmentalists, and health organizations. It builds on decades of state policies on green energy which has put California in the forefront of the green technology industry. Suspending the AB32 regulations would create more air pollution in California and threaten public health. In addition, suspending the regulations would be harmful to California's newly emerging clean energy industry that is creating new jobs in the wind, solar and other renewable energy fields and clean technologies that will reduce energy costs and dependence on nonrenewable and polluting fossil fuels.

SUSTAINABILITY IMPACT

Proposition 23 would conflict with the City's established goals to reduce greenhouse gas emissions and associated air pollutants. Expressing formal opposition to Proposition 23 would help demonstrate the City's intent to promote environmental health and sustainability.

FINANCIAL IMPACT

There is no financial impact related to this item.

Attachments

Resolution Opposing Proposition 23