

# Geographical Eye



**On 2nd November Californian citizens will vote in a ballot over whether California's Global Warming Solutions Act (known as AB 32) should be suspended for the next few years until the state makes a full economic recovery. The ballot has been described as the 'big oil show down' as it is largely high revenue earning oil companies that oppose California's Global Warming Solutions Act. The opponents of AB 32 see the law as a 'job killing remedy to climate change' and out-of-place in a global economic recession.**

**Amidst these calls for action against AB 32 there continues to be widespread support for climate change regulation from a range of industries and social justice organizations. AB 32 is seen as an essential pathway for California to move away from a reliance on expensive fossil fuels to cleaner fuel alternatives such as solar and wind. This edition of Geographical Eye will explore some of the arguments for and against AB 32.**



*California: at a cross roads*

## **What is Assembly Bill 32?**

The Global Warming Solutions Act or AB 32 was signed into law by Republican Governor Arnold Schwarzenegger in 2006. It was encouraged and backed by a diverse set of supporters including renewable technology companies, health organizations and social justice movements.

The key goal of AB 32 is to reduce California's greenhouse gas emissions to the level it was in 1990 by the year 2020. The law established a cap-and-trade system in which affected businesses would have to reduce their own carbon emissions or buy carbon allowances. AB 32 also seeks to promote the use of renewable energies; by 2020 33% of electricity used must be from renewable sources.

## **Pro AB 32**

AB 32 has been seen as a pioneering and landmark piece of legislation to help move California towards a cleaner and less carbon intensive economy. The policy has encouraged billions of dollars of investment in clean energy. California currently fosters a growing hub of green industries which has created a range of job and business opportunities in the clean energy sector.

Furthermore investment in renewable technologies is a good way to 'stay ahead' and plan for the future. The fossil fuel market will continue to experience both price increase and price volatility. AB 32 is seen as a major step for California to become energy independent and reduce its reliance on imports of foreign oil. This translates into lower energy costs and price stability.

## Against AB 32



The opposition of AB23 raises important questions over whether Californian industries should continue to operate under hard-line carbon emission regulations during an economic recession and high unemployment rates. A key argument is that AB23 has reinforced many of the negative impacts of the economic recession.

California, like much of the world has felt the impact of economic recession; with unemployment rates exceeding 10%. The AB 32 scheme has been criticized for creating a hostile environment for the growth and prosperity of many industries, many of whom are leaving the area and looking to relocate. AB 32 has been critiqued as an aggressive law which demands review during times of economic struggle.

Many of those against AB 32 are not seeking the total abolishment of climate change regulation - but a reframing of current initiatives so they are more relevant to California's current economic situation. This ballot raises an important question: is tough regulation on climate change appropriate during unemployment, slow growth and economic deficit?

A further argument against AB 32 is that a move towards a low carbon and cleaner world requires national and global cooperation. The Obama administration has not rolled out a similar cap and trade scheme across America; only a small number of states have followed similar initiatives to California. It is argued that the move towards clean energy is a big and global process; California cannot forefront this by itself.

## Influencing from the margins

The result of the November ballot will have a direct and immediate impact on Californian industry. The result of the ballot holds greater significance and is indicative of the general consensus towards climate change that is being formed by many industrialised societies.

California, the home of Silicon Valley, has long been at the forefront of technological development and leaders of innovation. If California decides to slow its research and development of renewable energies – the impact will be felt worldwide and for years to come.

A victory for AB 32 will be a strong message from the Californian people to Big Oil companies that this is an era for change and fostering of an environmental conscience. The Californian voters should use this ballot to influence the bigger picture on sustainability from its margins.



## SUSAN CLARKE

Next Month's Geographical Eye will consider the future of energy production and distribution in the UK. The focus will be on the 'smart grid' – a digitalized network seen to be the 'next big thing' in energy management, organization and environmental sustainability.