



**SB 350 (DE LEON) CLEAN ENERGY AND POLLUTION REDUCTION ACT OF 2015
OPPOSE - **JOB KILLER****

August 12, 2015

TO: Members, Assembly Appropriations Committee

FROM: California Chamber of Commerce
 Agricultural Council of California
 Associated Builders and Contractors of California
 Associated General Contractors
 Building Owners and Managers Association
 California Association of Nurseries and Garden Centers
 California Business Properties Association
 California Cotton Ginners Association
 California Cotton Growers Association
 California Dairies, Inc.
 California Farm Bureau Federation

California Fresh Fruit Association
California Independent Petroleum Association
California Manufacturers & Technology Association
California Metals Coalition
California Retailers Association
Chemical Industry Council of California
Family Business Association
Far West Equipment Dealers Association
Greater Bakersfield Chamber of Commerce
Greater Fresno Area Chamber of Commerce
Greater Riverside Chamber of Commerce
Industrial Environmental Association
International Council of Shopping Centers
NAIOP - Commercial Real Estate Development Association
National Federation of Independent Business
National Tank Truck Carriers
North Orange County Chamber
Orange County Business Council
Rancho Cordova Chamber of Commerce
Simi Valley Chamber of Commerce
South Bay Association of Chambers of Commerce
Southwest California Legislative Council
Torrance Chamber of Commerce
Western Aerosol Information Bureau
Western Agricultural Processors Association
West Coast Lumber and Building Material Association
Western Growers Association
Western Plant Health Association

**SUBJECT: SB 350 (DE LEON) CLEAN ENERGY AND POLLUTION REDUCTION ACT OF 2015
OPPOSE - JOB KILLER - AS AMENDED JULY 16, 2015**

The California Chamber of Commerce and above listed organizations respectfully **OPPOSE SB 350 (de Leon)**, which has been labeled as a **JOB KILLER**. As amended July 16, 2015, **SB 350** is an arbitrary and unrealistic reduction of petroleum use by 50% by 2030, increasing the current Renewable Portfolio Standard to 50% by 2030 and increasing energy efficiency in buildings by 50% by 2030, without regard to the impact on individuals, jobs and the economy.

Petroleum Reduction

BLANK CHECK AUTHORITY TO CARB

SB 350 provides broad and undefined authority to the California Air Resources Board (CARB) to adopt regulations, standards and specifications “in furtherance of achieving a reduction of petroleum use in motor vehicles by 50% by January 1, 2030...” This bill does not specify whether or not CARB should adopt and implement policies that impact the demand for petroleum fuels, or whether they should adopt and implement policies that affect the supply of transportation fuels. **SB 350** fails to require CARB to give consideration to the costs or job loss associated with the mandatory reduction.

DRIVING IS INTEGRAL TO DAILY LIFE

Without legislative guidance or protections against increased costs or job loss what tools could CARB employ to meet the reduction mandate:

- Ration the use of petroleum?
- Limit driving to certain days of the week?
- Demand vehicle efficiency without available technology?

Implementation of any of those approaches will come at a high cost to the families and residents in California. Most of California's businesses and families rely on petroleum for their day to day transportation needs and **SB 350** has the ability to compromise the availability of transportation fuels. The California Energy Commission reported in its 2014 Integrated Energy Policy Report that 92% of all transportation fuels in California are made up of petroleum. Businesses rely on petroleum to transport goods and people, imagine the upset reducing petroleum by 50% will have on day to day life, getting to and from work, taking children to school, grocery shopping, getting to the doctor, the list goes on and on.

SB 350 FAILS TO ACCOUNT FOR HIGHER COST VEHICLES

The goal of reducing petroleum consumption by 50% fails to recognize the needs of average Californians. Electric and hybrid vehicles, which consume less petroleum than traditional vehicles come with a higher price tag and is out of reach for average Californians. Their disposable income is spent on groceries, child care, rent and other basic needs.

PETROLEUM JOBS ARE GOOD JOBS

Will there be a 50% straight reduction in the production of petroleum in the state? What would that do to the good paying jobs in the petroleum industry?

The petroleum industry is a major economic engine in the state and has been helping California grow for over 100 years. In a 2014 report produced by the Los Angeles County Economic Development Corporation, it was reported that in 2012, the petroleum industry was responsible for 468,000 jobs in the state with 104,000 of those jobs located in Los Angeles County. The industry provided billions of tax dollars to the state and local government. If half of this is taken away, the job and economic losses to the state would be devastating.

IMPACTS ON ENERGY COSTS

In addition to the 50% reduction in petroleum, **SB 350** also seeks to increase the current Renewable Portfolio standard from 33% to 50% as well as increasing energy efficiency in buildings to 50%. Both of these policies will significantly increase costs to ratepayers. California's energy price per kilowatt hour is among the highest in the nation and our energy efficiency standards are among the strongest. Given the cost of upgrading current energy efficiency standards, while at the same time increasing the cost of energy, makes California's businesses less competitive.

For these reasons and others, we **OPPOSE SB 350 (de Leon)** as a **JOB KILLER**.

cc: The Honorable Kevin de Leon
Martha Guzman-Aceves, Office of the Governor
Jennifer Galehouse, Assembly Appropriations Committee
Eric Swanson, Assembly Republican Caucus
California Air Resources Board
District Offices, Members, Assembly Appropriations Committee

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