



Clean Air Performance Professionals

Friday, September 19, 2014

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CAPP contact: Charlie Peters

California Air Regulators Dispute Ads Warning Of 'Hidden Gas Tax'

CBS SF, September 22, 2014 1:49 PM

SACRAMENTO (CBS SF) — California air quality regulators are disputing the accuracy of a new ad campaign claiming a hidden gas tax is set to go in effect January 1st that could add up to 76 cents to a gallon of gas in the state by a group called the California Drivers Alliance, which is funded by the Western States Petroleum Association, instruct people to contact state officials to “urge them to put the brakes on the hidden gas tax.”

The California Air board says the ads are misleading and refer to the state’s cap-and-trade program designed to reduce greenhouse gases and which goes into effect beginning in 2015.

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California Gas Prices May Jump With New Emissions Law

The program caps the amount of pollutant that can be emitted by companies, with the allocated limit sold to firms in the form of emission permits. Firms that exceed their limit can buy more permits from others that require fewer permits.

Gas wholesalers are expected to spend more on permits and pass along their increased costs to drivers at the pump.

On the other hand, fuel costs are falling and new cars are as fuel-efficient as ever.

The Air Resources Board said regulations could increase fuel prices anywhere from 4 to 19 percent, but that the per capita cost of gas is expected to fall from \$1,437 in 2012 to \$1,012 in 2020 – an annual savings of \$400 per person, according to the San Jose Mercury News.

“It appears to be a case of the oil industry presenting incomplete information,” said David Clegern of the Air Resources Board told the Mercury News.

Gas prices are also expected to fall because of a boom in production, along with the state’s annual switch from summer-grade fuel to the winter version, which can evaporate in heat more quickly than the summer blend.

California’s groundbreaking cap-and-trade program, part of the state’s Global Warming Solutions Act, was signed into law by Gov. Arnold Schwarzenegger in 2006.

<http://sanfrancisco.cbslocal.com/2014/09/22/california-air-regulators-dispute-ads-warning-of-hidden-gas-tax/>

Dr. Stan’s California water supply opinion

<http://mediaarchives.gsradio.net/radioliberty/121213d.mp3>

CAPP contact: Charlie Peters

Gas prices fueling debate

By Jeff Horseman, Riverside Press Enterprise, Sept. 22, 2014

New Year's Day could bring a hangover at the gas pumps, according to critics of a new phase of California's plan to reduce greenhouse gas emissions.

Starting Jan. 1, emissions from gasoline-fueled vehicles will be subject to the state's cap-and-trade program. That means fuel producers will have to account for greenhouse gases generated by gas-burning auto engines.

Oil companies warn that motorists could bear the cost of complying with the change. Some have estimated that gas prices could rise anywhere from nine to 76 cents a gallon.

California's gas prices already are among the highest in the nation, in part because the state has higher emission standards that force gasoline producers to make a special formula. The state's gas taxes also are among the country's highest.

Riverside County supervisors fear a spike in fuel costs could derail the local economy and hurt county residents who commute long distances and earn less than people in coastal counties. Recently, they unanimously passed a resolution asking the state to delay adding gasoline to the cap-and-trade regulatory framework.

"We could be talking about \$5 a gallon gasoline here in the very near future, and I think it's important that we let the citizens know," Supervisor Jeff Stone

said.

Stone is a Republican state Senate candidate, but concern about the issue crosses party lines. Sixteen Assembly Democrats, including Cheryl Brown of San Bernardino and Jose Medina of Riverside, signed a letter in June to the head of the California Air Resources Board urging a delay.

Medina said he signed the letter because he thinks the Inland region would be hit hard by a rise in gas prices. The region already pays more for gasoline than coastal areas, he said.

The author of that letter, Assemblyman Henry Perea, D-Fresno, introduced a bill that would have delayed the changes for three years. But the bill faltered in the state Senate for lack of a hearing.

Responding to the Democrats' letter, the chairwoman of the air resources board, which oversees the cap-and-trade program, said gas prices won't skyrocket. And environmental groups wrote to California Attorney General Kamala Harris asking her to make sure oil companies don't collude to raise gas prices.

Low-income communities are especially harmed by poor air quality, noted the environmental groups' letter.

THE COST OF POLLUTING
Cap-and-trade stems from a 2006 Assembly bill known as AB 32 or the Global Warming Solutions

Act. It is meant to stem the production of greenhouse gases blamed for global warming. The program works by putting a cap on the amount of greenhouse gases that can be generated.

Companies responsible for those gases must buy allowances – essentially licenses to pollute – that are becoming scarcer and more costly. Those allowances, or credits, are sold at auctions and businesses can trade them on the open market.

The fewer greenhouse gases a business emits, the less it has to pay for credits. The idea is to force polluters to pay for the cost of their emissions and provide incentives for clean energy.

Come Jan. 1, fuel producers will have to buy credits to cover auto emissions. Industry representatives said the consumers will bear the cost of those credits.

California drivers can expect to pay 16 to 76 cents per gallon more once the cap-and-trade changes are in effect, according to Fed Up at The Pump, a coalition of fuel producers and business groups that calls the upcoming cap-and-trade change a hidden tax.

"Now is not the time for California's environmental bureaucrats to play social engineers and price out consumers who need to fill up their gas tanks to make a living," read an issue summary on the Fed Up coalition's website.

<http://www.pe.com/articles/gas-750583-california-prices.html>

Brown promotes California climate efforts at UN

By Juliet Williams, A.P., KTVN-TV September 23, 2014

SACRAMENTO, Calif. (AP) - Gov. Jerry Brown is joining world leaders at the United Nations Climate Summit in New York to discuss California's attempts to slow climate change.

Brown will appear on panels discussing California's law that puts a monetary value on carbon emissions and its agreements with other governments to reduce emissions.

Brown has aggressively enforced the landmark global warming law signed by then-Gov. Arnold Schwarzenegger in 2006. It aims to reduce greenhouse gas emissions to 1990 levels by 2020, partly by forcing companies to pay for their carbon emissions.

The Democratic governor faces criticism this year for adding to the cost of gasoline for California drivers as part of the law. It's expected to raise gas prices by 13 cents to 20 cents a gallon by 2020, but could exceed 50 cents.

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<http://www.ktvn.com/story/26603893/brown-promotes-california-climate-efforts-at-un>

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CAPP contact: Charlie Peters

Jerry Brown defends cap-and-trade, calls for further climate change action at U.N.

By David Siders, Sacramento Bee, September 23, 2014

Gov. Jerry Brown, appealing to world leaders for joint action on climate change, issued a forceful defense Tuesday of plans to expand California's cap-and-trade program to vehicle fuels next year.

In a speech at a United Nations summit in New York, Brown held out California as a "hopeful example" of bipartisanship in the effort to reduce carbon emissions, even as Republicans and some moderate Democrats criticize Brown in California for regulations they say will increase the price of fuel.

"Now the great challenge is to stay the course," Brown said at a luncheon at the summit. "Even today as we speak, there are advertisements being purchased on the airwaves of California in an attempt to persuade the people that cap-and-trade should somehow go away, that it's going to raise the price of oil."

Industry analysts estimate expanding California's cap-and-trade program to vehicle fuels in January could result in a 10- to 20-cent-per-gallon increase in fuel prices, but Brown has benefited in an election year from falling gas prices.

"Luckily the price of oil has been coming down ever since those ads went on the air just a month or so ago," Brown said. "So somebody's watching over California."

Brown's remarks were the highest profile yet in his effort to promote California climate policies on an international stage. More than 120 world leaders, including President Barack Obama, were in New York for a conference designed to push forward negotiation of a climate change treaty in Paris next year.

"The climate is changing faster than our efforts to address it," Obama said. "The alarm bells keep ringing. Our citizens keep marching. We cannot pretend we do not hear them. We have to answer the call."

Brown spoke for just more than 4 minutes Tuesday. He was scheduled to join a panel discussion later in the afternoon.

"Carbon really has been at the basis of the incredible progress and prosperity and affluence that so many people enjoy," Brown said. "But that progress now has the dark shadow of the toxicity of carbon itself: the pollution; the smog; the health effects; the rising sea level; in California, the forest fires, which are now burning for more days than historically was ever imaginable."

He said, "It's real, it's here, and we've got to put a price on carbon."

California's carbon market is the centerpiece of Assembly Bill 32, landmark greenhouse gas reduction legislation passed in 2006.

Noting the legislation was signed by his Republican predecessor, Arnold Schwarzenegger, Brown said, "The efforts that we're making in California don't derive from one party or one politician. They're the work of activists, business people and elected representatives."

"The California story is a very hopeful one," Brown said. "It's a story of Republican and Democratic governors pioneering innovative climate strategies. It's not been easy, it's not without contest, but we're making real progress."

Brown is widely expected to win re-election to a fourth term in November, and the speech prefaces what will be a point of focus in his final four years in office.

Earlier this year, he called the Paris meeting "the crucial event for the future of the world."

Progress on a climate change accord has been tenuous, with difficulties evidenced by the failure to reach an international agreement in Copenhagen five years ago, and by partisan discord in Washington.

The president of China and prime minister of India – along with the United States, the world's three largest emitters of carbon dioxide – skipped the event.

Brown's Republican opponent in the November election, Neel Kashkari, said Brown's effort on climate change is "well meaning" but misguided. He criticized the use of a portion of cap-and-trade revenue to fund California's high-speed rail project.

"The idea that by raising the cost of electricity and gasoline in California, that's going to do anything to help the earth's climate, it's pure economic folly," he said in an interview. "If he was serious about climate change, he would be taking the cap-and-trade revenue and funding basic research at Stanford, at Berkeley at Caltech, so we develop cleaner technologies that are also cheaper and we export them around the world."

Brown has championed environmental causes since he was governor before, from 1975 to 1983, and it has become a legacy issue in his third term. He has traveled to China and Mexico to sign non-binding agreements on climate change, and he has forged similar

pacts with officials in Canada and other U.S. states.

"This is a heroic challenge that we have to face," he said.

Though non-binding, environmentalists consider agreements Brown is pushing significant diplomatically. The California market is so large that policies enacted have been replicated by other states and the federal government, including fuel efficiency and greenhouse gas reduction standards.

"The whole game here is leverage on other country's emissions," said David Victor, a professor of international relations at the University of California, San Diego, and author of the book "Global Warming Gridlock." "We can work hard in California and that's 1 percent of the problem, which is nothing. Or we can work hard in California and we can link our efforts to other countries. ... California has tremendous soft power, if you like, on the climate change issue."

In talks on climate change at any level, Victor said, "Jerry Brown has a tremendous amount of credibility here."

Call David Siders, Bee Capitol Bureau, (916) 321-1215., dsiders@sacbee.com

<http://www.sacbee.com/2014/09/23/6730193/jerry-brown-defends-cap-and-trade.html>

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