

## **Air board's new rules aim to boost electric cars in California**

By Rick Daysog

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The state unveiled a new set of clean car regulations Wednesday that aim to sharply increase the number of electric cars on California's roads, boost fuel efficiency and reduce air pollution.

The proposed rules largely parallel President Barack Obama's goal of doubling the nation's auto fuel economy standards for new cars from the current 27.3 mpg to 54.5 mpg by the year 2025.

But the rules from the California Air Resources Board cast a wider net. In addition to setting fuel economy standards, they regulate the amount of smog-forming emissions for cars and set targets for the number of zero-emission cars on California roads. They require construction of refueling stations for hydrogen fuel cell cars.

The goal is to put more than 1.4 million battery and hydrogen-fueled cars and trucks on state roads by the year 2025, or roughly 15.4 percent of all the vehicles in California.

"This is historic regulation," said Bonnie Holmes-Gen, executive director for air quality and public health for the American Lung Association in California. "This represents the pathway to transform our vehicle fleet in California to the cleaner, low carbon fuels."

Critics say the rules will drive up the state's already high cost of doing business and prompt companies to leave, while raising the cost of living for consumers.

"At a time when the state is struggling to balance its budget, we have regulatory agencies on a jihad driving the private sector out of the state of California," said Jon Coupal, president of the Howard Jarvis Taxpayers Association.

The Air Resources Board will consider adopting the new rules on Jan. 26.

In a news release, the board said the rules will save California motorists more than \$22 billion while eliminating 52 million tons of greenhouse gases. And while new advanced clean cars rules will increase the sticker price for a 2025 new car model by an expected \$1,900, they will help consumers save more than \$6,000 in fuel costs over the life of the car, the board said.

The ARB also said the rules will help expand California's emerging electric vehicles industry. A recent report by San Francisco-based nonprofit Next10 found that California leads the nation in patents for electric vehicle technology. Globally, it trails only Japan and South Korea.

"These rules will make California the advanced car capital of the world, driving innovation, patents (and) technology that will generate thousands of jobs here," said James Goldstene, executive director of the air board.

## **S.F. judge OKs cap and trade for emissions law**

By Bob Egelko, staff writer

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A San Francisco judge has given the go-ahead to California's plan to reduce greenhouse gas emissions that contribute to global warming, ruling that state regulators adequately considered alternatives to a market-based cap-and-trade system.

Superior Court Judge Ernest Goldsmith had ruled in March that the Air Resources Board had not looked hard enough at other options, like numerical limits on emissions or a tax on carbon-based fuels. His ruling, on an issue that has divided environmental groups, could have upset the state's plans to implement the nation's first comprehensive climate-change law.

But an appellate court issued a stay in June that allowed the ARB to keep working on cap and trade, which now is scheduled to be enforced in 2013. On Tuesday, Goldsmith said the board has complied with his orders, analyzed alternatives and justified its choice of methods.

ARB spokesman Stanley Young said the board "will continue to implement the full range of climate programs designed to clean our air, reduce greenhouse gases, drive innovation and move California toward a clean-energy future."

The state law, AB32, passed in 2006, requires California to reduce greenhouse gas emissions to 1990 levels by 2020.

Cap and trade sets industry-wide limits on emissions of carbon dioxide and other greenhouse gases. Businesses that exceed their limits can buy allowances from other companies and can also meet their obligations through environmentally friendly actions like planting trees.

The plan was backed by most mainstream environmental organizations but opposed by grassroots "environmental justice" groups, which have sued the ARB. They contend cap and trade is too weak and, by allowing companies to buy the right to exceed emission limits, would expose surrounding communities, mostly poor and nonwhite, to increased air pollution.

Those groups did not ask Goldsmith to reject the air board's latest study, said attorney Brent Newell of the Center on Race, Poverty and the Environment. He said a challenge would have been pointless because the stay order in June from the First District Court of Appeal would still let the board work on cap and trade.

But Newell said the plaintiffs still want the appellate court to rule that cap and trade fails to comply with AB32, the emissions-reduction law.

"Cap and trade has never been shown to (provide) the maximum feasible and cost-effective reductions," as the law requires, Newell said. He said the ARB should have set firm limits on industrial emissions of greenhouse gases and has failed to restrict agricultural emissions.

But Tim O'Connor, attorney for the Environmental Defense Fund, said a cap-and-trade system has already helped the United States reduce another air pollutant - sulfur dioxide from coal plants, the main component of acid rain - and will provide strong incentives to cut greenhouse gases.

"It creates a starting gun for businesses, not just regulated entities but throughout the economy, to find opportunities for reduction," O'Connor said. "Direct regulation (of emissions) gets you only to the required level. This is as low as possible, as fast as possible."