

DISCUSSION GROUP: Mitigation or Profits? The Limits of California's 'Global Warming Solutions Act'

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The passage of California AB32, popularly known as the 'Global Warming Solutions Act' in August of 2006 was a watershed moment in U.S. history. It is the first significant legislation to set clear targets for reducing greenhouse gas emissions in the United States. In lieu of mandatory emission limits at the federal level, many states have since taken California's lead in passing similar state-wide legislation. While these developments are encouraging, the current trajectory of California AB32's implementation suggests effective climate change mitigation may become wholly subservient to short-term business interests.

The details of AB32 are presented, and their projected impact on the current business and trade environment is analyzed. An environmental performance model is offered to evaluate the effectiveness of AB32 on its own terms, as well as in its capacity to enable future reductions after the target date of 2020. It is then argued that market-based and/or emissions-trading mechanisms by themselves will hardly meet the modest target reductions of 25% of 2006 levels of emissions by 2020, even if successfully implemented by 2012. It is further argued that if the current course of implementation is not fundamentally altered, the purpose ultimately served by California's AB32 will be to drastically undercut future successful measures of production-centered regulations, alternatives, and conversions.

This discussion group is relevant to anyone interested in how implementation of legislation for the reduction of anthropogenic climate change may affect regional economies, and in particular, the possibilities of production-centered mitigation strategies.