



IMMEDIATE RELEASE

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Reducing CA Global Warming Emissions from 2020 to 2050: Big Cuts Now or Later?

New study finds ambitious action sooner captures biggest economic boost

SAN FRANCISCO—As California considers intermediate (2030) targets for reducing greenhouse gas (GHG) emissions, a new study assesses the economic impacts of different policy approaches to reach the state's long-term climate goals, finding that ambitious action sooner produces the biggest economic boost.

California Climate Policy to 2050: Pathways for Sustained Prosperity is authored by Professor David Roland-Holst at the University of California, Berkeley and presented by the nonprofit, nonpartisan group Next 10 (www.Next10.org). The study assesses the employment, income, household consumption, price, and emission impacts of different GHG reduction strategies—from ambitious early action to more gradual approaches the state could take to cut GHG emissions 80 percent below 1990 levels by the year 2050.¹

"All seven policy pathways resulted in net positive economic benefits for Californians," said Prof. Roland-Holst. "But the most powerful economic and employment stimulus comes from moving quickly and aggressively to reduce greenhouse gas emissions."

"As a world leader in carbon mitigation policy, renewable energy, and electric vehicle design and deployment, California can set global standards for a new generation of knowledge-intensive innovation and serves as an example to world leaders meeting in Paris in December to discuss our climate future," said F. Noel Perry, businessman and founder of Next 10, a nonprofit nonpartisan organization that commissions research into California's clean energy economy.

Findings of the report include:

- The policy scenario reflecting the most ambitious 2030 emissions cap produces the greatest overall positive economic impact, generating about one million more jobs and nearly 6 percent more GSP (\$338 billion) by 2050. This policy pathway includes (but is not limited to) a cap and trade program limiting emissions to 250 MMTCO₂e in 2030, a 50 percent renewable energy portfolio by 2030, carbon mitigation credits, a moderate electric vehicle adoption rate (with 25 percent of vehicle sales being electric by 2030 and complete vehicle electrification by 2050), and trend improvements in energy efficiency.

¹ The "progressive" policy pathway analyzed in this study equates to a 40 percent reduction in CA GHG emissions compared to 1990 levels. This policy pathway is comparable to [the 2030 GHG target announced by Governor Brown on 4.29.15.](#)



- The state can achieve its 2050 carbon emission reductions goals—even under the least ambitious cap and trade program analyzed (capping emissions at 376 MMTCO₂e in 2030)—with a carbon mitigation credit program offering some out-of-state mitigation credits that are verifiable, additional, and tradable. Outsourcing emission reductions, however, reduces in-state innovation incentives and might be detrimental to local air quality.
- Although the state could reach its 2050 emissions goals under either the ambitious or deferred pathways, a cap and trade program that limits total GHG emissions to 250 MMTCO₂e by 2030 would result in over 14 percent greater reduction in global warming pollution when compared to a less ambitious 2030 cap of 376 MMTCO₂e.

As set forth by the 2006 Global Warming Solutions Act (“AB 32”), California is on track to meet its goal to reduce greenhouse gas emissions to 1990 levels by the year 2020. After 2020, in order to meet long-term climate goals in 2050, the state will need to cut emissions at more than twice the current rate. On Wednesday morning, Governor Brown announced by executive order that the state would cut emissions 40 percent below 1990 levels by the year 2030.

Methodology

The report applies a state-of-the-art economic forecasting model, combined with the latest economic and technology data, to evaluate existing and prospective California climate policies, as well as alternatives and extensions currently being discussed, like intermediate GHG targets for 2030 and other milestone years. To assess the robustness of their findings, the researchers evaluated and tested estimates for each scenario repeatedly under varying assumptions about the cost of energy, technology, and electricity demand.

Next 10 (www.next10.org) is an independent, nonpartisan organization focused on innovation and the intersection between the economy, the environment, and quality of life issues for all Californians. Next 10 funds research by leading experts on complex state issues.