TO:         Members, California State Senate
FROM:      Amy Mmagu, California Chamber of Commerce
           Associated Builders and Contractors of California
           Associated General Contractors
           Building Owners and Managers Association
           California Farm Bureau Federation
           California Independent Petroleum Association
           California Metals Coalition
           Family Business Association
           International Council of Shopping Centers
           NAIOP - Commercial Real Estate Development Association
           National Federation of Independent Business
           Simi Valley Chamber of Commerce
           Torrance Chamber of Commerce
           West Coast Lumber and Building Material Association
           Western Growers Association
           Western Plant Health Association
           Western States Petroleum Association

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

The California Chamber of Commerce and above listed organizations respectfully OPPOSE SB 350 (de Leon), which has been labeled as a JOB KILLER. As introduced, 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.

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 provides a blank check delegation of authority to CARB, and in doing so, gives no consideration to the cost or job loss associated with this to be determined regulation.

Most of California’s businesses and families rely on petroleum for their day to day transportation needs and SB 350 has the ability 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 and it is unclear how this arbitrary goal will be met. Will there be a 50% straight reduction in the production of petroleum in the state? Will we have to ration petroleum to achieve the 50% reduction? At what cost?

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: Martha Guzman-Aceves, Office of the Governor
    The Honorable Kevin de Leon
    Jay Dickenson, Senate Energy, Utilities, and Communications Committee
    Jessica Billingsley, Senate Republican Caucus
    Senate Office of Floor Analyses
    District Offices, Members, California State Senate

AM:ms