

## **Bay Area Passes Carbon Tax First-ever fees cover nine counties.**

SAN FRANCISCO -- Air pollution regulators in the San Francisco Bay area voted overwhelmingly Wednesday to approve new rules that impose fees on businesses for emitting greenhouse gasses.

The Bay Area Air Quality Management District's board of directors voted 15-1 to charge companies 4.4 cents per ton of carbon dioxide they emit, an agency spokeswoman said.

Experts say the fees, which cover nine counties in the Bay Area, are the first of their kind in the country. The new rules are set to take effect July 1.

The modest fee probably won't be enough to force companies to reduce their emissions, but backers say it sets an important precedent in combating climate change and could serve as a model for regional air districts nationwide.

"It doesn't solve global warming, but it gets us thinking in the right terms," said Daniel Kammen, a renewable energy expert at the University of California, Berkeley. "It's not enough of a cost to change behavior, but it tells us where things are headed. You have to think not just in financial terms, but in carbon terms."

But many Bay Area businesses oppose the rules, saying they could interfere with the state's campaign to fight global warming under a landmark law signed by Gov. Arnold Schwarzenegger in 2006.

The California Air Resources Board, which is charged with implementing the law, is expected next month to issue its preliminary plan to reduce the state's emissions before it approves a final plan later this year.

Climate change is "a big issue that needs a comprehensive statewide plan to address it," said Cathy Reheis-Boyd, chief operating officer for the Western States Petroleum Association. "We believe it's premature for local air districts to design local programs before we have a state program."

The fees are expected to generate \$1.1 million in its first year to help pay for programs to measure the region's emissions and develop ways to reduce them.

More than 2,500 businesses will be required to pay the proposed fees. About seven power plants and oil refineries would have to pay more than \$50,000 a year, but the majority of businesses would pay less than \$1, according to district estimates.

The program, which requires companies to measure and report their own emissions, could make it more complicated and expensive to do business in the Bay Area, said Shelly Sullivan, who heads the AB32 Implementation Group, a coalition of business groups working with state regulators to implement California's global warming law.

"It's going to make Bay Area businesses less competitive because companies outside the area won't face similar costs," Sullivan said. "There would be a patchwork of plans that would not be consistent."

Opponents also question whether the agency, which is charged with regulating air pollutants such as ozone and particulate matter, has the authority to impose fees on greenhouse gas emissions.

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