

How Can California Solve Global Warming and Invest \$1+ Billion Annually in Clean Technologies Without Raising Taxes?

By Auctioning 100% of California's Global Warming Pollution Allowances.

The simple truth is that solving global warming means kicking our dependence on fossil fuels. The good news is that California has the skills, know-how and ingenuity to lead the way in solving global warming. Now all we need is action: **the Schwarzenegger Administration should invest at least \$1 billion-a-year in a Global Warming Solutions Fund for clean energy & energy efficiency, and commit to auctioning 100% of allowances if the state adopts a cap-and-trade program.**

It's time to shift investments from dirty to clean energy technologies that will solve global warming.

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In contrast, giving allowances to polluters for free poses tremendous downsides for the public. Free allowances would:

- ✓Tip the playing field to benefit highly polluting facilities and **discourage innovation.**
- ✓Allow polluters to receive **windfall profits**—without taking action to reduce their global warming pollution.
- ✓Put government in the position of **picking winners and losers**, allowing for favoritism and market distortion.



We support auctioning allowances and using the revenues to:

- ✓**Invest in clean energy** research and development and the deployment of renewable energy technologies.
- ✓**Reduce costs for consumers** with investments in energy efficiency and annual rebates.
- ✓Support development of **"green collar" jobs** through training and outreach programs.
- ✓**Support pollution reductions** in California's most polluted communities.

California should not repeat the mistakes of the European Union. By handing out allowances to polluters for free, the EU program led to windfall profits. Auctioning allowances is a cleaner, cheaper and smarter approach that will encourage innovation and reward early adopters of new technologies.