

# San Francisco Chronicle

## A World of Opportunity Greenhouse-gas bill could help economy

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by Kent Stoddard  
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CALIFORNIA'S RECENT heat wave painfully demonstrated the potential impact of global warming and the urgent need for state leadership. During these last two weeks of the legislative session, Gov. Arnold Schwarzenegger and legislative leaders will respond to this need as they hammer out the final details of the most important environmental bill of the decade. AB32, the California Global Warming Solutions Act of 2006 (authored by Speaker Fabian Núñez and Assemblywoman Fran Pavley, D-Agoura Hills) would require California industries to reduce greenhouse-gas emissions by 25 percent by the year 2020.

Both the governor and the Legislature are clearly committed to building on California's legacy of environmental leadership by taking extraordinary steps to address the threat of climate change. But there are still major issues to be resolved. These include defining the roles of the Air Resources Board and other state agencies, the need for regulatory flexibility to address unforeseen events or unintended consequences of a state program, and preventing the potential loss of businesses and jobs to less regulated states.

Waste Management strongly supports AB32 as well as several critical amendments proposed by the governor. We also believe it is essential that the final compromise include an implementation strategy that uses all of the existing economic and technical expertise within the state's business and regulatory agencies. It won't work to overload the Air Resources Board with this monumental new program. We need all of the expertise and the regulatory authority that exist within the Public Utilities Commission and other state agencies. The bill must also include a clear pathway to encourage the banking and trading of voluntary emission-reduction credits, first at the regional level and then nationally.

We fully expect the final compromise to mandate the use of "best management practices" to reduce greenhouse-gas emissions and include strict prohibitions against any regulatory "backsliding" from the state's standards for toxic pollutants.

The reduction strategy embodied in AB32 is entirely consistent with the approach Waste Management has taken over the past 20 years to help improve the quality of

the state's environment. Today, we are California's largest recycler of municipal solid waste. We also have the largest fleet of natural-gas garbage trucks in the nation, and we are one of North America's largest producers of waste-derived energy. Our Altamont landfill, which has handled San Francisco's garbage for more than 20 years, captures landfill gas to generate 8.5 megawatts of renewable electricity. The combined energy savings from our company-wide recycling business, along with the energy production from our 100 waste-to-energy and landfill gas projects, provides enough green energy for 1.6 million homes.

Waste Management and PG&E also received leadership awards from the Department of Energy's Clean Cities Program for an innovative emissions trading project that replaced 120 diesel garbage trucks with new natural-gas vehicles. The project produced 37 tons per year of NOx credits needed by PG&E to offset the emissions from a proposed new natural-gas power plant. The new natural-gas truck fleet also eliminated 2.7 tons per year of harmful particulate emissions and more than 1,200 tons of greenhouse gases.

All of this recycling, green-energy production and transition to clean fuels wasn't achieved overnight. It took decades of regulatory mandates, tax credits, grant programs and an innovative emission trade with one of the state's largest utilities. This is the same comprehensive approach that must now be launched to achieve massive reductions in greenhouse-gas emissions.

AB32 will spur new investments in improved technologies that will increase recycling, generate more renewable energy and expand the production of clean fuels from organic wastes.

AB32 will place California in the forefront of a critical environmental challenge while providing a model for every state in the nation. The governor and Legislature have just two weeks left to finalize a balanced plan that will help California play an important role in helping to avoid the devastating impact of climate change.

*Kent Stoddard is vice president for public affairs for Waste Management.*