

Bill would use clean energy funds to subsidize refinery operations



An explosion at Chevron's Richmond refinery was the result of the company ignoring six safety recommendations, the U.S. Chemical Safety Board found.

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The ballot proposition to suspend California's global warming law that voters overwhelmingly rejected in 2010 is back, this time as a bill before the Legislature.

The bill, AB26, written by Assemblywoman Susan Bonilla, D-Concord, would give public money from the state's Greenhouse Gas Reductions Fund to pay oil companies for normal repairs and maintenance work to keep their refineries running.

That handout could total upward of \$1 billion per year. The fund revenues are generated by the state Air Resources Board's auction of greenhouse-gas pollution credits, often referred to as

cap-and-trade auction revenues. The fund was set up to create a cleaner environment in the communities most affected by industrial pollution and to fight the effects of climate change. The auctions are expected to generate billions in revenue.

Last week, the Legislature passed a budget for 2013-14 that, as the governor requested, lends \$500 million of the cap-and-trade auction revenues to the state's general fund for general expenses, not greenhouse-gas reduction.

Meanwhile, cities and counties throughout the state have adopted plans to reduce greenhouse gas emissions, including smart city planning, clean energy projects that provide local jobs, recycling, park and open space management and efforts to preserve agricultural land, and sought to tap the cap-and-trade funds for these projects. AB26 would instead give this public money to oil companies.

Indeed, construction, alteration, demolition, installation, repair, line and maintenance work that qualifies to be paid from the fund would be considered "public works" in the language of the bill.

To get these public funds, refiners would switch some work now handled by industrial workers at the refineries over to temporary construction contractors under the guise that this is a safety training issue. The contract construction workers would have to show they have completed "approved advanced safety training" through a state-certified program.

In fact, by making its confusion about construction skill sets versus industrial skill sets a question of who gets or keeps their job, the bill focuses on workers for safety problems caused by oil companies. For example, after the explosion in August at Chevron's Richmond refinery that hurt 19 workers and sent 15,000 community residents to hospitals, the U.S. Chemical Safety Board found that the explosion was the result of Chevron ignoring six recommendations over 10 years to replace and monitor a corroded pipe. Blaming workers for oil companies' safety problems makes us less safe.

There is nothing in this bill that would make our refineries (or the communities that surround them) any safer or our environment any cleaner. It would do nothing to curb refinery pollution - California refineries would still emit, on average, more carbon dioxide per barrel of crude processed than any other U.S. refining region. Instead AB26 would authorize a huge new subsidy to dirty energy at the expense of the clean energy alternatives.

AB26 flies in the face of public opinion and weakens the climate protections that Californians overwhelmingly supported when they rejected Proposition 23 by 2.2 million votes in 2010. As a 2010 report in the journal Science noted, developing climate-friendly energy "requires, at the very least, reversing perverse incentives such as existing global subsidies to fossil fuels that are estimated to be 12 times higher than those to renewable energy." This bill does exactly the opposite.

The state Senate Committee on Environmental Quality is set to consider AB26 on Wednesday. Tell your state senator the committee must throw out this catastrophically bad idea.

Contact the Senate Committee on Environmental Quality

The committee will vote on AB26 Wednesday morning.

Send your letter via e-mail to

sue.kumpulainien@sen.ca.gov

or fax to (916) 322-3519.

For the full list of committee members, go to **senv.senate.ca.gov**.

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