The Racial Justice Flaws in California's Climate Bill

California's climate change bill has reduced overall greenhouse gas emissions, but not air pollution in black and Latino neighborhoods.

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When University of Southern California sociologist Manuel Pastor first heard critiques from environmental justice advocates about AB 32, California's climate change bill that passed in 2006, he was skeptical. The law, which wasexpanded just last week, has a cap-and-trade provision, noted for raisingbeaucoup bucks to help the most vulnerable communities become more resilient to climate change effects. Climate justice activists attacked it, however, arguing it didn't protect black and brown communities from localized co-pollutant emissions that cause asthma and cancer. Pastor, a leading environmental justice scholar and the director of USC's Program for Environmental and Regional Equity, thought their concerns were "overblown."

He now says that they were right. Pastor studied the distribution of co-pollutant emissions among companies registered under AB 32's cap-

and-trade program for a report released Wednesday. He found that many of the state's worst polluters increased their emissions of localized toxic air pollutants, even as they decreased greenhouse gas emissions. The fact that these polluters operate within close proximity to black and Latino neighborhoods means that the health of residents there is still at risk.

"I thought the market system would achieve some globalized reductions," said Pastor in a call with media on the report. "I was taken aback by the fact that the warnings the environmental justice community put out in the beginning of the cap-and-trade system were, in fact, pretty accurate."

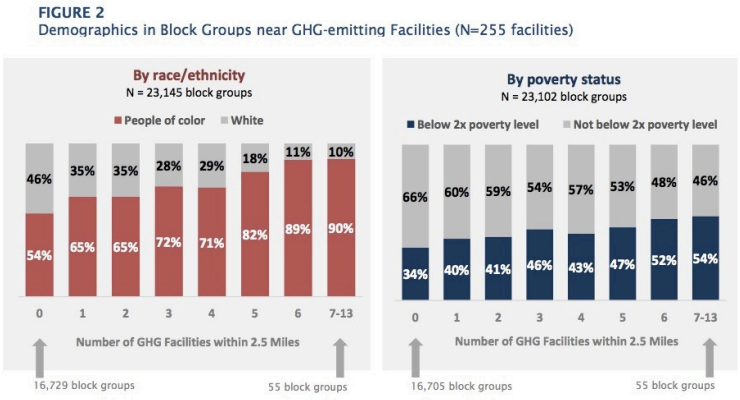
People of color are far more likely to live within 2.5 miles of a polluting facility than white residents.

In California, the state places a cap on overall greenhouse gas emissions, and that cap drops annually. In 2006, the goal was to reduce those emissions to 1990 levels by 2020. An updated version of the law, passed last week, sets an ambitious goal of reducing emissions to 40 percent below 1990 levels by 2030. According to those annual caps, the state assigns limits to how much greenhouse gases companies can emit, and awards companies emissions allowances based on those limits. Companies that emit below their annual limits can sell their extra allowances to companies that need to purchase additional allowances.*

However, those allowances only apply to greenhouse gas emissions, like carbon dioxide and methane, which lead to worldwide climate change problems. They don't apply to greenhouse gas co-pollutants like particulate matter, which directly and immediately affect people who live near polluters. Since many of California's biggest polluters operate near mostly poor black and Latino neighborhoods, their health would remain at risk, advocates feared. The report Pastor helped prepare confirms that this is exactly what's happening.

“This report demonstrates that the concerns the environmental justice community had from the start of the cap-and-trade program were correct,” said Amy Vanderwarker, the co-director of the California Environmental Justice Alliance in a press release. “The system is not delivering local emission reductions, public health or air quality benefits to residents in low-income communities and communities of color.”

Many of the largest emitters are situated within 2.5 miles of residential communities—low-income communities of black and Latino residents, in most cases. The proximity of neighborhoods to polluters is less a class issue than it is a race issue, with people of color far more likely to live within 2.5 miles of a facility than white residents.



Another finding that shocked Pastor and co-author Rachel Morello-Frosch, an environmental professor at UC Berkeley’s School of Public Health, was that while overall greenhouse gas emissions have dropped, some industry sectors’ emissions *increased* since cap-and-trade went into effect in 2013. The science for measuring emissions is tricky, because the state tracks greenhouse gases from both in-state and out-of-state sources. So, looking at the electric power sector in 2013, Pastor and Morello-Frosch found a reduction in greenhouse gas emissions for *imported* electricity. But for facilities that generated electric power within California, emissions actually rose that year.

Then there's the issue of "offsets"—allowance credits awarded to companies that invest in greenhouse gas emission-reduction projects in other states.* Many companies used offsets to satisfy party of their emission reduction targets from 2013 to 2014, with more than 70 percent of those offset projects in places outside of the state, according to the report.* Which means the main polluters in California were allowed to continue polluting and emitting, at the expense of the health of families living near them. Meanwhile, those companies were allowed to satisfy their cap-and-trade obligations by funding, for example, a reforestation project in another state.* The *L.A. Times* reported that the offsets provision was out of control in 2014.

The report doesn't offer bottom-line conclusions on how to reconcile these offset inequities. Instead, it calls for better transparency from the state in sharing emissions data from specific companies and facilities. But the issue revealed in this analysis provides valuable insight for many other similar market-based programs opening up across the globe to fight climate change. Studies show that cap-and-trade has been successful in reducing overall greenhouse gas emissions across the earth. But this report indicates that this comes at the expense of many neighborhoods left in a haze of air pollution that causes more clear and present dangers to public health.

The new California climate change bill just signed by Governor Jerry Brown increases the amount of money from polluter fees that will go to low-income communities. But those funds will be collected from the cap-and-trade program, which has collected nearly $4 billion* so far. If Pastor's analysis is correct, then that funding should be targeted more according to race than income, and from sources that actually reduce pollution in California.