Powering California

THE CALIFORNIA DREAM OF ENERGY PROSPERITY

CALIFORNIANS CAN LOWER EMISSIONS AND SAVE MONEY

California, with the world's fifth-largest economy, has notable economic challenges that include the **HIGHEST POVERTY RATE** of any state in the nation and the country's **WORST HOMELESSNESS CRISIS**.

Is there a connection between California's energy policies and the financial hardship faced by its diverse communities?

California implements **218** different energy efficiency regulations, incentives and mandates. These policies aim to reduce greenhouse gas emissions, but they drive up the cost of energy for working families.

States that have embraced market-based energy policies have been more effective than California in reducing emissions.

Despite California's intentions, inefficient energy regulations fail to achieve their intended goals while Californians are paying the exorbitant price.

IF policymakers acted to reduce the energy burdens they have imposed on Californians, each working family and business **COULD SAVE** more than **$2,000 annually** – while still lowering emissions – and benefit from:

	Total CO_2 emissions decrease since 2007		Electricity rate increase in last decade
NATIONWIDE	14%		8%
		vs.	
CALIFORNIA	9%		29%

Lower Gasoline Prices

Before the COVID-19 pandemic, California drivers paid a **37% premium for gasoline** versus the national average. During COVID-19, state drivers **paid 53% more** versus the national average (as of September 2020*).

Easing these mandates could, over time and depending on consumption, save Californians up to

$9.6 billion annually (based on 2019 prices) or **$11 billion** annually (based on April 2020 prices*)

Lower Electricity Prices

California energy mandates have, as of 2018, driven up residential electricity prices by **46%** versus the national average, and business electricity prices by **69%**.

Eliminating inefficiencies could generate annual average savings between **$5.3 billion and $15.7 billion**, and we would continue eliminating emissions.

Lower Emissions

California businesses and consumers have already paid more than **$13 billion** to the State for greenhouse gas mitigation in the Cap-and-Trade program alone to reduce greenhouse gas emissions.

Promoting carbon capture, geothermal and hydropower, and replacing the state's electricity imports from coal with locally generated electricity from natural gas, can help **California continue to lower GHG emissions**.

Increased Economic Growth

Lower energy prices could bring a desperately needed boost to California's economy and generate new job opportunities and tax revenues amidst a deep recession and severe state and local budget crises.

Eliminating these excessive costs could increase average annual real state **GDP growth by up to 3.3%**. Over 10 years, this could increase the size of California's economy, adjusted for inflation, by **up to $223.4 billion**.

CALIFORNIANS NEED AFFORDABLE ENERGY POLICIES

California regulators need to justify the adoption of policies that deny working families, especially those in rural areas or disadvantaged communities, access to reliable and affordable energy. Often, regulators disregard how even the slightest price increase can push people into greater financial hardship or over the poverty line where many California families exist. Raising the cost of living by even a little bit affects other areas of a working family's existence including their ability to afford housing, put food on the table, and cover medical expenses. We cannot regulate without taking into consideration affordability. As we deal with the COVID-19 pandemic and the ensuing recession, there has never been a more important time to respect how hard it is for many Californians to make ends meet in the Golden State.

*California Center for Jobs and The Economy (prices change monthly)

Data based on "Legislating Energy Prosperity" study (May 2020) by The Pacific Research Institute and Power The Future

CALIFORNIA RESOURCES CORPORATION

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