

View Online

Newsletter - January 2020

Marshall Saunders



Marshall Saunders, founder and president of <u>Citizens' Climate Lobby</u> and Citizens' Climate Education, has died at the age of 80. Born on February 27, 1939, Saunders grew up in Waco, Texas. He attended Baylor University, then earned a bachelor's degree in Economics at the University of Texas in 1961. After college, he joined the Navy.

In the 1990s, following a successful career in real estate development, Saunders searched for

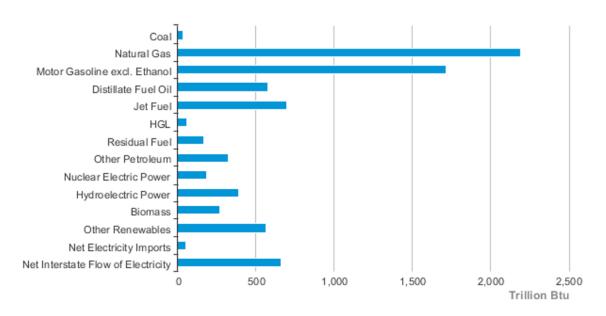
ways to make the world a better place. He was introduced to <u>RESULTS</u>, an advocacy organization that works to create the political will to end hunger and poverty. He discovered the power that citizens possess to make a difference by effectively engaging their government. He learned about microcredit, an effective poverty-reducing strategy pioneered by Muhammad Yunus, who would later receive the Nobel Peace Prize for his work with the Grameen Bank. Saunders started a micro-lending program in Mexico, <u>Grameen de la Frontera</u>, to provide small loans to poor women so they can start or expand small businesses to lift their families out of poverty.

After watching "An Inconvenient Truth" in 2006, Saunders concluded that his efforts to help the poor would come to no avail if climate change made their homes unlivable. Realizing that individual actions were not a match for the problem, Saunders launched Citizens' Climate Lobby (CCL) in October 2007 to train and support citizens to effectively lobby their government, based on the successful methodology of RESULTS. CCL has since grown to include 561 chapters worldwide – 465 in the U.S. – with 177,000 supporters. CCL was the leading advocacy group supporting the introduction of a bipartisan carbon-pricing bill, which now has 77 cosponsors in the U.S. House of Representatives.

Sam Daley-Harris, founder of RESULTS, <u>reflected on Saunders' life</u>: "Marshall leaves the kind of legacy we all dream of leaving. Not a building with our name on it, but thousands of people turned on to their power as citizens, enlivened about the difference they make on climate solutions and, in turn, lighting up others". "To say that he made the most of his time on this earth would be an understatement," <u>said CCL Executive Director Mark Reynolds</u>. "In addition to being the most kind and generous person I've ever known, he was also a visionary, someone who saw the things that are broken in our world and then set out to fix them. That was Marshall, doing the things that needed to be done that nobody else was doing."

California Begins Planning for Transition
Away from Natural Gas

California Energy Consumption Estimates, 2017



eia Source: Energy Information Administration, State Energy Data System

According to a January 22 <u>article</u> in the *San Francisco Chronicle* by Mallory Moench, the California Public Utilities Commission will soon start figuring out how to "manage the state's transition away from natural gas-fueled technologies". According to the <u>Energy Information Administration</u>, natural gas is the largest source of energy for California, providing more than a quarter of the state's usage in 2017 (see chart above). It gets piped into homes and businesses for heating and cooking and fuels power plants, supplying about 30% of the electricity on the state's grid.

What will happen to vast networks of gas plants and pipelines if demand drops to the point that they are not financially viable? That could leave companies with little-used assets and saddle gas customers who remain with high costs. The commission's order said: "Planning for the impending demand reduction must be balanced with the need to ensure that existing transmission of gas is delivered in a safe and reliable manner, long-term statewide electricity procurement requirements are met, and rates are just and reasonable." The process formally gets under way in March and won't produce a final decision until 2022.

David Wooley, executive director of UC Berkeley's Center for Environmental Public Policy, emphasized the importance of providing leadership in California and other states that are facing the same sets of issues. Concerns grow as electric technology improves and growing numbers of communities in California either ban gas appliances in new homes or require the homes to be energy efficient if gas is used. He said, "There are huge consumer implications here because of costs, big investor risk in issues, and there are big planning implications. Everybody in the marketplace needs greater certainty about how this will be treated from a regulatory perspective."

Experts say gas will continue to bridge the gaps in more unpredictable sources like wind or solar, but that will mean natural gas plants have expensive assets that are needed at peak times but are

used less and less. However, utilities like PG&E and Southern California Gas Co. are pushing to scale up renewable gas made from digestion of food waste and other natural sources, which could keep gas in the state's energy mix longer.

The commission is seeking to ensure that reduced gas demand doesn't hurt companies, investors or ratepayers. As customers leave the system, those remaining - who are more likely to be lower-income and the last to go electric - could see higher rates. "There are important equity questions here," Wooley said.

How the Energy Innovation and Carbon Dividend Act Will Impact Your Wallet

Example	Α	В	С	D	E	F	G
Adults	1	2	2	2	2	2	2
Children	0	0	2	2	2	2	2
Cars	0	0	0	1	2	3	4
Living in	Apt.	Apt.	Apt.	Apt.	House	House	House
Annual Income	\$25,000	\$30,000	\$30,000	\$40,000	\$140,000	\$227,605	\$1,000,000
Monthly Gasoline	\$0	\$0	\$0	\$200	\$204	\$204	\$500
Monthly electricity	\$30	\$30	\$40	\$70	\$142	\$200	\$300
Monthly gas heat	\$20	\$20	\$20	\$40	\$69	\$100	\$200
Extra energy costs	\$9	\$11	\$10	\$22	\$43	\$75	\$402
Monthly dividend	\$19	\$41	\$62	\$62	\$51	\$49	\$41
Net monthly gain	\$10	\$30	\$52	\$40	\$8	-\$26	-\$361

How will the Energy Innovation and Carbon Dividend Act (HR 763) Impact Your Wallet? Our own Liz Fisher answered that question in an e-mail, which we show below (slightly edited):

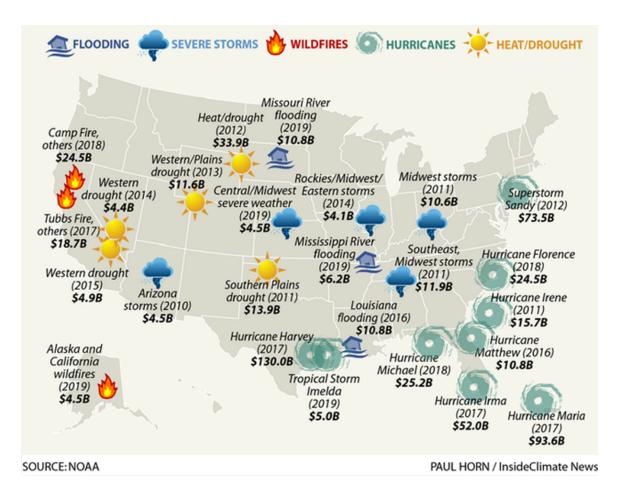
I was tasked with demonstrating the Carbon Dividend Calculator at a future meeting. It's very easy to run yourself -- just fill in the blanks for size of family and income. I ran a few scenarios; the results are listed above. The calculator is on the CCL website How Will the Energy Innovation Act Impact Your Wallet? Try it!

The dividend depends on family size (number of adults and number of kids) and income (to figure out the tax rate). The calculator itself gives you default values for gasoline, electricity and natural gas cost (based on your input on housing option and heating fuel) and you can adjust those three if you don't agree with the defaults. Then it calculates your dividend, extra energy cost, and net gain or loss for the first year of the dividend (when the carbon fee is \$15/ton). As years go by the cost goes up but so does the dividend.

The results are shown in the figure above for a variety of families living in the 94523 zip code

area. In these examples, families with more people receive greater dividends. Higher-income people have greater energy costs, and because of that, lesser net gains and sometimes net losses.

Wildfires and Climate Policies Start to Shift Corporate Views on Risk



Top climate disasters (billions of dollars) from 2010 through 2019

For Southern California Edison (SCE), a power company with 15 million customers, the risks of climate change are already significant. Edison's electrical wires sparked two deadly wildfires in 2017 and 2018, and the company recently set aside a \$4.7 billion reserve fund for possible liabilities related to the fires. PG&E, another California utility, started bankruptcy proceedings in 2019 after a series of catastrophic wildfires left it on the hook for as much as \$30 billion in possible liabilities. "We are seeing the early manifestations of climate change in our state," Said Pedro Pizarro, Chief Executive of SCE. "Beginning in 2017 and with the fires in northern California, those were at a scale that no one had ever imagined."

The California wildfires and their impact on power companies are one of the most visible examples of how climate-related risks are starting to affect some businesses at a speed and scale that was unexpected. A growing number of companies and investors are focusing on the physical risks of climate change from wildfires and changing weather.

BlackRock CEO Larry Fink, head of the world's largest asset management company, described climate change as "a defining factor in companies' long-term prospects" in his 2020 letter to chief executives of major companies. BlackRock will be putting sustainability at the center of its investment approach. It is exiting investments that get more than 25% of their revenues from thermal coal. Fink warned that BlackRock would be "increasingly disposed to vote against management and board directors when companies are not making sufficient progress on sustainability-related disclosures and the business practices and plans underlying them." "I believe we are on the edge of a fundamental reshaping of finance," he stated. "We will see changes in capital allocation more quickly than we see changes to the climate itself."

Paul Polman, the former chief executive of Unilever, <u>said</u> there had been a big shift in the way companies viewed climate-related risks. A recent survey asked board members whether climate change was relevant to their business. In 2017, 40% of respondents said it was not relevant, but that dropped to 14% in 2018. "You see things moving faster," he said. "Companies need to have climate-competent boards."

Businesses also face risks from abrupt policy shifts as governments try to reduce carbon dioxide emissions. Over the past year, several major economies, including the UK and France, have adopted targets to cut emissions to net zero by 2050, which will mean a radical restructuring of their economies. In December, the Bank of England outlined a climate stress test for the largest UK banks and insurers. The test will scrutinize how institutions are prepared for more frequent severe weather events and examine whether they could withstand a sudden fire sale of "brown" assets (those considered detrimental to the environment).

Setbacks in Court for Climate Advocates



Recently, climate advocates have lost several lawsuits intended to thwart the practices of fossil fuel companies.

Exxon case. In December 2019 a New York judge cleared ExxonMobil of allegations that it had misled investors about the risks posed to its business by climate regulations, handing the oil giant a major victory. Justice Barry Ostrager sided with Exxon on the claims brought against it, saying that he found the company's witnesses to be truthful and that the New York Attorney General's Office had failed to present evidence that convincingly cast doubt on their testimony. Ostrager made clear, however, that "nothing in this opinion is intended to absolve ExxonMobil from responsibility for contributing to climate change," adding that "ExxonMobil is in the business of producing energy, and this is a securities fraud case, not a climate change case." Source article by Nicholas Kusnetz and David Hasemyer of *Inside Climate News*.

Children's suit. On January 17, the Ninth U.S. Circuit Court of Appeals in San Francisco reluctantly ordered dismissal of a lawsuit filed in 2015 by 21 young people demanding government action against climate change. The lawsuit contended the government was violating the youths' constitutional rights to life and liberty by approving continued oil, coal and gas development. The Court ruled that, although global warming is potentially catastrophic, requiring the government to solve it is beyond the power of the judiciary. Ordering the government to take steps toward a carbon-free energy system by mid-century would require "a fundamental transformation of this country's energy system," said the Court. "We doubt that any such plan can be supervised or enforced by an Article III court," said Judge Andrew Hurwitz in the 2-1 ruling. "We reluctantly conclude ... that the plaintiffs' case must be made to the political branches or to the electorate" that can vote them out of office. Source article by Bob Egelko of the San Francisco Chronicle.

Washington State. The Washington State Supreme Court sided with the fossil fuel industry on January 16th, moving to severely limit a state rule aimed at capping the state's greenhouse gas emissions. In a 5-to-4 decision, the court upheld a 2017 lower-court ruling that the state's Clean Air Act does not apply to companies that sell or distribute petroleum or natural gas, because they do not directly emit carbon dioxide into the atmosphere by burning the fuel. Industries that sell fuel for somebody else to burn contribute to about half of all pollution in the state. They are off the hook for that pollution unless the legislature changes the law to cover such indirect pollution. Source article by John Ryan of KUOW Radio.



- Shuttering of coal-fired power plants has saved more than 26,000 lives in the U.S. over the course of a decade. The reason: a drop in carbon emissions, smog and other pollutants tied with asthma and other ailments, according to a <u>UC San Diego study</u> published in the journal *Nature*. During the period analyzed, 2005 to 2016, 334 coal-fired units were shut down across the U.S. Along with better emissions controls, that led to an 80% drop in sulfur dioxide and a 60% drop in nitrogen oxides. <u>Source article</u> by Rebecca Beitsch of *The Hill*.
- Tesla meets its 2019 sales goals and enters 2020 on a roll. Tesla has met its target for vehicle sales in 2019, when it needed to ramp up production of its Model 3 sedan and operate on a much larger scale than before. The company had forecast 2019 sales of 360,000 to 400,000 vehicles; on January 3 they revealed delivery of "approximately 367,500 vehicles". Nearly one-third of them were produced in the fourth quarter, a sign that its factory in Fremont, California, has made great strides in increasing its output. Tesla is poised for additional growth, with a factory getting started in China and another planned for <a href="females.com/Germany.
- Science Panel Staffed with Trump Appointees Says E.P.A. Rollbacks Lack Scientific Rigor. According to an article by Coral Davenport and Lisa Friedman of The New York Times, a top panel of government-appointed scientists said that three of President Trump's most far-reaching proposals to weaken major environmental regulations are at odds with established science. Draft letters posted online by the EPA's Scientific Advisory Board, which is responsible for evaluating the scientific integrity of the agency's regulations, took aim at the Trump administration's rewrite of an Obama-era regulation of waterways, an Obama-era effort to curb planet-warming vehicle tailpipe emissions and a plan to limit scientific data that can be used to draft health regulations. In each case, the 41 scientists many of whom were appointed by Trump administration officials to replace scientists named by the Obama administration found the regulatory changes flew in the

face of science.

• The world's most environmentally friendly countries. Sarah Buder of the travel magazine <u>AFAR</u> cites the <u>Environmental Performance Index (EPI)</u> to answer this question: Which destinations are making the biggest efforts to "go green"? The EPI is a biennial report that evaluates which countries are leading the front in making and enforcing policies that safeguard the environment and try to address environmental issues such as climate change and pollution. The EPI's <u>most recent report</u> ranks 180 countries using performance metrics organized under the following categories: air quality, water and sanitation, heavy metals, biodiversity and habitat, forests, fisheries, climate and energy, air pollution, water resources, and agriculture. In 2018, the top five countries were Switzerland, France, Denmark, Malta, and Sweden, in that order. The United States was ranked 27th.

CCL-CCC Chapter: Recent Accomplishments

- Milt Latta summarized *The New York Times* op-ed by Emma Marris "How to Stop Freaking Out and Tackle Climate Change" at our January 13 chapter meeting.
- **David Deutscher** and **Cynthia Mahoney** presented a talk about the health impacts of climate change at the January 15 meeting of the Rossmoor Rotary Club.
- Cynthia Mahoney, Marti Roach, and Emily Hopkins attended CCL's Northern California Regional Meeting in Oakland on January 18 and 19.
- Pam Murray, Cynthia Mahoney, and Betty Lobos tabled at the Women's March on January 18 in Walnut Creek.
- **Doug Merrill** "attended" seven separate one-hour internet presentations of Climate Interactive's EN-ROAD model during January.
- Milt Latta had solar panels installed on his home in Lafayette in January.

UPCOMING EVENTS

- Milt Latta will compare various carbon taxation bills in Congress for the Mount Diablo
 Unitarian Climate Series on Sunday, February 2, at 1 pm in the Children's Chapel at
 55 Eckley Lane, Walnut Creek. All are welcome.
- Next CCL Contra Costa chapter meeting: Monday, February 10, at 6:30 pm at St.
 Anselm's Episcopal Church, 682 Michael Lane, Lafayette.

Ask Us to Activate Your Group with a Climate Change Presentation

Presentations by CCL members are an effective way to educate people about climate change. Learn how a Carbon Fee and Dividend policy can combat the problem. To arrange

for a 15- to 50-minute presentation, please contact Cynthia Mahoney at cam8ross@comcast.net.

Find out more about our work. Join a CCL introductory call any Wednesday at 5:00 pm PT. Just click here for details

Newsletter Editors: Doug Merrill and Betty Lobos

Want to find out more about our local activities and meetings? Email the CCL Contra Costa chapter at CCLContraCosta@gmail.com or visit our Facebook page.