



Prop. 23 is Bad for Business, Innovation & Our Economy

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Prop. 23 would effectively repeal California's landmark clean energy and clean air law (AB 32) that was passed four years ago with support from businesses, environmental and health organizations. This clean air and clean energy law has launched our state to the forefront of the clean technology industry, sparking innovation and clean energy businesses that are creating hundreds of thousands of new California jobs. If passed, Prop. 23 would kill competition and jobs from clean energy and technology businesses and stifle billions of dollars in economic investments.

Prop. 23 would kill clean technology jobs, innovation and billions of dollars of investment in California.

- Clean energy businesses represent one of the few bright spots in our recovering economy. Since 2005, **California green jobs have grown 10 times faster than the statewide average.**¹
- According to a new report from the California Employment Development Department, **500,000 employees work in clean technology or green jobs in California.**²
- **There are more than 12,000 clean tech companies in California.**³
- The number of California **green businesses has increased 45% and green jobs expanded by 36% from 1995 to 2008** while total jobs in California expanded only 13%. From 2007 to 2008, when state employment fell 1%, green jobs continued to grow 5%.³

Prop. 23 would put California at a significant disadvantage in the race to be the nation's clean energy and clean technology leader.

- California's clean energy and clean air law has put our state in a unique position to corner the clean tech market. **California's clean technology sector received \$9 billion cumulative venture capital investment from 2005-09, including \$2.1 billion investment capital in 2009** - 60 percent of the total in North America and more than five times the investment in our nearest competitor, Massachusetts.⁴
- If our clean energy and clean air law is repealed, it would send a chilling message to investors and open the door for other states. According to the nonpartisan State Legislative Analyst, the **suspension of AB 32 could: "dampen additional investments** in clean energy technologies or in so-called 'green jobs' by private firms, thereby **resulting in less economic activity** than would otherwise be the case."

Projections of economic doom and gloom resulting from California's clean energy and clean air law have been thoroughly debunked by independent economists and Legislative Analyst.

- Those seeking to repeal California's clean energy and clean air law (AB32) cling to several studies by a Sacramento professor claiming economic doom and gloom. However, the Legislative Analyst recently evaluated these studies and concluded:

*"Our review of this study indicates that it **contains a number of serious shortcomings that render its estimates** of the annual economic costs of state regulations essentially **useless.**"⁵*

(more)

Prop. 23 would create more regulatory uncertainty and costs for business.

- Absent AB 32, it is likely that thousands of local government agencies, including air quality districts, water districts, cities, counties, councils of governments, as well as various state agencies, would adopt hundreds if not thousands of disparate and perhaps even conflicting regulations to curb pollution and greenhouse gases. California has 58 counties, 480 cities, 2,300 independent special districts and dozens of state agencies. The regulatory uncertainty and bureaucracy under this scenario could create a nightmare for any business to operate in California.

¹“California Green Innovation Index” Collaborative Economics and Next 10, 2009.

² Employment Development Department – Labor Market Information Division, California’s Green Economy, April, 2010.

³ www.cleaneconomynetwork.org

⁴ <http://cleantech.com>

⁵ www.lao.ca.gov/reports/2010/rsrc/ab32_econ_review/ab32_econ_review_030910.aspx