

GLOBAL WARMING

*More devastating hurricanes,
extended heat waves,
record-breaking floods.*

This doesn't have to be our future.

California caps global warming pollution

California took a monumental step this year when it passed the Global Warming Solutions Act. The groundbreaking initiative, signed into law by Governor Arnold Schwarzenegger in September, sets the nation's first statewide cap on greenhouse gas emissions, mandating a 25% cut by 2020.

Faced with the growing threat of heat waves, wildfires and water shortages, California's Republican governor and Democratic-controlled legislature took decisive action. Environmental Defense conceived of legislation to empower the state Air Resources Board to cut emissions at power plants, oil refineries and other industrial sources. We then cosponsored and helped draft the bill.

When special interests launched a multimillion-dollar cam-

paign to thwart the legislation, Environmental Defense joined with the Natural Resources Defense Council to fight back. We led an unprecedented coalition including religious and health organizations, firefighters and teachers unions and the Bay Area Council, which represents 275 businesses. "We were outspent ten to one," says our California climate director Karen Douglas, "so we knew we had to work from the bottom up."

Negotiations nearly collapsed on several occasions. At one point our attorney Jim Marston was summoned to the governor's office. He met Schwarzenegger outside the tent where the governor smokes cigars and cuts deals, and told him what was needed to keep the support of a majority of the legislature. As the vote approached, our legislative advocacy arm, the Environmental Defense Action Fund, unleashed a barrage of newspaper and TV advertising, donor calls and email alerts. The strategy proved effective. After midnight, one day before the end of the session, an agreement was reached.

The historic law authorizes emissions trading—an approach we developed to reduce pollution at the

lowest cost—and also offers protections for local communities where air pollution is particularly acute.

"This is a triumph not just for California, but for the nation and the world," says Assembly speaker Fabian Núñez, a co-author of the bill. "Environmental Defense played a pivotal role in drafting the bill and securing broad support that was critical to its passage." The initiative complements earlier legislation we helped pass to limit greenhouse gas emissions from cars. Those standards have since been adopted by ten other states and Canada.

Increasingly, smart businesses see opportunity, not peril, in climate action. "California has sent a clear market signal," says venture capitalist John Doerr, one of many Silicon Valley leaders to back the initiative. "Going green may be the largest economic opportunity of the 21st century." Studies show that the law will provide tens of thousands of new clean-tech jobs and generate up to \$74 billion annually for the economy.

California's bold action reinforces the state's reputation as an environmental pioneer. It was the first to pass strict clean-air legislation and the first to require warnings of toxic chemicals in products. Other states—and the nation—soon followed.

Says Marston: "Ten years from now, we'll look at this as a pivotal moment when America finally decided to tackle global warming."



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FABIAN NÚÑEZ

Speaker of the California Assembly

MORE OF THIS YEAR'S RESULTS

Building the coal plant of the future

Xcel Energy announced plans in Colorado to build the nation's first coal plant that will reduce global warming pollution by capturing greenhouse gases and storing, or sequestering, a portion of the waste gases underground. The project, the result of collaboration with Environmental Defense and Western Resource Advocates, will use advanced technology that turns coal into a gas, which is then burned to produce electricity. Xcel's plant raises the bar for the 150 new coal plants proposed across the nation.

Meanwhile, in California, our *Coal Shadow* report, an analysis of electricity purchases from out-of-state coal plants, spurred a new law requiring such plants to meet California's strict greenhouse gas limits in order to receive long-term contracts to sell power in the state. Our study demonstrated that energy efficiency and renewable energy like wind and solar would eliminate the need for nearly two dozen plants slated for construction. Already, the policy has discouraged the construction of at least two conventional coal plants, in Idaho and Nevada.



Policy analyst **Sara Hessenflow Harper**, international counsel **Annie Petsonk**, national climate campaign director **Steve Cochran**, legislative director **Elizabeth Thompson** and Texas regional director **Jim Marston** are among more than 50 staff members working to get America to take decisive action on global warming.

FROM OUR GLOBAL WARMING TEAM



China embraces market for cleaner air

Working with Environmental Defense, China established a market-based system to cut sulfur dioxide pollution and now is exploring a similar approach for global warming gases. In 2006, we began four pilot projects with poor farmers in Xinjiang province. They will adopt farming practices that keep carbon dioxide out of the atmosphere and slow the spread of deserts. The conservation work will be paid for by companies seeking to lower global warming pollution.



Northeast states unite to cut power-plant pollution

Eight Northeast states agreed on a plan to implement the first multistate cap-and-trade program to cut global warming pollution. Under the plan, which Environmental Defense helped initiate and design, the states will cut greenhouse gas emissions from power plants 10% by 2019. The trading program creates competition so that the cuts will be made at the lowest cost. Western states now are discussing a similar regional initiative.



Bringing rainforest nations into the fight against global warming

The clearing and burning of tropical forests accounts for about 20% of all greenhouse gas emissions but current climate treaties do not address this problem. Environmental Defense and partners in Brazil took the first significant steps toward a plan that would award credits in the global carbon market to nations that reduce deforestation. We then worked closely with Papua New Guinea and Costa Rica to broaden support at international negotiations.



Ad Council joins us in launching \$100 million campaign

The Ad Council—the force behind such memorable campaigns as Smokey Bear—joined us this year to educate and motivate Americans to fight global warming. Our messages have aired tens of thousands of times on stations across the country. TV, radio, newspaper, magazine, online and outdoor ads have directed more than 500,000 visitors to our campaign web site, fightglobalwarming.com.

“Our top priority is to pass national legislation that caps global warming pollution and creates a flexible emissions-trading market. That will open the door to a green technology revolution.”

STEVE COCHRAN

Director of our national climate campaign