Valley critics want to kill state proposal that could increase gas prices

By John Ellis

Assembly Member Jim Patterson, R-Fresno, at a news conference in Clovis Tuesday, Oct. 14, 2014, to oppose plans to add transportation fuels to the state's cap-and-trade program, aimed at reducing greenhouse gas emissions.

JOHN ELLIS — The Fresno Bee

With a new proposal to lower greenhouse gases due to kick in Jan. 1, opponents are calling on Gov. Jerry Brown and the state Air Resources Board to kill the plan because they say it will significantly increase gas prices.

That price increase — which by some estimates could range from 13 cents to as much as 76 cents per gallon — will mean the potential loss of more than 18,000 jobs and a $3 billion loss in economic output next year, Assembly Member Jim Patterson, R-Fresno, said at a Tuesday news conference outside the Clovis Veterans Memorial Building.

"Studies also show this gasoline tax is going to hurt our low-income residents the hardest, but it will also have a huge impact on our school districts, on our farmers and on all of our small business owners," Patterson said.

For instance, Steve Ward, legislative analyst for the Clovis Unified School District, said student services would have to be reduced to pay for the increased fuel costs. For Clovis Unified, in 2015 the increased fuel costs could run from

$31,000 to more than $144,000. By 2020, that cost could exceed $185,000 annually.

Joel Nelsen, president of California Citrus Mutual, an Exeter-based citrus growers lobby, said fuel costs to the citrus industry would increase, conservatively, by more than $2.5 million. On the high side, it would be $12 million. Either way, it would put California citrus growers at a competitive disadvantage, he said.

“Ideally, we’d pass that cost increase on to the consumer,” Nelsen said. “Ideally, growers would get the increased cost back because consumers would pay more. But what if consumers had an alternative that wasn’t subject to this massive increase? What if offshore fruit were sold cheaper? What if citrus from Texas and Florida arrived in California at a lower cost? Would California growers sell enough fruit to offset the cost? Would California citrus be in such high demand around the country? ... When was the last time you went to the store and volunteered to pay more for fresh fruit?”

California’s cap-and-trade program is part of Assembly Bill 32, the state’s 2006 emissions-reducing law. It requires industries to buy pollution allowances for carbon they release into the air. Next year, transportation fuels will be added to the program.

Patterson, along with the Fresno and Clovis chambers of commerce, held an educational forum Tuesday on the statewide economic impacts of the proposal. Most importantly, they say it will be a sticker shock for the state’s drivers, because polling shows nearly 70% of them are unaware of the looming change and potential gas price increase. Beyond that, it will be bad for business.

The nonpartisan state Legislative Analyst’s Office says the impact on gas prices could be 13 to 20 cents per gallon by 2020, or possibly as high as 50 cents. Critics say it might go as high as 76 cents per gallon.

The state Air Resources Board is scheduled to meet Oct. 23 and 24 in Diamond Bar, a city in eastern Los Angeles County, and opponents are hoping the air board will consider delaying or killing the proposal.

At this point, however, stopping the plan or even delaying it look highly unlikely.

Some participants in Tuesday’s forum have already campaigned for months — unsuccessfully — against the proposed change.

And earlier this year, Assembly Member Henry T. Perea, a Fresno Democrat, failed in an effort to delay by three years putting transportation fuels under the cap-and-trade program. Senate President Pro Tem Darrell Steinberg blocked a Perea bill to delay implementation from Senate consideration.

Now, Perea thinks it is time to move on from being a critic to making the best of the situation.

“I really think that ship has sailed,” he said of stopping the plan. “It’s going to happen. Instead of just being critics, we need to be solution-oriented.”

Perea said the program will generate $2 billion to $3 billion, and the fight should now be on making sure the Central Valley gets its fair share of that money.

“That’s where we need to shift our focus now,” he said.

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