



**Testimony of Janet Napolitano
Governor of Arizona**

**Submitted to the House Select Committee on
Energy Independence and Global Warming**

**Hearing on “State Leadership Towards a Low-Carbon
Energy Future”**

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Chairman Markey and esteemed members, thank you for the opportunity to appear before you today to provide you with information on what the State of Arizona and other western states are doing to address global warming.

Scientific evidence makes clear that global warming is real and that human activities are contributing significantly to the build-up of greenhouse gases in the atmosphere that is warming our planet.

Arizona and other western states are suffering from prolonged drought, decreased snowfall, increased and earlier snowmelt, and more severe and devastating forest and rangeland fires as a result of recent climate changes. The scientific evidence is that the West – and especially the Southwest – will be particularly hard-hit in the future by the effects of climate change.

The National Research Council of the National Academy of Sciences warned earlier this year that warmer future temperatures due to climate change will reduce future Colorado River stream flow and water supplies in the Colorado River Basin. Indeed, as I speak, Arizona and the six other basin states are engaged in negotiations on ensuring we manage the Colorado River so that no one state is harmed should we reach a point where we have to declare a shortage.

The impacts are real and aggressive action is needed to reduce greenhouse gas emissions because the effects of climate change are already being felt, especially in Arizona and throughout the West.

In the absence of meaningful federal action, it has been up to the states to show leadership on this critical issue. And that is exactly what we have done.

Arizona Action

In February 2005, I signed my first Executive Order on climate change, which established the Arizona Climate Change Advisory Group (CCAG) to develop practical approaches for reducing greenhouse gas emissions in Arizona. The CCAG was comprised of a wide range of stakeholders with an interest in global warming including representatives from utilities, the petroleum industry, business, tribes, conservation organizations and healthcare officials.

The CCAG developed a comprehensive set of 49 policy recommendations that could cumulatively eliminate the emission of hundreds of millions of tons of carbon dioxide and other greenhouse gases from Arizona by 2020 if fully implemented.

As one of the fastest growing states in the country, Arizona faces great risk from inaction. Between 1990 and 2005 Arizonans' net GHG emissions increased by nearly 56%. Forecasts predict that these emissions will increase by 148% from 1990 levels by 2020, while national emissions will rise by about 42% over this same period.

Because more than three-quarters of Arizona's greenhouse gas emissions are directly related to energy and transportation, the opportunity exists for our state to reduce our emissions while continuing our strong economic growth. We can accomplish that goal by developing clean and renewable energy sources; increasing the use of cleaner transportation modes, technologies and fuels; increasing energy efficiency; and building new infrastructure "right" in the first place to produce fewer emissions. These are all common sense steps that must be taken to secure our state's energy future and develop a 21st Century economy for our state.

In fact, the technical analysts that supported the CCAG estimated a net benefit of more than \$5.5 billion to our state between now and 2020 by implementing the group's recommendations, due to the creation of new jobs, lower energy and fuel costs, and investments in better and more efficient infrastructure for our state.

In 2006, I issued a second Executive Order on Climate Change and adopted the CCAG recommendations. We are now working to develop strategies for implementation. We have already made some progress:

- I accepted the CCAG's recommendation to set a statewide goal to reduce Arizona's greenhouse gas emissions to 2000 levels by 2020, and to 50 percent below 2000 levels by 2040. And because it is so important to reduce our emissions as quickly as possible, I further directed that we seek to achieve as much of the goal as possible by 2012, Arizona's centennial year.
- I directed state agencies to take action to reduce Arizona's greenhouse gas emissions. Since the beginning of the year, most vehicles purchased for the state fleet are low-greenhouse-gas-emitting vehicles. The fleet is transitioning, with few exceptions, to only low-emission vehicles, such as hybrids, E-85 flex fuel vehicles, alternative-fuel vehicles, and high-mileage automobiles. I also ordered that by January 2010, the state will no longer own any vehicle that is not a hybrid, alt-fuel, or low-greenhouse-gas-emitting vehicle.
- We are moving forward with adoption of the State Clean Car Program to reduce greenhouse gas emissions from new light duty vehicles starting model year 2011 so we are poised to implement once EPA grants the necessary waiver.

Other changes to enact the CCAG recommendations will require legislative action, and I directed my staff to develop a comprehensive proposal to remove statutory barriers to clean and renewable energy production in the state. The proposal will recommend diversification of transportation fuels and standards for energy efficiency.

In addition, the State has reduced water consumption by 17% compared to 2004 water use rates and increased energy efficiency by 4.6% since 2002. All new state buildings must comply with efficiency standards. Later this year I will cut the ribbon to celebrate the State's first gold standard Leadership in Energy and Environmental Design (LEED) building, built with low-impact materials and using less energy and water.

In other words, we are taking action in Arizona, but state-level action alone will not address the problems.

Regional Action

As reported in the journal *Science*, within the next few decades the Western United States may see a perpetual drought similar to what struck the Great Plains in the 1930s. The fear is that our current drought – now in its 12th year – could become the norm.

That is why, in addition to taking action here in Arizona, I have been working with other Western states to reduce greenhouse gas emissions from our region. In February 2006, New Mexico Governor Bill Richardson and I created the Southwest Climate Change Initiative. And in February of this year, I joined with the Governors of Washington, Oregon, California, and New Mexico to establish the Western Climate Initiative (WCI).

Momentum for this regional effort continues to grow, in the West and beyond our borders. Since February, Utah and two Canadian Provinces – British Columbia and Manitoba – have joined the WCI as full partners. Five other states, as well as the Mexican state of Sonora and the Canadian provinces of Ontario, Quebec and Saskatchewan have joined as observers.

The purpose of the WCI is twofold. At the end of this summer, we established a collective goal to reduce greenhouse gas emissions in the WCI region to 15 percent below 2005 levels by 2020. And during this next year, we will develop a market-based mechanism to reach that goal. In other words, we are creating a Western regional cap and trade program for greenhouse gases.

We have also committed to do our share to reduce greenhouse gas emissions enough over the long term to significantly lower the risk of dangerous threats to the climate. Current science suggests that this will require worldwide reductions from 50% to 80% in carbon dioxide emissions from current levels by 2050. Even though the federal government has not acted to curb greenhouse gas emissions, we are.

In addition to creating a Western regional cap and trade program, the WCI partners committed to promote the development of clean and renewable energy and increase energy efficiency region wide. A critical element includes the implementation of California's greenhouse gas tailpipe standards in our states. California, Oregon, and Washington have adopted the standards, and Arizona, New Mexico, and Utah have committed to do so.

In September, we governors of the WCI states, joined by the governors of Connecticut, Maine, Maryland, Massachusetts, New York, Pennsylvania, and Rhode Island, sent a letter to the Big Six automakers urging them to withdraw their legal challenges to the clean vehicle standards and begin working with us to reverse the threat

of global climate change. In other words, we want them to stop litigating and start cooperating.

Congressional Action

Earlier this year in June, the WCI states sent a letter to Speaker Pelosi and other congressional leaders setting forth our view on climate legislation as the Congress begins to deliberate and draft it.

There is tremendous opportunity for Congress to help the nation achieve energy independence and reduce these harmful emissions.

As a critical starting point, we urged Congress to demand that the U.S. Environmental Protection Agency stop dragging its feet and approve California's long-standing request for a Clean Air Act waiver to move forward with its clean tailpipe standards. There is simply no justification for EPA to continue to withhold the waiver.

We also laid out four basic principles for legislation:

- First, we need strong national goals. As we have said in the WCI, action must be taken to reduce greenhouse gas emissions by as much as 80% by 2050.
- Second, we need a comprehensive, market-based approach to climate policy. Key action areas that need policy support include: energy efficiency and conservation, clean and renewable energy, transportation and land use efficiency, agriculture, and forest conservation and carbon sequestration. These approaches also must be integrated with a market for emissions trading – i.e., a national cap and trade program.
- Third, we must act quickly. Greenhouse gases persist for very long periods. Today's emissions will endure for generations. Congress must act quickly to avoid decisions that result in irreversible levels of greenhouse gas emissions.
- Fourth, Congress must support state programs and leadership. Congress must reach out to states and not preempt our leadership. Federal legislation should build upon the efforts of the states and provide flexibility for states to take more aggressive action on global warming.

More specifically, I understand that Congress may be considering legislation to create a federal emissions registry. Please let me point out to that the states already have done that. Earlier this year, Arizona and 37 other states formed The Climate Registry – a national climate registry for tracking greenhouse gas emissions and giving credit to business and entities that take action to cut their emissions. I am proud to say that Arizona was the first state to join The Climate Registry. The Climate Registry will be officially open for business in January. Congress should not undermine this important state endeavor.

Congress has a historic opportunity to adopt comprehensive energy legislation that would reduce oil use, slash global warming pollution, create jobs, and save families money. Both the Senate and House versions include provisions that would further these goals. I urge Congress to adopt a final energy bill before the end of the year that includes the following measures:

- Provides long-term incentives for renewable energy generation. The Western Governors have consistently advocated for long-term reauthorization of renewable production tax credits, which would allow developers to utilize the credits in long-term financial planning.
- Diversifies our energy base by creating incentives for a variety of homegrown fuels rather than focusing us on a single source. These incentives could lead to production of crops that are not only serving the areas in which they are grown but also fueling American vehicles with significantly reduced harmful emissions. Additional programs targeted at increasing the number of alternative fuel pumps around the nation must also be addressed.
- Recognizes the importance of reducing overall energy demand by setting new efficiency standards for modern buildings, appliances, and lighting. These are fairly easy but important steps Congress can take that will save consumers money on energy bills and reduce harmful carbon dioxide emissions.

The American Council for an Energy Efficient Economy estimates that the final energy bill that includes the best efficiency and renewable energy provisions from the Senate and House bills would reduce greenhouse gas pollution by nearly 20% by 2030 compared to the status quo. These reductions would be an important down payment on the 50% to 80% greenhouse gas reduction required to avoid the worst impacts of global warming. And with oil prices rising, the prompt adoption of these policies would reduce oil demand and prices.

Governors stand ready to provide any assistance needed to help Congress complete this critical legislation before the end of the year.

Arizonans and Americans are “can do” people. Once we establish a goal and timeline, we will put our brain and muscle power to work to accomplish it. We need Congress’s help to increase energy independence and slow global warming by the establishment of firm standards and realistic deadlines. These are critical elements in solving these problems.

While we face great challenges in reducing our greenhouse gas emissions – and in dealing with the impacts of climate change that already are occurring -- I am optimistic that we can reverse the course our country, and our planet, is on.

I urge Congress to act, and I look forward to working with you.