

State Building and Construction Trades Council of California

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PRESIDENT

Established 1901
Chartered By
BUILDING AND CONSTRUCTION TRADES
DEPARTMENT
AFL - CIO

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SECRETARY-TREASURER

June 23, 2022

Lianne Randolph
Chair, California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: SBCTC Recommendations 2022 Climate Change Draft Scoping Plan

Dear Chairwoman Randolph:

On behalf of our nearly half-million members across California, I write to today in respectful opposition to the current iteration of the '2022 Climate Change Draft Scoping Plan'. While we appreciate the efforts of staff and members of the Board as it relates to this process, we feel the current staff recommendation doesn't go far enough in recognizing the need to utilize all available technologies to deal with our changing climate. We strongly encourage the Board to take a hard look at how realistic California's goals for meeting carbon reductions are without the use of all available technologies.

As a state, we simply must stop falling victim to the efforts of extremists to outsource jobs, outsource manufacturing, and outsource our problems to other states and countries. We have proven capable of producing, manufacturing, and employing in a cleaner, more ethical and inclusive way than anywhere in the world. When California takes steps to limit California production of fuels or manufacturing of goods, we are in essence accepting the same 'leakage' that countless pieces of legislation have demanded we recognize. Outsourcing activities that are deemed 'dirty' or 'carbon-heavy' does nothing to solve the problem; it in fact only makes the problem worse. We must accept that if these industries continue to exist, or these goods continue to be manufactured, the most environmentally-sensitive way to do it exists right here in California.

For a detailed explanation of our position, please see below:

The Climate Crisis: The State Building and Construction Trades Council (the "SBCTC" or the "Building Trades") has a unique perspective on climate change. Our members fought for the entitlements and then built the vast majority of the state's utility-scale solar, wind, geothermal, pumped storage, and other renewable sources of energy, making California a global leader in the fight against climate change. Most of these entitlements were hard-fought, fighting the same activists that are currently demanding the state cease traditional power and energy production. These same activists create excuses to oppose nearly every project of significance that would allow the state's power portfolio to be even more renewable, more resilient, and more capable of meeting future energy needs. At the Building Trades, we believe in climate change for ourselves and our children. Our members live in every community in California. They deal with forest fires, blackouts, droughts, and flooding, making them keenly aware of the need for swift action. Our members seek a pragmatic approach to the climate crisis that embraces science and common-sense solutions, supports our workforce, and does not price working families like their own out of California.

Oil and Gas Production: As the Building Trades has continuously stated, for as long as California is dependent on fossil fuels to power the state, it should be California workers who produce the necessary energy. And as long as people need internal combustion engine-powered cars, which will be for decades more at the current pace that electric vehicle producers can ramp up, they will need the oil and gas industry. Importing this energy from

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elsewhere is hypocritical and creates a much higher climate cost than producing this same energy in California, home to strict environmental and labor standards, with the most productive and highest trained workforce in the world. We can do it better and cleaner in California, as evidenced by our largest extractor of oil, California Resources Corporation, recently announcing to shareholders its intent to go carbon neutral¹ with its proud union workforce². Over half of all the oil extracted in the Amazon is currently being imported directly to

California, coming at great cost to the Amazonian ecosystem.³ The tankers that endlessly idle in California waters burning as much as four tons of fuel per day to bring the oil and gas to our ports, create emissions that far outweigh those required to produce our own energy domestically⁵. It is time that California's policies reflect the true costs of importing energy versus local production to California and the rest of the world. We cannot simply make it too expensive to produce energy in-state, as that cost is ultimately borne by working families already struggling with inflation that has reached a forty-year high⁶.

Furthermore, there exists a ready-made technology that can be carbon neutral and provide for the energy California needs to be produced in California. Enhanced oil recovery, a process of recovering oil and gas that has been around since the early 1970s, projects can produce the oil and gas California needs and sequester carbon simultaneously. In this form of EOR, carbon dioxide is pumped into a rock formation to increase the overall pressure of the reservoir and push the oil towards the production wells. If the CO₂ injected in the reservoir returns to the surface, it is separated from the oil and reinjected to form a closed loop, resulting in the permanent sequestration of the CO₂.

Typically, CO₂ EOR projects use CO₂ from naturally occurring reservoirs. However, with the development of capturing technologies, CO₂ that would otherwise be released into the atmosphere from industrial facilities can now be captured and used in the CO₂ EOR process and ultimately be permanently sequestered—utilizing carbon captured from industrial facilities for the purposes of CCUS results in net carbon emission reductions. An analysis by the Clean Air Task Force found that using industrial carbon in the EOR process can result in a 63 percent net reduction in CO₂ emissions for every barrel of oil produced, taking into account emissions from oil consumption.⁷

¹ CALIFORNIA RESOURCES CORPORATION ANNOUNCES 2045 FULL-SCOPE NET ZERO GOAL.

<https://investors.crc.com/news/news-details/2021/California-Resources-Corporation-Reports-Third-Quarter-2021-Results-Declares-Inaugural-Quarterly-Dividend-and-Announces-2045-Full-Scope-Net-Zero-Goal/default.aspx>

² California Resources Corporation SEC Schedule 14A Information:

https://www.sec.gov/Archives/edgar/data/1609253/000156459020012533/crc-def14a_20200506.htm

³ Reuters. “California should eliminate oil extracted from Amazon rainforest - NGO’s”

<https://www.reuters.com/markets/commodities/california-should-eliminate-oil-extracted-amazon-rainforest-ngos-2021-12-02/>

⁴ Boston Globe. “It’s beaches mired in crude oil, Peru vows to make refinery pay”

<https://www.bostonglobe.com/2022/02/03/world/its-beaches-mired-crude-oil-peru-vows-make-refinery-pay/>

⁵ National Geographic. “As oil prices crashed, tankers idled off California, spewing pollution for weeks.

<https://www.nationalgeographic.com/science/article/coronavirus-oil-prices-crashed-tankers-idled-california-spewing-pollution>

⁶ Washington Post. “December prices rise 7 percent compared with a year ago, as 2021 inflation reaches highest in 40 years” <https://www.washingtonpost.com/business/2022/01/12/december-cpi-inflation/>

⁷ [The Emission Reduction Benefits of Carbon Capture Utilization and Storage using CO₂ Enhanced Oil Recovery](#)

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Not using EOR runs counter to the Low Carbon Fuel Standard (LCFS), which is designed to decrease the carbon intensity of California's transportation fuel pool by 20 percent by the year 2030. In 2018, CARB adopted the Carbon Capture and Sequestration Protocol under the LCFS⁸ that allows CO₂ EOR as an acceptable form of the sequestration of carbon.

So long as Californians use oil and gas, California's policy should support projects that reduce the greenhouse gas emissions associated with oil and gas production. Not embracing an acceptable way to produce oil and gas locally and sequester carbon will significantly hinder California's ability to meet its climate targets.

Job Retraining/So-called “Just Transition”: Our members have trained for years to do exactly what they want to do: be pipefitters, boilermakers, painters, electricians, etc. What they do not want is to be “retrained” to be anything other than a tradesperson. There seems to be a classist assumption rampant in Sacramento that our proud blue-collar workforce wants to be something other than what they are. Our members are fortunate to leave work each day with the satisfaction of a hard job well done, going home dirty and tired knowing they built something of significance. Assuming that our members would want a less productive or non-industrial job is a mistake. Well-intentioned Democrats made the same mistake with the passage of the North American Free Trade Agreement (“NAFTA”) over the objections of the Building Trades. In the wake of NAFTA, California lost more than half a million blue-collar manufacturing jobs⁹. We fully expect our industrial workers to remain industrial workers as we move to fully meet the climate crisis.

Our Already Overburdened Electric Grid: Each and every summer, California’s electric grid is one hot day away from a Texas-sized disaster thanks to a growing deficit in power generation¹⁰. Just last year, at the Governor's request, the Building Trades brought five previously and prematurely decommissioned gas-fired power plants online to ensure that vulnerable Californians could keep the lights on. Policies to fully electrify California's fleet of almost 30 million cars and trucks¹¹, or to prohibit the use of clean natural gas to heat and cool our homes and workplaces, are grossly premature and put every Californian at further risk of rolling blackouts or grid failures. When Texas dealt with supply problems during a hard freeze in 2021, it led to the loss of life and billions of dollars of damage.¹² As an electrician, I can tell you with certainty that California is not ready to remove baseload gas-fired power production and cannot shoulder the burden of charging thirty million electric vehicles.

New Technologies to Meet the Climate Crisis: The Building Trades is very excited about the new technologies that will allow California to meet the climate crisis. These technologies embrace science, offer the prospects of California remaining a global leader in innovation, and create industrial career pathways for our membership. These new technologies, some of which we outline below, are key to our ability in California to meet the climate crisis head-on with the innovation that our state is renowned for. Premature policies that thwart investment in innovation will foreclose these opportunities before we can take advantage of them, likely with devastating consequences. In California, more than anywhere, we are aware of all the technology that is yet to be discovered.

⁸ [Carbon Capture and Sequestration Protocol under the Low Carbon Fuel Standard](#)

⁹ Los Angeles Times. “California lost more manufacturing jobs to China than any other state, report says”
<https://www.latimes.com/business/story/2020-01-30/la-fi-california-china-trade-job-loss>

¹⁰ Bloomberg. “California Expects Power Supply Shortfall to Worsen in 2022”
<https://www.bloomberg.com/news/articles/2021-08-11/california-expects-power-supply-shortfall-to-worsen-in-2022>

¹¹ Statista.com. “Automobile registrations in the United States in 2020, by state”
<https://www.statista.com/statistics/196010/total-number-of-registered-automobiles-in-the-us-by-state/#:~:text=%2C%20Aug%204%2C%202021%20In%2019%2C%20California%20had,motor%20vehicles%20overall%3A%20more%20than%2030%20million%20registrations>

¹² Dallas News. “The Texas winter freeze’s economic toll climbs to \$130 billion”
<https://www.dallasnews.com/business/energy/2021/03/08/the-texas-winter-freezes-economic-toll-climbs-to-130-billion/>

I implore you to be mindful of the innovation we know is in development, as well as the solutions yet to be imagined, and create opportunities for it to play a role in California's answer to our changing climate.

Offshore Wind: Offshore wind is truly the next frontier of California power production. We are excited to partner with the state to bring this incredible resource onshore to power California's homes and businesses. In the last year, though, we have seen good offshore projects targeted by activists who will use any excuse to not site the highly efficient wind turbines offshore that will be a big part of further greening our grid. President Biden has shown incredible leadership in his vocal support of offshore wind development, and turbines are currently being brought online on the East Coast¹³. Here in California, we remain mired in a Kafkaesque process that sets our state back. California should look to centralized siting and streamlined approaches to getting offshore wind and the necessary onshore infrastructure required to distribute its bounty quickly permitted so that Californians can start taking advantage of this incredible natural resource.

Carbon Capture Utilization and Storage ("CCUS"): CCUS is another relatively new technology being used in other countries that the White House has encouraged deployment of across the United States. CCUS promises a three-fold benefit:

1. It can allow California's economy to continue to grow by vastly reducing emissions of our manufacturing, energy, and agricultural job base. Without CCUS, these sectors will be at odds with our aggressive climate goals.
2. CCUS at the source of power production can allow us to continue to produce the power we need in California with much less of an environmental impact. We are currently building a pilot CCUS project in partnership with Calpine that will demonstrate the potential in this area when it comes online this summer.
3. CCUS innovation is poised to potentially present a means to reverse some of the environmental damage that has already occurred by removing carbon from our atmosphere.

In California, there is already incredible innovation happening with CCUS. The new San Francisco International Airport terminal project is incorporated aggregate manufactured through captured carbon!¹⁴ Like offshore wind, CCUS technology promises to be stalled out due to activist ideology that is politically, rather than pragmatically, based. We need streamlined and centralized siting processes to be able to heed the President's call to deploy this technology.

New Fuels: Hydrogen, clean diesel, and natural gas each provide new means to reduce emissions and keep California moving forward. Several refineries in both Northern and Southern California are already converting to produce new fuels. These refineries will continue to employ our members, and our brothers and sisters in the United Steelworkers, as 'new fuel' refineries that can produce energy to power the ports, commercial aircraft, trucks, and passenger cars with vastly diminished impact to refine and use. These retrofits are expensive and time-consuming, as the transition to clean fuels has become a 'hill to die on' of sorts for activists who prefer the myopic strategy of electrifying everything. This electrification strategy is a lofty one that might happen someday if we can produce enough energy in a climate-responsible way to power our existing and increased future needs. However, it cannot be supported now because of the glaring deficiencies I have addressed above. This is precisely why we need support in the 2022 Climate Change Scoping Plan for new fuels that can provide cleaner energy

¹³ Whitehouse.gov. "FACT SHEET: Biden Administration Jumpstarts Offshore Wind Energy Projects to Create Jobs" <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/29/fact-sheet-biden-administration-jumpstarts-offshore-wind-energy-projects-to-create-jobs/>

¹⁴ PR Newswire. "Blue Planet Announces Capital Raise of \$10M, Fighting Climate Change by Capturing and Sequestering Carbon Dioxide in Concrete Building Materials" <https://www.prnewswire.com/news-releases/blue-planet-announces-capital-raise-of-10m-fighting-climate-change-by-capturing-and-sequestering-carbon-dioxide-in-concrete-building-materials-301132863.html>

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source options to power our economy, produced under strict environmental and labor regulations right here in California.

Pumped Storage: It is no secret that many of our existing renewable energy sources in California peak during daytime hours when the sun is shining, and the wind is blowing. During the evening, when power demands are high, land-based renewable sources are scarce. Pumped storage offers a means to produce clean, renewable energy when it is desperately needed: at night. California's geology creates many opportunities to take advantage of pumped storage technology, yet we've been slow to utilize it due to the misguided complaints of activists who are quick to provide critiques but rarely offer pragmatic solutions.

When the Building Trades were asked at a recent Assembly hearing when we needed to begin embracing the technologies mentioned above, the answer was YESTERDAY; this was not rhetoric. We should have started preparing ourselves long ago to reach the goals we have set with morally responsible solutions to the climate crisis. With that being said, there is no good reason to delay any longer.

California is depending on you to help our members build out the infrastructure and innovation that will allow our state to meet the climate crisis. This cannot be done if resolute action is not taken to expedite the permitting and approval processes so that we can do what our members are trained and poised to do: build our way into a new, greener economy. Raising climate goals, punishing industrial employers, or choosing a single technology or strategy when an "all of the above" strategy is necessary will not serve Californians as a whole. It will only lengthen the timeline to achieving a new green and socially responsible economy.

We stand by to partner with you to build a greener California that embraces science, new technologies, and the value of its blue-collar workforce. If you have any questions, please do not hesitate to contact me.

Sincerely,



ANDREW J. MEREDITH
President

AJM:bp
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