In my last post, I noted a recent <u>report</u> that called for a new political path for environmentalists and others seeking to enact carbon policy in the United States, one that focused on developing policy proposals that would help mobilize a grassroots movement to support limits on greenhouse gases. My question was, is there anything that we could do to help make the political landscape friendlier to such a grassroots movement, and therefore lower the bar to enacting legislation?

At the same time that Republicans swept to power in the House of Representatives in the 2010 elections, Californians went to vote (as usual!) on a bunch of ballot initiatives. One of them was Proposition 23, which would have (effectively) repealed the state's landmark law (AB 32), a law that requires the state Air Resources Board to issue regulations to control greenhouse gases. At the height of the Great Recession, you would think that such a ballot measure would have a great deal of appeal, particularly in a state where the unemployment rate was about 12%. But Proposition 23 was soundly defeated, by about 20 points. Why?

I don't think the answer is simply that Californians are a bunch of hippy liberal environmentalists (though that surely is *part* of the answer). Prop 23 lost by a larger margin than any of the Republican statewide candidates; it lost in a number of counties that have a plurality of registered Republicans (and some Californian counties are as conservative as places like Oklahoma or Kansas); Californian voters have regularly rejected propositions supported by environmental groups (including a measure on the 2010 ballot that would have raised funds for state parks).

So what is going on? I develop the story in more detail in this paper, but the short answer is that California has had a long history of laws and policies that have encouraged the development of energy efficiency and renewable energy. That in turn has created industries and interest groups supportive of those goals (e.g., solar energy companies and the investors in those companies); it also meant that many of the other major industries in California had to adapt to the new landscape, and in so doing their interests were shifted such that they (at least) would not oppose restrictions on greenhouse gases. In fact, the leading electricity utilities in California contributed to the No on 23 campaign, while Chevron (the largest oil company in the state) stayed neutral. As a result, almost all of the funding for the Yes on 23 campaign came from out of state oil and gas companies (particularly Texas). This was catnip for the opponents, since the campaign ads basically write themselves ("Say No to Dirty Texas Oil!").

What's the broader lesson for climate policy at the federal level? Policy and legal change is path-dependent, incremental, and dynamic. (Here I am building on work by political scientists such as Paul Pierson and Eric Patashnik.) What you do today makes it easier or

harder for you to do things in the future. Passing legislation that might be seen as small-bore, or only a piecemeal solution may nonetheless be an important victory, not because that legislation solves the problem on its own, but because it will make it easier for future victories to occur that allow for more significant solutions. (contra Bill McKibben on this point.) While the grassroots activists try to build their campaign for cap-and-dividend, they should look for steps (any steps) that will make it easier to pass legislation in the future by building up allies and disarming opponents. In that light, the single most important thing that has recently happened was the extension of various renewable energy tax credits by Congress, since that continues to build and support a renewable energy industry that can help push for legislation down the road. Likewise, even non-federal efforts might be crucially important here, because state efforts will build up interest groups both inside and outside their states that can push for subsequent federal legislation.

By the way, don't take my word for it. It's <u>pretty clear that the opponents of greenhouse gas</u> regulation understand this as well. As Dan noted <u>earlier</u>, there are reports of concerted campaigns at the state level to go after clean energy, including efforts to introduce bills to repeal or prohibit renewable portfolio standards at the state level.