



Jared Blumenfeld, Secretary  
California Environmental Protection Agency  
1001 I Street  
P.O. Box 2815  
Sacramento, CA

Dear Secretary Blumenfeld,

On behalf of the California Hispanic Chambers of Commerce (CHCC), I write to provide comment on the two studies currently being developed by CalEPA. As described on the agency's website, study 1 will "identify strategies to significantly reduce emissions from vehicles and to achieve carbon neutrality in the sector." Study 2 will "identify strategies to decrease the demand and supply of fossil fuels, while managing the decline of fossil fuel use in a way that is economically responsible and sustainable." The scope of these studies is broad and will undoubtedly impact members of the CHCC, and all of California.

The CHCC is the largest regional ethnic business organization in California. With a network of 70 Hispanic chambers and business associations throughout California, the CHCC serves as the voice of over 800,000 Hispanic businesses in the state. The CHCC promotes the economic growth and development of Hispanic entrepreneurs and California's emerging businesses, and for these reasons, we take keen interest in the development and implementation of the state's climate and energy policies.

California has been a long-timed leader on climate policies, but it is critical that, as the proposed studies are developed, the agencies consider the impacts of carbon neutrality and decreasing supply and demand for fossil fuels on the business community, and especially on the ethnic constituencies that are so often *small* business owners. There is certainly a balance to be struck between the climate and the economic engine of this state; small businesses.

Electricity rates in California, both residential and commercial, are higher than the national averages and continue to rise. It is critical to ensure that we have the energy supply needed to keep our state running, and at the same time, we are keeping costs under control and our economy growing. As we've seen in the past weeks with the power shutoffs, relying on electricity as a sole power source creates substantial reliability problems. Business owners all over northern California suffered substantial losses in product, productivity and revenue when power was shut off. The proposed studies presuppose a decline in both supply and demand in fossil fuels; if the studies even hope to demonstrate credibility, they *must* address reliability of electricity and adequacy of the grid. We cannot accept that we will become a fully electric state if we don't have a plan for maintaining reliability *and* affordability. We respectfully request that these studies include a discussion of the costs to ratepayers of the inevitable upgrades and modifications to the grid that will be needed should we drastically increase load.

In addition to the questions of reliability and affordability of energy, the study looks to identify strategies for achieving carbon neutrality in the transportation sector. CHCC represents many companies directly or indirectly linked to the transportation sector. If those in the transit sector must move away from traditional vehicles to zero-emission vehicles, we request that the study include an analysis of the public investment that would be needed in order to make this type of transition, and where that funding would come from. The study should also consider how these drastic changes in policy will impact small business and their respective employees when it comes not only to the investments companies will likely have to make to comply, but how these companies will be able to compete in other states. Let us not forget that both CO2 and economies cross state lines.



Finally, with regards to employment, we would be remiss if we did not strongly request that these studies provide thorough examination of the impacts of these policies on jobs. The transportation sector and fuels industry not only provide hundreds of thousands of direct jobs but support many more indirect jobs and business – many that are small and Latino owned. While staff has spoken about a “just transition” for workers directly displaced by these policies, we have not heard mention of how the loss of these indirect jobs will be addressed. More importantly, we have heard no discussion about how the state plans to replace the careers, generational businesses, and the community-supporting business that we represent.

So before you adopt a policy that results in a wholesale change in the economy of our state, we strongly urge you to consider whether these studies are even asking the right questions, or if they are assuming an outcome that will have unforeseen impacts for generations to come.

Sincerely,



JULIAN CAÑETE  
PRESIDENT & CEO