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California to Examine Health Impacts of Landmark Cap-and-Trade Program

OAKLAND, CA -- The Health Impact Project today announced the award of a $150,000 grant to the Oakland-based Public Health Institute to collaborate with the California Department of Public Health on a health impact assessment (HIA) of a proposed "cap-and-trade" regulation under California's 2006 Global Warming Solutions Act. The study will analyze the health impacts of this landmark proposal and provide a health-based analysis to inform the California rulemaking process.

Health impact assessment is a flexible, data-driven tool that identifies the health benefits and consequences of new policies and develops practical strategies to minimize any adverse effects, ensuring the best possible health outcomes. The findings of this HIA will support health-based recommendations to protect and promote health, and also could inform leaders in other states looking to California's regulations as a model for future efforts.

"This project is an excellent example of the role that health impact assessments can play—early on in the policy-making process—to improve and protect health," said Aaron Wernham, director of the Health Impact Project. "The findings will not only inform development of a groundbreaking cap-and-trade regulation in California, but can also help shape similar policies that emerge to address concerns about climate change in other states and at the national level."

The California Air Resources Board is developing the cap-and-trade program in response to requirements in the climate-change legislation to reduce statewide greenhouse gas emissions to 1990 levels by 2020. A cap-and-trade program would set a declining cap on total emissions from all regulated facilities and energy providers. The state would issue "permits to emit"—or allowances—that are equal to the total number of emissions allowed under the cap. In succeeding years, the number of available permits or allowances would drop to match the declining cap on overall emissions. Facilities would need to acquire enough permits to match their emission levels for each compliance period. As the total level of allowable greenhouse gas emissions declines over time, fewer permits will be available, prompting facilities to find cost-efficient ways to cut their annual emissions. A limited number of credits for reductions in emissions—also known as offsets—will be allowed from outside the capped sectors. Language in the California 2006 Global Warming Solutions Act specifically states that implementation activities for this regulation must ensure there are no disproportionate impacts on low-income communities. To address this requirement, the California Air Resources Board will prepare an environmental assessment that will be informed by the results of the HIA. The California Department of Public Health will also use the HIA to determine whether the cap-and-trade system has the potential to result in any unintended consequences for vulnerable communities and assess policy options to enhance and protect public health. The California Air Resources Board worked with the Department of Public Health to support the grant proposal and is collaborating on the HIA.
"This assessment of the potential public health impacts of California's proposed cap-and-trade regulation will help inform policy discussions on the role of public health in the decision-making process," said Dr. Mark Horton, director, California Department of Public Health.

The grant to the Public Health Institute is the first made by the Health Impact Project, a recently launched collaboration of the Robert Wood Johnson Foundation and The Pew Charitable Trusts, to promote the use of HIAs across the country. The project will fund up to 15 demonstration projects in its initial phase this year.

HIAs are being used by a growing number of community groups and policy makers in the United States and around the world to address a range of issues, including land use and transportation, housing policies, labor standards, natural resource extraction, education and economic policies.

In San Francisco, an HIA for a new housing development resulted in several measures to protect residents from roadway pollution. In Alaska, an HIA helped resolve a longstanding disagreement between community and government stakeholders and led to widely accepted revisions to oil and gas leasing plans, as well as several new protections for air quality and human health. To learn more about how community groups and policy makers across the United States and around the world are using HIAs to create healthier, safer communities, visit www.healthimpactproject.org.

About The Public Health Institute:
The Public Health Institute (PHI), an independent nonprofit organization based in Oakland, California, is dedicated to promoting health, well-being and quality of life for people throughout California, across the nation and around the world. PHI's primary methods for achieving these goals include sharing evidence developed through quality research and evaluation, providing training and technical assistance and promoting successful prevention strategies to policymakers, communities and individuals.

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