“Despite a difficult political landscape and an even more challenging economy, our staff and members helped win big victories that are producing tangible results for California’s environment.”

Dan Jacobson, Legislative Director

From the director

Let’s face it. 2009 was a tough year for California.

Yet despite a difficult political landscape and an even more challenging economy, our staff and members helped win big victories that are producing tangible results for California’s environment.

We kept California’s state parks open. Despite intense pressure from the governor and others to close 220 parks across the state, our research, advocacy and organizing helped keep our state parks open. While more needs to be done, Californians still have access to some of the most incredible parks in the world.

We helped protect our coast. We helped establish the largest network of marine protected areas off the coast of California, and we launched a new campaign to stop the waste that’s fueling the Pacific Garbage Patch (read more on page 3).

We helped grow solar power in California. In 2009, 12,000 Californians added solar panels to their homes, with the help of rebates and incentives we helped put in place. Ten years ago, there were only 500 solar homes in California. Now there are more than 60,000 (read more on page 5).

We raised the bar on renewable energy. Californians continue to lead the way on clean energy. This year, the state committed to getting one-third of our energy from clean sources by 2020 (read more on page 11).

We helped reduce the nation’s carbon footprint. California created the first Clean Car Program in the country, and 14 other states followed our lead. In 2009, President Obama announced that he will extend California’s standards nationwide (read more on page 7). We also touted California’s progress at the global climate summit in Copenhagen, telling world leaders about our groundbreaking programs (read more on page 8).

Each milestone was the result of the efforts of many people, including staff, members, donors, activists and other supporters. Thank you for helping to make it all possible.
Not on our watch: Latest bid to close state parks rebuffed

On Sept. 25, Gov. Arnold Schwarzenegger announced that he was not going to close any state parks, despite announcements earlier that up to 220 parks would close due to budget cuts.

Leading up to the announcement, Environment California had demonstrated support for our parks, holding press conferences around the state and delivering tens of thousands of comments to the governor in support of parks. We highlighted research that illustrated the economic folly of closing down parks. Yet while we were able to keep all 220 parks open, it’s more clear than ever that California needs a permanent solution to funding our parks.

From surfing to poppies to redwoods
From Huntington State Beach, the birthplace of surfing in California, to the Salton Sea State Reserve near Palm Springs, to Antelope Valley Reserve, blanketed with millions of golden poppies, our parks are a powerful symbol of our state’s history and wild beauty.

These areas provide habitat for thousands of plants and animals, including endangered species like the Snowy Plover and the California Brown Pelican. California’s state parks include one-third of the state’s incredible coastal areas, in addition to museums, historic homes, underwater preserves and reservoirs.

A boon to the state’s economy
The state parks are also an important source of revenue for California’s economy. A study prepared for the California Department of Parks and Recreation in 2009 concluded that approximately $4.32 billion is generated annually by park visitor spending in local communities—including $2.35 in tax revenue for each dollar the state spends on maintaining the parks.

Over the past 30 years, however, the well-being of the state parks system has markedly declined. Development is encroaching on vulnerable parkland, fragmenting the parks system. Deferred maintenance now exceeds $1.2 billion. Fencing, trail, roofing and bathroom repairs have been delayed as a consequence. Park staffing has been cut to the minimal levels necessary for public service and safety.

It is a great relief to the millions of Californians who use the parks every day that they remain open. But we owe it to future generations to find a permanent solution. It’s time to adopt a funding system that gives the parks the protection they need.

“Protecting our parks for future generations is our obligation to our grandchildren and great grandchildren. Environment California’s work in this area is critical.”

David V. Uberuaga,
Acting Superintendent Yosemite National Park

P. 1 Photo credit: Andre Nantel**.
P. 2 Photo credits: (from top to bottom) Vlad & Marina Butskiy**, Andrea-in-Amsterdam** and Michael Ols**.
In 2009, Environment California fought for marine protected areas for ocean wildlife, stood up to new offshore drilling plans, and launched a new effort—the Great Pacific Cleanup—to curb the flow of trash into the ocean.

Protecting habitat to protect wildlife
As threats to whales, sea turtles and all kinds of sea animals mount, Environment California has advocated the same steps that we use to protect vulnerable animals on land—by protecting sensitive habitats. Similar to state and national parks, but underwater, marine protected areas allow animals to thrive without the pressures of industry.

California has engaged in a 10-year process for deciding which areas to protect, and in 2009, looked into a new protected area in Southern California. We worked with supporters in San Diego, Santa Barbara and Los Angeles to call for the strongest possible protections as part of this process.

Oceans Advocate Gina Goodhill testified before state officials at four public hearings. Our staff organized college students and members to attend hearings and collect petitions, gathering over 2,000 public comments. The final plan included strong protections for Laguna Beach and Point Dume.

Governor’s drilling plan blocked
Despite a 40-year-old moratorium on new offshore drilling leases, a Texas-based oil company, PXP, tried three different times in 2009 to open Santa Barbara to new drilling. PXP lobbied the governor, who, under pressure to come up with new revenue, reversed his staunch opposition to offshore drilling. Working with Assemblymember Pedro Nava (Santa Barbara), and a diverse coalition of coastal advocates, we helped defeat the governor’s drilling proposal.

The Pacific Garbage Patch
Churned slowly by ocean currents, more than 100 million tons of plastic bags, bottles, toys, containers, packaging and other junk are swirling together, forming a moving island of trash off our coast that’s known as the Pacific Garbage Patch. That’s why we’re calling for simple steps to cut the waste that’s fueling this enormous island of trash.

Styrofoam is one of the most pernicious forms of plastic trash because it can persist for decades, or longer, in the environment. We called on Jamba Juice to replace its Styrofoam
cups with biodegradable ones. We organized a “Styro-strike” to pressure Jamba Juice and other stores to take action, and 6,000 people joined within three days. The media picked up the story, and soon our Styro-strike had spread to college campuses all around California.

Gaining momentum, we launched our Great Pacific Cleanup campaign to help California take concrete steps to cut waste and lead the way for other states.

**Oceans Day**

We educated lawmakers through our second annual Oceans Day, an all-day event devoted to the importance of the Pacific’s health to California and the many problems facing the ocean. We brought in special guest Jean-Michel Cousteau, screened the new IMAX film Under the Sea 3D, and were joined by other environmental groups and roughly one-third of the California Legislature.

Also as part of Oceans Day, we worked with scientists from Stanford University to organize a lecture for more than 100 elected officials and their staff on the effects of global warming on the ocean.
Ten years ago, there were only 500 solar roofs in California. Today that number tops 60,000. Despite the economy, the market for solar power continues to grow, leading to more green jobs.

In fact, the number of people employed in the solar industry is on the rise—a stark contrast to the rest of the California economy.

Looking ahead, if we keep pace, we will reach our goal of 1 million solar roofs by 2017. This number of solar panels will generate more electricity than six coal-fired power plants—without the pollution—and create more than 21,000 jobs.

Falling costs for solar panels installation and incentives—including the Million Solar Roofs rebate program established by SB1, a bill sponsored by Environment California—have helped Californians go solar, cutting their pollution and energy bills.

Solar power is taking hold in both rural and urban areas, according to a recent report by Environment California Research & Policy Center, “California’s Solar Cities: Leading the Way to a Clean Energy Future.” For example, on the basis of capacity (e.g. watts installed), the city of Fresno has more solar energy than San Francisco and Los Angeles.

Prior to 2009, utilities wouldn’t buy our surplus solar power, but they could sell it. In other words, if a family with a solar home generated more electricity in a given year than they consumed, the utility company would walk away with their surplus electricity for free. This policy created a disincentive for many solar homeowners to conserve electricity—not to mention it was simply unfair.

Environment California worked with the Legislature, and in particular Assemblymember Jared Huffman (Marin), to pass new rules to force utilities to fairly compensate solar customers who provide electricity to the grid.

The bill, AB 920, was signed into law by Gov. Arnold Schwarzenegger. Beginning in 2011, after the Public Utilities Commission sets up the program, some solar homes and busi-
nerves will begin to get checks instead of bills from their electric company.

Environment California sponsored AB 920, helping craft the policy, advocating for it before the state Legislature, educating the media and mobilizing citizens to help ensure its passage.

**Keep solar growing**

So far, the rate of growth in solar power will enable California to hit our goal of 1 million solar roofs by 2017. But to keep solar growing, we need to continue to innovate the market and create new incentives. The biggest barrier to solar power’s continued expansion is the upfront cost of installation—and that’s where we will continue to focus. Moving ahead, Environment California is working to expand California’s so-called “net metering” program, to allow more consumers to sell back to the grid. We are also working with cities and counties across the state to create financing programs for solar. The idea is to have municipal governments finance 100 percent of the installation costs and then recoup that money through property taxes over the next 10 years.

This concept of “no money down” solar is also something that could be provided by utilities.

### California’s Leading Solar Cities

<table>
<thead>
<tr>
<th># of solar roofs</th>
<th>solar capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego</td>
<td>2,267</td>
</tr>
<tr>
<td>San Francisco</td>
<td>1,493</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>1,432</td>
</tr>
<tr>
<td>San Jose</td>
<td>1,336</td>
</tr>
<tr>
<td>Fresno</td>
<td>1,031</td>
</tr>
<tr>
<td>Bakersfield</td>
<td>751</td>
</tr>
<tr>
<td>Clovis</td>
<td>733</td>
</tr>
<tr>
<td>Santa Rosa</td>
<td>729</td>
</tr>
<tr>
<td>Sacramento</td>
<td>692</td>
</tr>
<tr>
<td>Berkeley</td>
<td>648</td>
</tr>
<tr>
<td>Oakland</td>
<td>643</td>
</tr>
<tr>
<td>Chico</td>
<td>354</td>
</tr>
<tr>
<td>Richmond</td>
<td>144</td>
</tr>
</tbody>
</table>
In 2009, President Obama announced plans to extend California’s groundbreaking Clean Cars program nationwide, and our progress was touted in Copenhagen.

**Clean cars get green light**

On just his sixth day in office, President Obama announced support for California’s Clean Cars Program—quite a change from the previous administration. Not only did the Bush administration block California’s clean car standards, but former White House officials joined with the auto industry in suing the state over our state’s regulations.

Four months later, on May 19, the president announced that not only would California get permission to implement our clean cars standard, but the federal government will apply California’s stringent environmental standards to the rest of the country, significantly reducing global warming pollution and improving vehicle fuel efficiency.

The California Clean Cars Program, created in 2002, with the passage of AB 1493 (Pavley), and since adopted by 13 other states, establishes tougher standards for cars, and will help put more hybrids and other fuel-efficient vehicles on the road. But in order for these standards to be put in place, the EPA had to approve them. To overcome auto industry resistance, Environment California generated public comments to the EPA, spoke at public hearings and generated media coverage in favor of the standards. We helped demonstrate public support, getting 8,000 Californians to call on the EPA to support Clean Cars.

In response to President Obama’s announcement, Environment California joined Gov. Arnold Schwarzenegger and top environmental leaders to express our support of the president’s move.

“After being stuck in reverse for eight years, President Obama has taken America from zero to 60 in six days,” said Clean Energy Advocate Bernadette Del Chiaro.

The Clean Cars Program is a cornerstone of California’s plan to reach our 2020 cap on carbon pollution. The regulations are expected to reduce tailpipe emissions by 30 percent by 2016 and save Californians $30 per month at the pump. Looking ahead, Environment California is pushing to get a million zero-emission and ultra-efficient green cars, like all-electric and plug-in electric cars, on the road by 2022.

“Environment California knows how to effectively push Sacramento to do the right thing—which in turn leads the way for the whole country.”

State Sen. Fran Pavley, Santa Monica
A ray of light in Copenhagen

It was a frustrating year for all of us concerned about global warming. Under the leadership of California’s Rep. Henry Waxman, the U.S. House passed clean energy and climate legislation, but the Senate failed to act, leaving President Obama in a position of weakness as he tried to negotiate a global agreement in Copenhagen in December.

We sought to help the president and other clean energy champions by demonstrating how much progress America has already made, thanks to the many state and local initiatives put into place in recent years. For example, we released a report on the eve of the climate talks in Copenhagen. Called “America on the Move,” our study documented that state, regional and national programs to cut pollution and shift to clean energy have already made a tremendous impact in reducing emissions—totaling 536 million metric tons of pollution reduction by 2020, 169 million of which are from California.

The New York Times editorialized on our work, specifically mentioning our report, and called on Congress to follow our lead.

California leads the nation...

...in cutting the pollution that causes global warming. Our state is on track to cut 169.4 million metric tons of pollution (mmtCO₂e) over the next decade—that’s more than three times what will be accomplished by any other state and nearly a third of all cuts nationwide.

California exceeds all other states on pollution reductions

Our report, “America on the Move,” calculated how much pollution will be cut as a result of all state and national clean energy and pollution reduction programs. California’s expected 169 mmtCO₂e in cuts is a clear number one, with Maryland’s 46.5 mmtCO₂e in cuts coming in second place. Illinois follows next, with 32.7 mmtCO₂e.

Our investments in clean energy, clean cars and energy efficiency help us lead the way.

| Statewide global warming emissions cuts | 169.4 |
| Renewable electricity standard | 21.5 |
| Energy efficiency resource standard | 7.5 |
| Appliance efficiency standard | 3.6 |
| Lighting efficiency standard | 1.6 |
| Recovery Act efficiency program | 0.9 |
| Clean Cars program | 9.8 |

Ambitious goals for renewable energy

Our goal of 33 percent clean energy by 2020 will help our state cut 21.5 million tons of carbon dioxide emissions by the end of this decade. This nearly doubles the cuts from clean energy by the next closest state, Illinois, and totals about one-quarter of all pollution cuts from clean energy nationwide.

Leading the way on clean cars

California passed the nation’s first Clean Cars program, and we continue to push to make it better. Now that President Obama has applied our standard nationwide, we can expect 30.7 mmtCO₂e in pollution cuts by 2020 nationally from the clean car policy.

Investing in efficiency

The cheapest and fastest way to cut pollution is to invest in efficiency. California’s energy efficiency resource standard, appliance efficiency standards, lighting efficiency standards and other efficiency programs will cut 13.6 mmtCO₂e in pollution by 2020 and are among the best in the nation.
In 2008, Environment California celebrated when California launched a new system for identifying toxic chemicals, studying safer alternatives, and phasing out the chemicals we know harm our health and our environment. In 2009, we worked hard to shape the regulations that will implement this program, which has the potential to become a model policy across the nation.

The Green Chemistry Initiative will be up and running on Jan. 1, 2011, and we have been meeting with officials within California’s Environmental Protection Agency to make sure the regulations are strong enough to remove toxic chemicals from the products we use every day.

Ironically, the chemical industry is using the Green Chemistry Initiative to fight off attempts to ban individual toxic chemicals that are known to be hazardous. The chemical manufacturers claim there is no need to take these chemicals off the market immediately because the Green Chemistry program will handle it.

“They are trying to buy themselves more years to expose Californians to chemicals such as endocrine disruptors, which are linked to increases in autism, hyperactivity disorder, early puberty and obesity,” explained Toxics Advocate Pam Palitz. “But we know what they’re up to, and we continue to press for legislation that will take individual ‘bad actor’ chemicals off the market right now.”

From endocrine disruptors to toxic cribs
Banning individual chemicals is effective. For example, Environment California sponsored legislation in 2007 that banned the use of phthalates, endocrine-disrupting chemicals that make plastic flexible, in toys for children under the age of three. Last spring, we tested 14 toys for the presence of phthalates and were delighted to discover that the manufacturers had removed the phthalates as required.

During the campaign to fight our legislation to ban phthalates, the manufacturers claimed that our toddlers would have no toys if phthalates were phased out, but those assertions proved false. Our children have safer toys today, and these same safer toys are being sold not only in California, but all over the country.

We are following up our work on formaldehyde in children’s furniture, which we began in 2008. Formaldehyde fumes are making children sick, because parents tend...
to keep the windows closed in nurseries, and the gases build up in the babies’ rooms. Crib and changing-table manufacturers should not use particleboard held together with formaldehyde-based glues to make their products, and we are working to remove this toxic baby furniture from the California market.

Formaldehyde is one of the villains in yet another common personal product—nail polish. Along with toluene and dibutyl phthalate, formaldehyde forms the so-called “toxic trio” in nail polish, and is one of the chemicals you smell when you enter a poorly-ventilated nail salon. There are plenty of nail polishes on the market that are free from these toxic chemicals. As part of our Polish Without Poison campaign, we have joined forces with the California Healthy Nail Salon Collaborative to take toxic nail polish off the shelves in San Francisco. We are educating nail salon workers, many of child-bearing age and with limited English skills, about the dangers of toxic chemical exposure.

There are some nail polishes and baby cribs free from toxic chemicals, but Californians shouldn’t have to read all the fine print. We will continue to work to remove toxic chemicals from all of our everyday products.

<table>
<thead>
<tr>
<th>Common toxic chemicals found in our homes</th>
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<tbody>
<tr>
<td><strong>Toxin</strong></td>
</tr>
<tr>
<td>Bisphenol-A</td>
</tr>
<tr>
<td>Toluene</td>
</tr>
<tr>
<td>Formaldehyde</td>
</tr>
<tr>
<td>Petroleum Distillates</td>
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<tr>
<td>Phenol and Cresol</td>
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</table>

Although Environment California’s goal is comprehensive chemical policy reform, we have sponsored and supported several individual chemical bans over the last few years. Our thinking is simple: It is easy to understand the hazards posed by a specific toxic chemical, and so campaigns like these are important for educating policy-makers and the public.

We were one of the first organizations to present the dangers of Bisphenol-A (BPA) in our groundbreaking report, “Growing Up Toxic,” in 2004. BPA, a synthetic estrogen that is used to make plastic baby bottles and sippy cups, and lines the cans of powdered baby formula, has been linked to breast and prostate cancer, cardiac disease, obesity, diabetes, altered development of the brain and immune systems, lowered sperm counts and early puberty.

Through our collaboration with Californians for a Healthy and Green Economy (CHANGE), we continue to work to have BPA banned in baby products. A bill in the California Legislature passed through the Senate but failed to pass the Assembly in 2009, but will come up for another vote in 2010. Connecticut, Minnesota and Washington have passed similar bills, and several other states have bills in the works. California Sen. Dianne Feinstein has proposed a federal ban on BPA in food and drink containers.

To view our reports online, visit: www.EnvironmentCalifornia.org/reports.
California has more than enough sun and wind to power 100 percent of our energy needs. And even as California leads the nation with the largest green jobs market in the country, Environment California worked in 2009 to triple the amount of wind, solar and other renewable energy we generate. We also backed national action to repower America with clean energy.

**Clean energy thriving**

Clean energy has remained a bright spot in California’s down economy—and its growth is proof that our investment in clean power is well placed. Job growth in the clean energy sector has grown over the past few years at a rate 10 times faster than the rest of the California economy, according to a recent report by Next 10.

Over the last few years, renewable energy use, such as wind and geothermal power, has grown 95 percent. California has installed more than 25,000 solar roofs since 2007—creating jobs that simply can’t be outsourced.

**Three times more clean energy**

Thanks in large part to our lobbying, research reports, media and coalition efforts, Gov. Arnold Schwarzenegger signed an executive order to require that California triple its renewable energy resources to 33 percent by 2020.

This order will lead to the strongest clean energy mandate in the country. Clean energy is also a cornerstone of California’s global warming solutions plan. Though fossil fuel-heavy industries opposed strong renewable energy mandates, Environment California worked hard to ensure legislators and other top-level decision-makers knew the viability and value of renewable energy through one-on-one lobbying meetings and media coverage.

To bring the public’s voice into the process, we spent the summer talking to 250,000 Californians about the need to keep California a clean energy leader, generating tens of thousands of public comments in support of strong renewable energy laws. Looking ahead, in 2010, we will work to turn this executive order into law by passing a 33 percent by 2020 renewable energy standard through the state Legislature.

**Repower America**

The House of Representatives’ approval of the American Clean Energy and Security Act (also referred to as the Waxman-Markey bill) last summer marked a clear break from
the inaction that characterized the federal government’s response to the need to repower America with clean energy during the past eight years.

If the Senate follows suit, we’ll see billions of dollars invested in energy efficiency and renewable power, new green buildings sprouting up across America, as well as significant, mandatory reductions in carbon pollution.

The energy bill passed by the House isn’t perfect. In order to win enough votes for passage, the bill’s sponsors agreed to compromises that benefit oil and coal companies, agribusiness and other interests. But given the closing window of opportunity to get started solving global warming and the potential for this bill to transform our energy systems, we supported, and worked extremely hard for, passage of the bill. We released new research on the cost of inaction to California and gathered tens of thousands of petition signatures from Californians demanding strong action to tackle global warming.
2009 financial support

Citizen support is the cornerstone of Environment California. Thousands of California citizens supported Environment California and the Environment California Research & Policy Center by making membership contributions in 2009. The members listed below were particularly generous in backing the organizations’ research and advocacy. Names that appear in italics denote Monthly Supporters. These members provide stability to the organizations’ resources through our monthly giving program.
The charts below represent the combined financial information for Environment California and Environment California Research & Policy Center for fiscal year 2009.

**FY09 Income**
- Citizen Members 68%
- Foundation Grants 32%

**FY09 Expenses**
- Program 73%
- Fundraising 23%
- Administrative 4%

**FY09 Program Expenses**
- Clean energy 36%
- Oceans 20%
- Global warming solutions 17%
- Land preservation 11%
- Toxic chemical reduction 11%
- Clean air 5%

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**Building a greener future**
Environment California and Environment California Research & Policy Center gratefully accept bequests, beneficiary designations of IRAs and life insurance, and gifts of securities to support our work. Your gift will assure that we can continue to protect California's air, water and open spaces for future generations. For more information, call 1-800-841-7299 or e-mail plannedgiving@EnvironmentCalifornia.org.

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