



December 14, 2010

Clerk of the Board  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95812

Subject: Support for Adoption of a Proposed California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation, Including Compliance Offset Protocols

The California Energy Efficiency Industry Council supports the adoption of the proposed cap and trade regulations for the purpose of putting a price on carbon. For decades, California has been at the forefront of creating effective environmental and clean energy policies. As a result, these policies are stimulating innovation and efficiency, positioning the state as a leader in this thriving global marketplace, and creating new businesses and jobs. We see the proposed regulation as another positive step in California's leadership, by demonstrating how to develop an energy infrastructure in a carbon-constrained world. We believe the regulation will also support a stable energy and business environment that will result in our member companies being able to grow and employ more Californians.

We do have a few suggestions though:

1. The Air Resources Board and/or the CPUC must establish strong oversight to ensure that funds generated as a result of the regulation are only spent on any appropriate consumer rate relief and GHG-reducing measures such as energy efficiency and the use of renewables. Given the free allowance allocation provisions, it is of particular concern that there is investment in mitigation versus windfalls for any participants.
2. All participants must realize that a cap and trade system does not replace our State's other greenhouse gas mitigation policies and thus we need to stay the course and even expand implementation activities related to energy efficiency and other clean energy policy initiatives. This particularly includes the public benefits charge funding for energy efficiency programs.

The Efficiency Council is an association representing businesses that provide energy efficiency services and products in California ([www.efficiencycouncil.org](http://www.efficiencycouncil.org)). The energy efficiency industry continues to expand in California, creating jobs and saving energy and dollars for residents and businesses feeling the economic pinch throughout the state. The Efficiency Council membership includes energy service companies, engineering and architecture firms, contractors,

implementation and evaluation experts, financing experts, and manufacturers of California Air Resources Board energy efficiency products and equipment. The member companies of the Efficiency Council have over 110 different offices in cities from Eureka to San Diego to help California residents and businesses save energy in every corner of the state. Our member companies will be hiring more individuals in California in the years to come, assuming a continued policy of clean energy and environmental stewardship.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Schiller', followed by a horizontal line.

Steven R. Schiller, P.E.  
Board Chair