



## AB 32 Implementation Group

Working Toward Greenhouse Gas Emission Reductions  
And Enhancing California's Competitiveness

March 8, 2013

**TO:** California Air Resources Board Members  
The Honorable Edmund G. Brown, Jr., Governor, State of California  
Ana Matosantos, Department of Finance, State of California

**FR:** AB 32 Implementation Group

**RE:** Public input regarding the development of an investment  
plan for cap-and-trade revenues.

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The AB 32 Implementation Group is comprised of employers and taxpayer groups advocating for policies to achieve greenhouse gas emission reductions to meet AB 32 goals in a manner that will protect jobs and the economy.

These comments are in response to the 'public comments' request during the most recent California Air Resources Board (CARB) workshop(s) discussing an investment plan for cap-and-trade revenues.

The AB 32 Implementation Group does not oppose the information gathering process on the range of opportunities to use cap-and-trade revenue to meet AB 32 goals. However it is premature to begin developing spending decisions in the investment plan, and we recommend that auction monies be held in an escrow account until several ongoing issues are resolved.

The cap-and-trade revenues are under a legal cloud. Until the court decision to be rendered under the current litigation by the Chamber of Commerce determines that the revenues have been legally raised under AB 32, no decisions should be made how to distribute auction revenue. Doing otherwise would potentially expose the General Fund to liabilities should the court order the revenues be refunded.

Additionally, the AB 32 Scoping Plan will be updated this year. Policymakers should use that opportunity to assess where emission reductions are lagging or exceeding expectations, how far the program has come to achieve the 2020 goal,

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and to modify the program to prevent emissions and jobs leakage. These issues, along with others are still outstanding, and should be the focus of CARB's efforts.

We appreciate the opportunity to provide input on the importance of implementing AB 32 in a manner that achieves the environmental goals while minimizes the risk of emissions leakage.

Should you have any questions or need anything further please feel free to contact us via Shelly Sullivan at (916) 858-8686 or [ssullivan@onemain.com](mailto:ssullivan@onemain.com).

*cc: Members of the California State Legislature  
The Honorable Matt Rodriguez  
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