

June 22, 2012

Mary D. Nichols, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Dear Chair Nichols and members of the Board:

Our organizations appreciate the opportunity to offer comments in response to the May 24<sup>th</sup> Air Resources Board public consultation regarding how the cap and trade program's auction proceeds should be invested. Collectively, we represent California environmental, health, transportation, housing and other public interest organizations, and we support a common set of criteria to guide the State's investments of these proceeds to ensure California meets its greenhouse gas (GHG) reduction goals and transitions to a clean energy economy in a manner that optimizes benefits for all Californians.

Consistent with the Global Warming Solutions Act (AB 32), investments should reduce (GHG) emissions while providing additional benefits supported by the statute. These include advancing the state's clean energy economy and creating related in-state jobs, protecting California's vulnerable and disadvantaged communities, promoting environmental and public health, and reducing the impacts of climate change.

Specifically, we recommend the following criteria to guide investments:

- **As a threshold requirement, all investments should support AB 32 goals and reduce greenhouse gas emissions**
- **Investments consistent with AB 32 should be prioritized to:**
  - o Maximize benefits for disadvantaged communities
  - o Promote the clean energy economy and statewide job creation
  - o Maximize public health benefits
  - o Maximize environmental benefits
  - o Address the impacts and effects of climate change
- **Using the prioritization criteria above, appropriate AB 32 program investments in quantifiable GHG reductions should:**
  - o Support sustainable land use, affordable transit-oriented housing, clean passenger vehicles, transit and freight transportation
  - o Advance renewable energy and energy efficiency technologies, including water efficiency
  - o Increase biological carbon sequestration and reduce emissions from natural and working landscapes through restoration and conservation
  - o Reduce waste while increasing California-based manufacturing associated with low-carbon recycled content goods

- o Protect and prepare communities most vulnerable to public health impacts related to climate change
- o Ensure investments in identified disadvantaged communities as required by AB 32

These recommendations uphold the integrity of AB 32, ensure multiple valuable benefits to communities throughout California, spur in-state job creation and foster a clean energy economy. We welcome the opportunity to discuss these criteria with you as this process moves forward, and our organizations may follow up individually with comments to provide more detailed information on specific recommendations. Thank you for your consideration.

Sincerely,

Bonnie Holmes-Gen  
American Lung Association in California

Vien Truong  
Greenlining Institute

Andy Katz  
Breathe California

Julie Snyder  
Housing California

Nick Lapis  
Californians Against Waste

Alex Jackson  
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Jeanne Merrill  
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