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December 1, 2008

To: CARB Board members and Staff

Re: Comments on Proposed Scoping Plan and Appendices

Electronic submission at <http://www.arb.ca.gov/cc/scopingplan/spcomment.htm>

The Planning and Conservation League (PCL) is pleased to have this opportunity to comment on the Proposed Scoping Plan for AB 32, the Global Warming Solutions Act of 2006. We appreciate the efforts of the California Air Resources Board (CARB) members to meet the mandates of AB 32 and compliment the staff and board for making substantive improvements in the Scoping Plan since the release of the Draft Scoping Plan earlier this year. The comments below focus on several areas of the Proposed Plan that should be revised to achieve the mandates of AB 32 and to help protect California's environment and communities from the effects of global warming.

**Increase the Land Use Target & Include Additional Policy Tools and Funding to Achieve the New Target**

We are encouraged to see the Proposed Scoping Plan include a higher greenhouse gas emission reduction target than the Draft Scoping Plan, increasing the level from 2mmt to 5mmt. However this target remains too low to achieve the changes in California's growth patterns that will be necessary to keep California on track toward a low carbon future. This 5mmt target not only undervalues the importance of land use changes, it fails to capture many of the associated benefits of smarter growth patterns, including preservation of valuable natural and agricultural lands, reduction of criteria air pollutants, and facilitation of active lifestyles that include walking and bicycling.

The CARB board members (Board) should not approve the Scoping Plan unless it includes a GHG emission reduction target for the land use sector of at least 11-14mmt, in keeping with studies by Dr. Reid Ewing and Dr. Arthur C. Nelson.

In addition, the Proposed Plan does not provide sufficient policy tools to help state and local agencies achieve the necessary changes in land use patterns, relying almost entirely on the SB 375 process. This narrow approach underestimates the intense pressure placed upon local governments by developers and polluting industries to continue business-as-usual decision making. Local and state agencies must have a broad range of tools to create vibrant, dense communities, with an emphasis placed on robust enforcement mechanisms that ensure results.

The Board should revise the Scoping Plan to add additional land use policy measures, including a commitment to develop a statewide Indirect Source Rule for carbon dioxide.

To achieve better land use decisions, California must also ensure sufficient sustainable funding for public transportation, programs to improve transportation efficiency, smart growth planning processes, and efforts to revise local codes and ordinances. The Scoping Plan should identify these funding needs and commit to providing or helping to secure the appropriate financial resources.

### **Commit to a 100% Auction or Fee to Create an Economy-wide Price Signal**

In regards to its proposal for a Cap and Trade program, the Proposed Scoping Plan makes reference to the Western Climate Initiative partners' goal of auctioning 10 percent of emission allowances in the initial compliance period and states: "CARB agrees that a transition to 100 percent auction is a worthwhile goal for distributing allowances." However, the Plan makes no commitment to exceed the 10 percent goal or to achieve a 100 percent auction system.

Providing monetarily valuable allowances to polluting firms sends the wrong economic signal, financially rewarding today's polluters and penalizing new and emerging firms that may want to join California's economy. In addition, providing these allowances for free removes a substantial source of revenue for climate-related societal benefits, including energy efficiency programs for low-income individuals, smart growth planning for local governments, public transit facilities, and protection of the state's wildlife and habitats from the increasing effects of global warming.

The Scoping Plan should be revised to say that CARB will not provide any financially valuable greenhouse gas pollution allowances to polluters for free. It should also include a commitment to invest revenues generated through an economy-wide price signal in the public interest. CARB staff should also fully explore mechanisms other than the proposed Cap and Trade program to generate an economy-wide price signal based on the polluter pays principle, including carbon fees.

### **Provide a Formal Role for Public Health Organizations & Create Stronger Protections for Vulnerable Individuals and Communities**

The public health community should be a principle partner in the evaluation and implementation of California's greenhouse gas emission reduction strategies, including both regulatory and market-based programs. The Scoping Plan should be revised to include a commitment from CARB to create a formal role for the public health community in the next stages of implementation of AB 32.

As one of its first areas of engagement, the Board should commit to working with the public health community to identify vulnerable and low-income communities in California and establish measures to protect these communities from any negative impacts of measures proposed to meet the requirements of AB 32.

The preparation of the AB 32 Scoping Plan marks an historic moment in the fight against global warming. Although we understand that the Scoping Plan is only a roadmap, we also recognize that it will serve as a template for efforts throughout the world and will profoundly shape further actions in California. We encourage the CARB board and staff to resolve the issues described above before approving the Scoping Plan. Through careful attention to the issues described above, CARB can create a greenhouse gas emission reduction program that is an effective, efficient, and fair model for governments around the world. We look forward to working with CARB, other state and local agencies, and the Legislature to fulfill the promise of AB 32 and protect California's future.

Sincerely,



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