Public Workshops
On the Development of the Cap-and-Trade Auction Proceeds Investment Plan

The State of California invites you to participate in a public workshop to provide input on the development of an investment plan for the auction proceeds from the Cap-and-Trade program to reduce greenhouse gases (GHGs). The workshop will be held in three locations as indicated below; each workshop will cover the same topics.

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Workshop Location</th>
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<tbody>
<tr>
<td>Tuesday, February 19, 2013</td>
<td>5 pm – 8 pm</td>
<td>Mariposa Mall Building – Room 1036, 2550 Mariposa Mall, Fresno, California 93721</td>
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<tr>
<td>Monday, February 25, 2013</td>
<td>3 pm – 6 pm</td>
<td>California Environmental Protection Agency Byron Sher Auditorium, 2nd floor, 1001 I Street, Sacramento, California 95814</td>
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<tr>
<td>Wednesday, February 27, 2013</td>
<td>4 pm – 7 pm</td>
<td>Ronald Reagan Building - Auditorium, 300 South Spring Street, Los Angeles, California 90013</td>
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**Background.** Assembly Bill (AB) 32, the California Global Warming Solutions Act of 2006, requires California to reduce statewide GHG emissions to 1990 levels by 2020 and to maintain and continue reductions beyond 2020. As part of this effort, the Air Resources Board (ARB) has developed a Cap-and-Trade program that limits statewide emissions from sources responsible for 85 percent of GHGs and creates a financial incentive for clean and efficient technologies. Under the program, a portion of the allowances required for compliance are auctioned. The State portion of the proceeds from these auctions will be used to fund projects to reduce GHG emissions.

In September 2012, the Legislature passed and Governor Brown signed into law two bills – AB 1532 (Pérez, Chapter 807) and Senate Bill (SB) 535 (De León, Chapter 830) – that together establish a framework for developing an investment plan for projects and programs to be funded with Cap-and-Trade auction proceeds. SB 535 further requires that 25 percent of the proceeds that will be expended benefit disadvantaged communities and at least 10 percent of the proceeds expended be invested in projects located within those communities.

The Department of Finance (Finance), in consultation with the ARB and other state entities, will develop and submit to the Legislature a three-year investment plan for the auction proceeds. The investment plan will identify the State’s GHG goals and priority programs for investment of proceeds to support achievement of those goals.
The Proposed State Budget for 2013-14 includes a brief discussion of Administration priorities for investment, emphasizing investments in the transportation and energy sectors from which large reductions in GHG emissions are possible.

**Public Process.** These workshops will provide a public forum to solicit public input during the development of the investment plan. Following the subsequent release of a draft investment plan, ARB will hold a public hearing to discuss the draft plan this Spring (tentatively scheduled for April 25-26, 2013). Finance will submit the final plan to the Legislature in May 2013. Funding will be appropriated to State agencies by the Legislature and Governor through the annual Budget Act, consistent with the plan.

**Workshop Format.** Each workshop will include the elements shown below. We ask that those individuals wishing to provide public comment focus on investments to expand existing programs, rather than creating new programs, for this first plan.

| 20 min | Welcome and overview *(Administration Staff)*  
| • Investment priorities  
| • Schedule, roles, and process  
| • Identification of disadvantaged communities for investments |
| 35 min | Existing Programs for Potential Investment *(State Agencies)*  
| • Clean Transportation, Mass Transit, and Sustainable Communities  
| • Energy Efficiency |
| 120 min | Public Comment *(individual time will be limited to accommodate all speakers)* |
| 5 min | Wrap Up and Next Steps |

In addition to the transportation and energy efficiency areas identified above, areas to be examined during the planning process include sustainable agriculture practices (including the development of bioenergy), forest management and urban forestry, and the diversion of organic waste to bioenergy and composting. In these areas, the Administration seeks feedback on programs for potential investment that complement investments in transportation and energy efficiency.

Additional materials will be posted shortly before the first workshop at:  
http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/auctionproceeds.htm

**Written Comments.** Interested members of the public may also provide written comments by March 8, 2013 via electronic submittal at:  

**Notices for Future Meetings and Materials.** If you would like to receive notices of future meetings and the availability of materials, please sign up for our list serve at:  
http://www.arb.ca.gov/listserv/listserv_ind.php?listname=auctionproceeds

**Special Accommodation.** If you require a special accommodation or need this document in an alternate format (i.e. Braille, large print) or another language, please contact Ms. Heather Jackson at (916) 322-8267 or hbjackso@arb.ca.gov as soon as possible, but no later than 10 business days before the scheduled meeting. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

**Contact.** If you have any questions, please contact Ms. Shelby Livingston, Manager, ARB, at slivings@arb.ca.gov or (916) 324-0934.