



Linda S. Adams  
Secretary for  
Environmental Protection

# Air Resources Board

Mary D. Nichols, Chairman  
1001 I Street • P.O. Box 2815  
Sacramento, California 95812 • [www.arb.ca.gov](http://www.arb.ca.gov)



Arnold Schwarzenegger  
Governor

## AB 32: California Global Warming Solutions Act of 2006 Public Meeting: Use of Allowance Set-Asides in a Cap-and-Trade Program

**Topic and Purpose:** The California Air Resources Board (ARB) seeks your input on the possible use of “allowance set-asides” as part of the California cap-and-trade program. In a cap-and-trade regulation, a portion of the allowances might be set aside in a reserved pool for such purposes as rewarding early actions to reduce emissions; providing incentives for local governments and others to promote energy efficiency, better land use planning, and other emission reduction strategies; and targeting projects to reduce emissions in low-income or disadvantaged communities. Such allowances could be retired or distributed to those reducing emissions.

At this meeting, staff will describe two approaches for using set-aside allowances in the cap-and-trade program. One approach would provide allowances to those who take actions to reduce greenhouse gas emissions. These allowances would provide recognition or incentives for certain greenhouse gas emission reduction activities. For purposes of discussion, staff will use energy efficiency to illustrate this approach. A second approach would be to retire allowances based on documented emission reduction activities. Staff will use voluntary renewable energy as an example of this approach.<sup>1</sup> ARB invites stakeholders to explore other approaches during the course of the discussion.

### **Where and When is the Meeting?**

This meeting will be held at Cal/EPA Headquarters in Sacramento and will also be webcast.

Date: Monday, May 18, 2009  
Time: 1:30 p.m. to 4:30 p.m.  
Location: Sierra Hearing Room, 2<sup>nd</sup> Floor  
Address: Cal/EPA Headquarters Building  
1001 “I” Street  
Sacramento, CA 95814

**[WEBCAST LINK](#)** (see details below)

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<sup>1</sup>ARB staff discussed the use of set-asides for voluntary early actions at its public meeting on March 10, and therefore this topic will not be discussed at this meeting.

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.*

California Environmental Protection Agency

All Interested Parties

May11, 2009

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### **More Information on Public Meetings**

This meeting continues discussion on the development of a cap-and-trade program. ARB is posting these and other public meetings to discuss program design issues on our website at: <http://www.arb.ca.gov/cc/capandtrade/capandtrade.htm>.

### **Meeting Materials**

ARB will post meeting materials and an agenda prior to this meeting at <http://www.arb.ca.gov/cc/capandtrade/meetings/meetings.htm>. At this website, you may also join our electronic mailing list to receive further notices of ARB activities and public meetings related to the implementation of AB 32.

### **Can't Make It to the Meeting?**

ARB will webcast this meeting. Viewers can email written comments or questions during the session to [ccworkshops@arb.ca.gov](mailto:ccworkshops@arb.ca.gov). Webcast links are posted at <http://www.calepa.ca.gov/broadcast/>. ARB recommends that you do not run other programs while viewing the webcast, as it may interrupt or lower the quality of the signal.

### **Directions to Cal/EPA**

There are many ways to arrive at the Cal/EPA Headquarters Building. We encourage you to take public transportation or drive low emission/high efficiency vehicles whenever possible. Use the following link for directions and information on public transit: <http://www.calepa.ca.gov/EPAbldg/location.htm>

### **Special Accommodations or Language Assistance**

Please contact Claudia Orlando at (916) 322-7492 or [corlando@arb.ca.gov](mailto:corlando@arb.ca.gov) as soon as possible if you require special accommodations or language needs. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

### **We Value Your Input**

We welcome and encourage your participation in this important effort. If you have any questions, please contact Claudia Orlando, ARB Office of Climate Change, at (916) 322-7492 or [corlando@arb.ca.gov](mailto:corlando@arb.ca.gov).

Sincerely,

Kevin Kennedy, Chief  
Program Evaluation Branch  
Office of Climate Change