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11-8-1

Resolution Concerning AB-32 Implementation
Proposed by USW to CARB

Whereas the State of California is faced with adverse economic times with unemployment levels exceeding 12.1%; and

Whereas a 10% reduction in free allowances at the start of the program has the potential to disadvantage medium and small size refineries and could lead to loss of refinery jobs in a state already suffering double digit unemployment and weaken in-state manufacturing while contributing to leakage of jobs to competitors outside the state; and

Whereas the 10% reduction in free allowances selectively increases the operating costs to only some companies and as a result provides a direct economic benefit in the marketplace to the others operating within the State; and

Whereas the impact of a 10% reduction to some of the 15 refineries and not others is not in the best interest of protecting jobs in California and may put at risk a consistent and comparatively priced supply of clean fuels for California consumption and create an energy and security risk from foreign imports due to supply shortages.

Now Therefore, Be it Resolved that the Board approves the Cap and Trade program with the express proviso that companies will receive 100% free allowances in the first and second compliance period (2013-2017), less the required annual cap reduction, and this will be implemented in regulation by establishing energy efficiency benchmarks at sector average as opposed to 90% of sector average or other value lower than 100% of sector average, and where no company will receive greater than 100% allowances, and where competitive impacts between in-state companies are eliminated, and

Now Therefore, Be it be Further Resolved: The Board approves the Cap and Trade program with the express proviso that all companies get free allowances during the first and second compliance period (2013-2017).; and all sections in the regulation citing any reduction in free allowances (e.g., Sub-article 9 and following) shall be revised to show 100% free allowances for the period 2013-2017; and:

Be it Finally Resolved: In 2012, the ARB Staff shall develop a public process to quantitatively evaluate the appropriate level for reduction of free-allowances to in-state manufacturers as the program moves forward. This will include further evaluation of trade exposure.

Respectfully Submitted by the United Steelworkers International Union, District 12