

December 3, 2007

California Air Resources Board
1001 "T" Street
Sacramento, CA 95812

Re: Support for proposed AB 32 global warming pollution cap in 2020

Dear Chair Nichols and Members of the California Air Resources Board,

The undersigned organizations offer this letter in support of the proposed 2020 greenhouse gas (GHG) emissions limit of 427 million metric tons of carbon dioxide equivalent. This pollution limit is a critical foundation of AB 32, and will guide the California Air Resources Board's (CARB) development of the package of policies necessary to effectively implement AB 32.

We commend the California Air Resources Board (CARB) staff for conducting a thorough review of the state's existing GHG inventories to develop the proposed 2020 cap through an open public process under significant time constraints this year. Further, we applaud the California Energy Commission for its leadership over many years in developing California's GHG inventory.

Many of the undersigned organizations have previously submitted comments on the draft inventory, and we appreciate CARB staff's efforts to address many of our comments. Each of our organizations continues to support its previous remaining comments. We generally support the methodological approaches CARB used in developing the 1990 emission inventory, and our comments here focus on the process going forward.

First, we urge CARB to provide as much certainty as possible about the 2020 emissions cap. Since all of the policies to implement AB 32 will be based on meeting the 2020 cap, and certainty in the design of those programs is essential to enable long-term investments in emission reduction technologies, it is imperative that the 2020 cap remain stable. The November 16th staff report states that "If additional information becomes available that would significantly alter the total emissions for 1990, staff will bring a revised 1990 emissions level back to the Board for consideration." We agree that revisions to the cap should only be made if they are significant, and **we urge CARB to provide further definition around what would constitute a "significant" change to provide added certainty about the 2020 cap.** In particular, we urge CARB to clearly state that it will not revise the 2020 cap if changes would be less than 5 or 10 million metric tons of carbon dioxide equivalent (i.e., one or two percent), and that CARB will aim to keep any changes to an absolute minimum in order to provide certainty.

In addition, we urge CARB to primarily focus its staff's efforts on designing programs to reduce emissions going forward, rather than expending further significant effort trying to increase its understanding of emissions seventeen years ago. There will always be limitations on the state's knowledge of what emissions were long ago, and our focus should be on the future. Importantly, the fact that the state's data on the past is imperfect should not in any way constrain the state's ability to improve the inventory or reporting methodologies going forward. **We urge CARB to explicitly state that the design of regulatory programs will not be constrained by the methodology used to develop the 2020 cap, and that future inventory methods will be continually improved and not constrained by those methods available to set the 2020 cap.**

Finally, we understand that although the staff report provides a preliminary estimate of the "business as usual" (BAU) emissions forecast in 2020, CARB staff plans to refine the estimate as part of the scoping plan process. The BAU forecast is essential because it determines the approximate level of emission reductions the state must achieve in order to meet the 2020 limit. **We urge CARB to release a draft of a detailed BAU forecast for public comment as soon as possible**, and to conduct a sensitivity analysis around key input assumptions (e.g. population and economic growth) to determine the range of emission reductions that will be needed to ensure the 2020 cap is met. We look forward to continuing to work with CARB staff throughout the scoping plan process.

In conclusion, we appreciate CARB's time and hard work throughout the year in developing the proposed 2020 global warming pollution limit, and we urge you to adopt the limit on December 6.

Sincerely,

Devra Wang
Natural Resources Defense Council

Bonnie Holmes-Gen
American Lung Association of California

Bill Magavern
Sierra Club-California

Jason Barbose
Environment California

Timothy O'Connor
Environmental Defense

cc: Linda Adams, Secretary, California Environmental Protection Agency
Eileen Tutt, Deputy Secretary External Affairs, California Environmental Protection Agency
James Goldstene, Executive Officer, CARB
Chuck Shullock, Program Manager for GHG Reduction, CARB
Richard Bode, Chief, Emissions Inventory Branch, CARB
Jackalyne Pfannenstiel, Chair, California Energy Commission
Gerry Bemis, California Energy Commission