

CARB Public Hearing: Recommendations for Designing a Greenhouse Gas Cap-and-Trade System for California

**SCAQMD Staff Comments
July 27, 2007**



Key Messages

- Adequate lead time is needed to establish emission protocols, MRR, and enforcement tools
- Allowances should not be property right
- A cap-and-trade program is not easier to manage than traditional approaches

Recommendations – Trading

- CARB must collect and monitor price information and require joint registration
- Reduce banked credits before 2020 and 2050 to ensure milestones are met
- Consider limiting initial trading to CA with price trigger for offsets outside state

Recommendations - Implementation

- Require facilities to plan
- Ensure monitoring, reporting, trade verification
- Maximum 1-year compliance period
- Strengthen penalty provisions

Recommendations - Other

- Consider giving 'free' allocations based on current activity and BACT levels, balance needed purchased through auction
- Provide incentives for projects in EJ and non-attainment areas
- Directly regulate landfill emissions

Summary

- SCAQMD staff supports the use of cap-and-trade programs as one of the tools to reduce GHG
- Recommend Enforcement Working Group