



November 4, 2016

Rajinder Sahota
Branch Chief
California Cap-and-Trade Program
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Comments in response to the October 21, 2016 Cap-and-Trade Regulation Amendments Workshop

Dear Ms. Sahota:

A-Gas Americas, Inc. is one the nation's largest reclaimers of refrigerant gasses and a developer of carbon offsets for California's Cap-and-Trade program. A-Gas owned companies have multiple locations across the country, including 6 in the State of California. We have developed millions of CCOs from the voluntary destruction of harmful CFCs gasses. California's Cap-and-Trade program is responsible for the permanent removal of Ozone Depleting Substances that continue to be used in aging equipment in California and across the US.

We would like to offer the following comments:

- 1. GHG emission reductions and Criteria Pollutant reductions are distinctly separate issues.** The various air districts in California have plans in place to reduce criteria pollutants and the effectiveness of those plans should be considered, but not relied on, while looking at changes to the completely different goals of reducing GHG emissions.
- 2. California has an ambitious goal of reducing GHG emissions by 2030 and beyond.** The continued use of a Cap-and-Trade system in California is an important tool to be used to help reach these goals. A well designed Cap-and-Trade system is the most cost effective way to guarantee GHG emission reductions. It should not be considered the only tool, but an important one. A carbon tax does not guarantee reductions like a declining cap does, it will adversely affect the disadvantaged communities as they will also be subject to higher costs on many things with no guarantee of GHG emission reductions.

3. **California has always been a leader when it comes to Environmental regulations.** There is an old saying; “as California goes, so does the rest of the country”. Because of California’s leadership on the issue of Climate Change, we now see other US States and Canadian Provinces following suit. This leadership needs to continue in order to bring the rest of the US, and the World into this type of thinking. After the passage of the landmark bill AB32, California was help as the gold standard. The current cap-and-trade system covers multiple sectors of the economy, calls for deep cuts, and is successful, any attempts to stifle the market could have unforeseen adverse effects.

4. **Offsets are an integral aspect of California’s long-term strategy to mitigate climate risks.** Carbon is a global pollutant and climate risk to California is not jurisdictionally constrained to reductions within the state. Through the facilitation of and influence on global carbon market partnerships, California’s offset program has influenced and will lead to additional GHG emission reductions both at within and beyond state borders. In addition, offsets incentivize climate action and investments for non-covered sectors – some of which are located in disadvantaged communities – while broadly increase clean technology adoption rates.

We understand some of the legitimate concerns that people have with offset projects, particularly those that don’t see their benefits directly in their back yards. As a company, we are heavily invested in offset projects and deeply committed to them going forward because we care about the environment and we are trying to be part of the solution. Offset projects are mistakenly lumped in with some of the very serious air problems facing many communities in California, and we feel that should not be the case. We are honestly trying to help solve a problem that is being addressed by one program, in an arsenal of air quality and climate change programs throughout the State.

The offsets that we generate are Real, Permanent, Verifiable, and Additional. We would not be destroying millions of lbs of valuable CFCs if it were not for this program, and many of the projects that we undertake provide other benefits to multiple communities in the US including in California.

We look forward to continuing to work with ARB to provide feedback and help strengthen this extremely valuable program. If you have any questions please do not hesitate to contact me at any time.

Sincerely,

Jonathan Stack
Vice President of Environmental Services