



DATE: July 7, 2016
TO: California Air Resources Board
FROM: Ryan Schuchard, Policy Director
RE: Scoping Plan Concept Paper

CALSTART appreciates this opportunity to comment on the Scoping Plan Concept Paper.¹

Continuity with Cap-and-Trade is the Best Course of Action

Among the four concepts presented, we recommend concept #1, “Complementary Policies with a Cap-and-Trade Program.” We find concept #1, which is the only concept that continues Cap-and-Trade, to be the most attractive for several reasons:

1. Cap-and-Trade has shown to be effective at reducing greenhouse gas emissions. Achieving the deep reductions needed without Cap-and-Trade will require certain command-and-control measures that are likely to be less flexible.
2. Promoting stable, consistent policy signals is good for California's economy and the many clean energy investments that have been made and need to be made. Departing from Cap-and-Trade could spell trouble for investor confidence in California and the state's prospects for achieving its climate goals.
3. In large part because of Cap-and-Trade, California has developed a burgeoning clean transportation technology industry that is creating jobs, drawing in private sector investment, and on the way to becoming a meaningful source of exports. With Cap-and-Trade, significant growth opportunities lie ahead.

In summary, we view Cap-and-Trade as instrumental for supporting the technological advances needed to achieve California's goals for 2030 and beyond. Concepts #2-4 have various measures that could offer benefits, but Cap-and-Trade is centrally important.

Clean Transportation is one of California's most Important Assets

Transportation is California's largest source of GHG emissions. Furthermore, investments in clean transportation provide some of the greatest air quality benefits of any sector, and clean transportation technologies have the potential to create some of the most lasting positive impacts in disadvantaged communities. Therefore, whatever concepts (or combination of concepts) is chosen, the Scoping Plan should place a strong priority on accelerating the development and deployment of clean transportation technologies through strong standards and targeted incentive funding.

The Low Carbon Fuel Standard is Vital

It is appropriate that the Low Carbon Fuel Standard (LCFS) is included in all scenarios. Without a decarbonization of fuels under the LCFS, California will likely be unable to realistically meet its 2030 targets. Also, all sectors—including fuel— need to contribute to reductions in order to avoid placing undue burdens on other sectors. Fortunately, there is a wide base of support for the LCFS among fuel providers and fuel users that are committed to delivering the clean fuels needed under LCFS.² We urge the ARB to strive for having a strong LCFS program through 2030 no matter which concept is chosen.

¹ From http://www.arb.ca.gov/cc/scopingplan/document/2030_sp_concept_paper2016.pdf.

² See, for example, recent letters of support from fuel producers and transit agencies at www.calstart.org.

Clean Transportation Technologies and Solutions

www.calstart.org

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