

October 16, 2018

Mr. Richard Corey
Executive Director
California Air Resources Board
1001 I Street
Sacramento, California 95814

RE: PROPOSED AMENDMENTS TO THE CALIFORNIA CAP ON GREENHOUSE GAS EMISSIONS AND MARKET-BASED COMPLIANCE MECHANISMS REGULATION – Adjustments to Table 9-2 of the Cap-and-Trade Regulations Required by AB 32

Dear Mr. Corey:

Thank you for the opportunity to comment on the amendments to the Cap-and-Trade Regulations, 17 Cal. Code Regs. § 95800 *et seq.* proposed by the California Air Resources Board on September 4, 2018. The California Manufacturers & Technology Association (CMTA) submits the following statement as part of a larger set of comments that will follow prior to the October 22, 2018 deadline set forth in the 45-Day Notice.

Flat glass manufacturing should be included on the list of industries in Table 9-2 of the Regulations receiving a lower cap adjustment factor for industrial assistance because there are a limited number of facilities in California and they are at significant risk of leakage.

California flat glass manufacturers employ state-of-the-art technology to produce glass for buildings and other applications near and far. From the Salesforce Tower in San Francisco to the Burj Khalifa Tower in Dubai, this California manufactured flat glass finds its way onto some of the most iconic buildings around the world. However, these same companies face global competition for the flat glass market from companies that do not face similar carbon emission reduction mandates. Moreover, the compliance burden imposed by the cap-and-trade program falls particularly hard on companies like Guardian because the high temperatures required to produce flat glass limits opportunities for emissions abatement.

With less than 450 employees in the industry, steps should be taken now to ensure the longevity of the industry in California and striving to ensure a smaller environmental footprint of the industry. Adding flat glass manufacturing to the list of industries receiving a lower Cap Adjustment Factor, as in Table 9-2 of the proposed amendments to the Cap-and-Trade regulation helps prevent emissions leakage and maintain a California manufacturing base.

We appreciate your consideration.

Sincerely,


Michael Shaw