



July 8, 2016

Ms. Rajinder Sahota, Branch Chief
Climate Change Program Evaluation Branch
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: 2030 Target Scoping Plan Update Concept Paper

Dear Ms. Rajinder Sahota,

On behalf of the undersigned organizations we are pleased to provide our comments on the draft Concept Paper for the 2030 Target Scoping Plan Update. We strongly support the state's commitment to reduce greenhouse gas (GHG) emissions to 40% below 1990 levels by 2030 and 80% below 1990 levels by 2050. These aggressive targets are needed to avoid the worst consequences of climate change.

There is much to applaud in the concept paper, including the overarching goal to support integrated strategies and the continued support for including natural and working lands as a strategy to reduce GHGs. The conservation and restoration of natural and working lands have the co-benefit of GHG reduction, improvement of human health and improving wildlife habitat. Investments put toward forests, wetlands, deserts, rangelands, urban forestry, agricultural lands, and urban greening will not only help us meet our 2030 climate goals but also make California a better place for us all to live now and well into the future.

With regard to the concept policies of 2030 targets we have a few suggestions, as follows:

1. Continue Existing Programs to Reduce GHG Emissions to 2030 Targets

The state's "portfolio approach" to GHG reductions -- a mix of direct regulation and market-based mechanisms -- has been working well, and we continue to support a cap and trade program as the state's market-based mechanism to mitigate emissions. We prefer a cap and trade program because it provides certainty (i.e., a "cap") regarding emissions quantity. This allows industry to

plan ahead to phase out GHG emissions and encourages innovation in order to meet targets. If a company has trouble reducing their emissions under this system, cap and trade offers the flexibility of purchasing extra allowances, while rewarding those companies that emit less. Any funds generated from the auction of permits should continue to be invested in programs that further reduce GHG emissions, like the conservation and management of natural and working lands.

While a carbon tax may also help reduce GHG emissions, it raises multiple concerns. Unlike a cap and trade program, a carbon tax does not provide a declining cap on emissions. The switch in programs would also undermine the progress currently being made by the existing program, as it would be a clear market signal to emitters that cap and trade program would not continue beyond 2020 and discourage investments. And a carbon tax would also need time to be developed and implemented, delaying GHG reductions California might otherwise achieve by maintaining the current program.

2. Quantify GHG Reduction Goals by Setting Sector-Specific Targets

To the extent possible, the California Air Resources Board (ARB) should quantify the amount of GHGs to be reduced in all sectors. Setting targets in each sector will ensure effective strategies and accountability to achieve GHG reduction goals.

Furthermore, the natural and working lands sector should be fully descriptive on what each of those goals are under the concept strategies. While specificity is provided for forest lands restoration here (and for urban forestry in the discussion paper for California's Climate Change Vision and Goals for Natural and Working Lands) "Land preservation policies" and "Increase habitat acreage protected or restored" is vague.

3. Augment the Role of Natural and Working Lands in Meeting California's 2030 Targets

The conservation and restoration of natural and working lands is one of the most cost-effective ways to reduce GHG emissions per ARB's California Climate Investment 2016 Annual Report.¹ Investments in forest health, dairy digesters, organic compost, forest legacy, delta and coastal wetlands, mountain meadows, and urban and community forestry were the lowest cost of

¹ See PDF: http://arb.ca.gov/cc/capandtrade/auctionproceeds/cci_annual_report_2016_final.pdf; also see Legislative Analyst's Office Cap-and-Trade Report presented to Assembly Budget Subcommittee No.3 On Resources and Transportation; <http://www.lao.ca.gov/Publications/Report/3445>

investment per ton of GHG reduced.² Further, investments in the conservation and restoration of natural and working lands to lower GHG emissions is a way the state can incentivize programs not already encouraged to reduce emissions under the cap and trade program. Continued inclusion and augmentation of natural and working lands into a 2030 strategy is one of the safest investments the state could make for GHG reductions and public benefits.

Conclusion

Thank you for the opportunity to comment and for ARB's leadership on this important issue. The undersigned organizations look forward to participating in this process as the next steps take shape. Please let us know if you have any questions.

Sincerely,

Joshua Hanthorn
California Program Associate
Defenders of Wildlife

Chuck Mills
Director of Public Policy and Grants
California Releaf

Michelle Passero
Senior Climate Policy Advisor
The Nature Conservancy

Juan Altamirano
Associate Director of Policy
Audubon California

² *Id.*