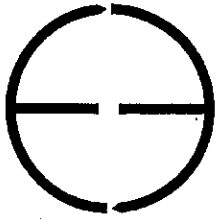


Mikhael Skvarly

17-12-1



California Council for Environmental and Economic Balance

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December 13, 2017

The Honorable Chair & Board Members
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: 2017 Climate Change Scoping Plan Update: The Proposed Strategy for Achieving California's 2030 Greenhouse Gas Target ("2030 Scoping Plan")

Dear Chair Nichols and Board Members:

On behalf of the members of the California Council for Environmental and Economic Balance ("CCEEB"), we submit the enclosed comments on the 2030 Scoping Plan. CCEEB is a non-profit and non-partisan coalition of business, labor, and public leaders that advances balanced policies for a strong economy and a healthy environment. Many of our members are regulated under climate change programs at the Air Resources Board ("ARB"), and CCEEB has been an active stakeholder throughout ARB's implementation of AB 32 and SB 32.

CCEEB Broadly Supports the Update to California's Climate Change Scoping Plan

CCEEB strongly supported the legislative extension of California's successful Cap-and-Trade Program and broadly supports the 2017 Climate Change Scoping Plan Update, which incorporates the Cap-and-Trade Program as a key measure for reaching California's long-term climate goals.

ARB, with robust public input and strong collaboration with stakeholders, has spent the last decade developing an environmentally effective and economically efficient Cap-and-Trade Program. CCEEB believes, and ARB analysis supports, that a well-designed Cap-and-Trade Program as the centerpiece of the Scoping Plan remains the best approach to achieve the 2030 target set by Executive Order B-30-15 and codified by SB 32.

Cap-and-Trade has achieved full compliance and is on track to meet program goals through 2020. It has done so by directing the most efficient reductions among "capped" entities, while providing an important funding mechanism for GHG reductions that either cannot be directly regulated, or through advanced development and deployment of new, lower-carbon technologies and systems.

Additionally, Cap-and-Trade has successfully facilitated linkages and partnerships to other jurisdictions and serves as a groundbreaking model program on an issue that requires global action. California has formal linkage agreements with the Provinces of Québec and Ontario and partnership agreements with Acre, Aguascalientes, Baja California, Beijing, Chiapas, Chongqing, British Columbia, Guangdong, Jalisco, Jiangsu, Shenzhen, Sichuan, Inner Mongolia, Osaka, Zhenjiang, Chile, France, India, Israel, Japan, Malaysia, Mexico, Kingdom of the Netherlands, Peru, Scotland, and South Korea. While the preponderance of GHG reductions from California's climate policies occur within California, these agreements help prompt much needed international action, needed now more than ever as federal climate programs are under attack. To mitigate GHG emissions and avoid catastrophic effects from climate change, it is imperative that California's strong policies be exported to other states, jurisdictions, and national governments. Without such cooperation, California's economic investments will not pay the hoped for environmental dividends.

Fundamentally, CCEEB supports the 2017 Scoping Plan Update, which combines modifications to existing mandates with the flexibility and cost-effectiveness of Cap-and-Trade to put California on a reasonable path to achieving its ambitious climate goals.

Additional Input on California's Evolving Climate Portfolio

CCEEB appreciates the extensive work done by ARB staff to put together the 2017 Scoping Plan Update as well as staff's responsiveness to stakeholder questions and input throughout this multiyear process. We laud the ARB for its interactive approach with CCEEB and the broad array of stakeholders affected by California climate policies.

Any plan as substantial as this proposal will invite additional comment even after considerable refinement. CCEEB offers the following input as important considerations as the Scoping Plan is adopted and associated policy decisions are made by California's regulatory bodies.

Estimated Electric Sector Emissions: The "electric power" range in Table 3: Estimated Change in GHG Emissions by Sector should be modified to reflect the emissions level from the Proposed Scenario, consistent with the other covered sectors in the table. ARB considered more aggressive electric sector measures in the rejected Alternative 1, which does not include a Cap-and-Trade Program and relies on new and enhanced direct regulation that would have produced lower electric sector emissions in its modeling. Including the emissions impacts of measures that have been explicitly considered and rejected in Table 3 is inconsistent and creates a skewed cross-sector comparison of estimated reductions. Additionally, associated Footnote 67 should indicate that while the "CEC and CPUC are proceeding with their respective IRP processes using this range, the appropriateness of deeper electric sector reductions beyond the Proposed Scenario will be examined through a transparent public process and with consideration of California's environmental and economic goals in 2018." This change, along with the suggested correction to Table 3, provides a more accurate picture of the current policy landscape and ARB's Scoping Plan Scenario without presupposing yet-to-be determined potential changes to electric sector mandates.


The Scoping Plan must accurately reflect California's policy landscape and any incremental measures ARB is proposing to realistically chart a course to reaching the State's 2030 GHG goal. While the electric sector has outperformed other sectors in the past with regard to reducing emissions and may have the potential to over-perform in the future, this potential should not be assumed to occur in the absence of existing law or regulation or a proposed measure from ARB.

Conclusion

In closing, CCEEB believes there is a great opportunity for California to lead global efforts on climate change through the adoption of a 2030 Scoping Plan that places Cap-and-Trade as the centerpiece of State programs, with an accurate representation of sectoral emission reduction policies.

Thank you for your consideration of our comments. We look forward to discussing our comments with you at your convenience. Please contact me or Jackson R. Gualco, Kendra Daijogo or Mikhael Skvarla, CCEEB's governmental relations representatives at The Gualco Group, Inc. at (916) 441-1392 should you have any questions or comments.

Sincerely,


GERALD D. SECUNDY
President

cc: Mr. Richard Corey
Ms. Edie Chang
Ms. Rajinder Sahota
Mr. Jakub Zielkiewicz
Ms. Sara Nichols
Ms. Stephanie Kato
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