April 24, 2013

Mary Nichols,

Chairperson

California Air Resources Board

1001 I Street

Sacramento, CA 95184

***Re: Local Governments’ Proposal for CARB Auction Revenue Investment Plan***

Dear Ms. Nichols,

On behalf of the undersigned associations, as well as the many cities, counties and special districts we been working with, we respectfully request that you include in the Cap-and-Trade Auction
Proceeds Investment Plan (Investment Plan) our collectively developed proposal for investing cap and trade auction revenue in local governments. We appreciate that your Draft Cap-and-Trade Auction Proceeds Investment Plan (Draft Investment Plan) lists local governments as eligible recipients for several of the potential funding categories; however, we strongly support a more clearly defined role for local governments.

The underlying principle of our proposal is that the state would be best served if it employed local governments as a delivery tool for a range of investments, and that the Investment Plan should create a Local Emission Reduction Program for local governments to access a portion of the funds generated from the Cap and Trade auctions. The Local Emission Reduction Program would focus investment opportunities for local governments into a centralized category (outside of transportation specific investments), maximizing greenhouse gas emissions (GHG) reductions while providing for effective coordination amongst local and regional partners.

Local governments are already engaged in many of the same type of GHG reduction activities contemplated in the Draft Investment Plan as wells as the Governor’s Budget such as sustainable communities and clean transportation, energy efficiency and clean energy, and natural resources and waste diversion. Within these categories, local governments are best suited to identify and implement projects to reflect local needs, leverage other funding and achieve the greatest reductions of GHGs. Local governments have already developed programs that improve energy efficiency, divert waste, increase urban greening, upgrade fleets and facilities, and plan for cleaner more efficient communities, but funding to continue these projects is dwindling.

Our coalition would like CARB and the Administration to create an effective approach to maximize GHG reductions and propel California forward by authorizing auction revenues to be allocated for the purpose of providing grants to local governments for implementation of a wide variety of GHG reducing projects.

We respectfully request that you consider this program when finalizing the Investment Plan so that local governments can continue helping California meet the goals of AB 32.

Sincerely,



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| Cara MartinsonAssociate Legislative Representative, California State Association of Counties | C:\Users\MFenstermaker\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.Outlook\ABF96A1Z\Kate Meis.png Kate Meis,Associate Director, Local Government Commission | Jason White Legislative Representative, League of Cities |