

BICEP Members:

Adobe
Annie's Inc
Aspen Skiing Company
Autodesk
Aveda
Ben & Jerry's
Burton Snowboards
CA Technologies
Clif Bar & Company
Dignity Health
eBay Inc.
Eileen Fisher
Etsy
Fetzer Vineyards
Gap Inc.
General Mills, Inc.
Hackensack Meridian Health
IKEA
JLL
Kaiser Permanente
KB Home
The Kellogg Company
L'Oreal USA
LBrands
Levi Strauss & Co.
LinkedIn
Mars Incorporated
Microsoft Inc.
Nature's Path Foods
Nestle
New Belgium Brewing
Nike, Inc.
The North Face
Outdoor Industry Association
Owens Corning
Patagonia, Inc.
Portland Trail Blazers
Salesforce
Seventh Generation
SFO
Sierra Nevada Brewing
Squaw Valley
Starbucks
Stonyfield Farm
Symantec Corporation
Timberland
Unilever
Vail Resorts
VF Corporation
Vulcan, Inc.
Worthen Industries

October 22, 2018

Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, California 95814
Via: electronic submittal

Re: Proposed Amendments to the California Cap on GHG Emissions and Market-based Compliance Mechanisms Regulation

Dear California Air Resources Board Members,

On behalf of major U.S. businesses representing over \$587 billion in annual revenue, I write to express our support to amend the Cap-and-Trade Regulation to make the Program consistent with AB 398 requirements. A strong Cap-and-Trade program, in conjunction with California's other key climate programs, such as the Low Carbon Fuel Standard, is critical to meeting the state's 2030 greenhouse gas (GHG) reduction goals.

Business for Innovative Climate and Energy Policy (BICEP) is a coalition of leading businesses, including many California-based companies such as Levi Strauss & Co., eBay, Autodesk, and Dignity Health. BICEP members recognize the economic opportunities associated with tackling climate change and the costs of inaction. They are committed to working with policymakers to pass meaningful energy and climate legislation and regulation that will help the nation rapidly transition to a low carbon, 21st century economy.

California's Cap-and-Trade program has a track record of successful compliance and has proven an excellent backstop for the state's GHG mitigation program ensuring California will meet its current climate goals. The Cap-and-Trade program and complementary air quality measures are crucial to the state's powerful toolbox to reduce emissions, maintain market certainty, increase economic vitality and ensure all Californians have access to healthy air.

The proposed amendments provide a reasoned approach to ensure consistency with AB 398. In particular, the proposed price ceiling and combination of cost containment measures strike a



Sustainability is the bottom line.

good balance to drive emission reductions while providing a “safety valve” if something unforeseen with the market occurs.

California’s Cap-and-Trade Program is working. The Program has become an integral part of the economy, stirring innovation and building new industries. Further, California’s demonstrated success in addressing climate pollution in the world’s 5th largest economy is critical for inspiring similar action around the globe. We urge the Board to adopt the proposed amendments to ensure the Program continues to drive down emissions in a cost-effective manner.

Sincerely,

Anne Kelly
Senior Director, Policy and BICEP Network
Ceres
On behalf of Ceres BICEP Network [Business for Innovative Climate & Energy Policy]