**Date: October 22, 2021**

**Subject: Comments on 2022 Scoping Plan – Scenario Inputs**

These comments and recommendations are submitted following up on the 9/30/2021 workshop on “2022 Scoping Plan Update – Scenario Inputs Technical Workshop”. Per the meeting notice “the purpose of the modeled scenarios is to illustrate the effectiveness of deploying different technologies and clean energy in achieving the state’s climate goals”.

My views are based on my experience working at the U.S. Environmental Protection Agency for 40 years in the air program, the last 21 of those years with a focus on environmental justice and civil rights, in particular Title VI of the 1964 Civil Rights Act. During my time at EPA I was involved in every EPA air trading policy and program from 1979 to 2019. I also took part in the first ever federal audit of the South Coast RECLAIM cap and trade program, at the time the most complex and evolved cap and trade program in the U.S., revealing several challenges and performance issues which in hindsight can be seen as endemic to cap and trade programs, including the current AB 32 program.

According to the authorizing legislation and numerous statements by State officials, among the goals of the AB 32 program are environmental justice, public health and protection against adverse local community impacts. These comments go to the issue of how the *effectiveness* of the State’s approach in addressing these goals should be considered and addressed.

1. **Scope and variety of scenarios.** A broad enough range of scenarios and mixes of technologies must be evaluated in order to allow comparison of such approaches with regard to public health and other impacts and how they vary both demographically and geographically. Environmental justice requires that this include evaluation at a community-specific scale.
2. **Comprehensive EJ and health analysis.** Analysis should be refined enough to project effects on such environmental justice indicators as geographic and demographic distribution of pollutants and co-pollutants, considering pollutant burden, exposure, health and other effects. In light of time and resource constraints, and subject to approval of the EJAC, such analyses could be provided on a qualitative basis, in the form of a Health Impact Analysis (HIA), so long as there is sufficient detail to allow meaningful comparison of scenarios.
3. CARB staff should also explain, openly and transparently, positions it has taken with regard to AB 713 (2021, Cristina Garcia) calling for a “comprehensive health analysis of the Scoping Plan”. Reportedly CARB’s position was that such an analysis was “not needed”. To the extent this fairly approximates CARB’s views, the basis for such views should be clearly explained.
4. Regarding CARB’s verbally stated position (9/27 EJAC) that it will hold a workshop on a planned “health analysis”, CARB should solicit and respond to advice regarding (1) scope, content and detail of the analyses, (2) the sequencing of such analyses within the overall Scoping Plan process so that such analyses can play a meaningful role in the scenario evaluations for the Scoping Plan, and (3) potential involvement of other agencies and parties with relevant expertise to supplement CARB’s apparent limited capacity for the necessary health assessment.
5. **Cap and Trade, scenarios and safeguards.** While CARB staff takes the position that continuation of Cap and Trade was mandated by AB 398 (2017), nothing in AB 398 excludes modifying the program to address unforeseen flaws or effects. It is time for long neglected environmental justice concerns to be addressed by evaluating modifications to the program to protect against potential discriminatory effects.

Trading and other “market” based programs are inherently redistributional in that they “trade” one approach, for instance direct controls reducing both GHG and other co-pollutants, instead allowing major sources, often located in already overburdened and disadvantage communities, to meet their cap requirements by use of offsets or other credits, thus depriving those communities of the benefits of direct reductions. In this way trading, inherently and inevitably, shifts pollution and health burdens from one community to another. Given this, it is notable and unacceptable that none of the currently planned Scenarios or alternatives, including the purported EJ alternative (Alternative 1) includes any of the many safeguards available to protect against adverse localized impacts.

Among the scenarios evaluated should be revisions to the Cap and Trade program addressing concerns which have been raised regarding:

(1) Community-specific localized impacts due to credit/allowance usage in place of direct controls; CARB must give serious consideration distributional safeguards such as directional restrictions (e.g. no use of allowances/credits in overburdened and/or disadvantaged communities), "backstop" provisions along the lines of SCAQMD's Rule 215, or other provisions to ensure there is no loss of public health benefits due to cap and trade.

(2) Over-reliance on Cap and Trade and under-reliance on truly direct, source-specific controls.

(3) Overallocation of allowances, overaccumulation of banked credits/allowances.

(4) The desire for maximization of co-pollutant benefits, both locally and statewide

One problem CARB may have in carrying out such analyses is that, as senior staff confirmed at a recent EJAC meeting, CARB does not know, nor care enough to try to know, where and at which sources offsets and credits are being used in place of actual pollution reductions. This too must be remedied.

Respectfully submitted,

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