

December 9, 2016

California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**Re: Re: 2030 Target Scoping Plan Discussion Draft**

To the California Air Resources Board:

On behalf of Food & Water Watch and our over 181,000 supporters in California we respectfully submit these comments on the 2030 Target Scoping Plan Discussion Draft. Please note that we will be submitting more comprehensive comments once ARB releases its January Proposed 2030 Target Scoping Plan, but given that this Target Scoping Plan is designed to, in part, inform the January plan we think it important to submit these preliminary comments related to ARB's inclusion of carbon pricing approaches in its Plan Scenario and Alternatives.

ARB's primary Plan Scenario "relies on direct GHG reductions at refineries and a Cap-and-Trade Program with declining caps." It is FWW's position that ARB is not authorized to continue with its cap-and-trade approach post-2020 under legislation that sets the 2030 greenhouse gas reduction goals. During the 2015 legislative session, a bill containing an extension of the State Board's authority to implement cap-and-trade beyond December 31, 2020 did not become law. During the 2016 legislative session Senate Bill 32 passed, requiring the State Board to achieve a 40 percent reduction in greenhouse gas emissions below 1990 levels by 2030. A fundamental principle of administrative law dictates that agencies only have those powers delegated by the legislature, and no provision of Senate Bill 32 expressly authorizes the ARB to implement cap-and-trade after the year 2020. Accordingly, ARB should not include a cap-and-trade scenario in its January Proposed 2030 Target Scoping Plan.

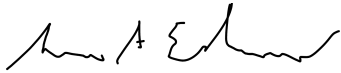
Alternate 2 of the Target Scoping Plan Discussion Draft contemplates the inclusion of a carbon tax to achieve the 2030 reduction goals, estimating that the tax would "need to deliver 98 MMTCO<sub>2</sub>e of GHG reductions between 2021 and 2030." ARB rightfully notes that it lacks the legal authority to implement a tax on carbon emissions without further action by the legislature, while also properly expressing concerns about the ability of carbon taxes to meet GHG reduction goals. The Target Scoping Plan Discussion Draft notes that "recent information is emerging regarding the efficacy of the carbon tax policy in British Columbia (BC)." FWW has done a thorough analysis of the BC carbon tax and has found that it has not resulted in GHG emissions reductions over the life of the tax. (We have attached hereto a copy of our report and incorporate it by reference into these comments.) In fact, from 2009 (the first full year of the tax) to 2014 (the most recent data available) greenhouse gas emissions from taxed sources in the province rose by a total of 4.3 percent. Likewise, in the seven years since the carbon tax took effect, total gasoline sales in the province rose 7.37 percent from 2009 to 2015. Given the documented lack of efficacy of the BC carbon tax, it is likely impossible for California to achieve the 98 MMTCO<sub>2</sub>e of GHG reductions needed from a similar tax in the state.

FWW believes that only Alternative 1 of its Plan will allow ARB to meet the mandate set out by the 2016 state legislature in a manner allowable by law. That Alternative — no cap-and-trade and a greater reliance on GHG reductions at refineries, increased action under the known

commitments, and additional policies for the transportation, industrial, and energy sectors — should also, however, include additional GHG emission reduction policies for the agricultural sector.

Only by adhering to the legislature's mandate for "direct source" reductions approaches and foregoing market pricing schemes, whether cap-and-trade or carbon taxes, will the state be capable of achieving the significant and swift emission reductions needed to protect our planet from catastrophic climate change. We strongly encourage ARB to jettison these market approaches in its January Proposed 2030 Target Scoping Plan and, instead, focus solely on mechanisms to achieve direct source reductions for all GHG sources in the state.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Edwards". The signature is fluid and cursive, with a large initial "S" and "E".

Scott Edwards  
Co-director  
Food & Water Justice  
Food & Water Watch