



November 21, 2016

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: 2030 Target Scoping Plan GHG Policy Scenarios

To the California Air Resources Board:

On behalf of the California Environmental Justice Alliance (CEJA), we respectfully submit these comments on the 2030 Target Scoping Plan GHG Policy Scenarios.

CEJA is a statewide coalition of community-based organizations working to advance environmental justice in state policy. Our members work across California in low-income communities and communities of color most impacted by pollution, struggling with long-standing air-quality and related public health issues. These same communities will be hit first and hardest by climate change. Ensuring environmental justice is effectively integrated into California's climate policies is critical to the health and well-being of the communities where CEJA members work.

We appreciate the inclusion of environmental justice recommendations in the ongoing development of the Scoping Plan, and offer the following comments to continue ensuring the process meets the needs of California's most vulnerable communities.

1. ARB should delay the promulgation of regulations related to carbon pricing, including both the Scoping Plan and the Cap and Trade amendments, until after legislative action and until critical environmental justice analyses can be incorporated:
 - a. The Scoping Plan timeline itself does not allow sufficient time to incorporate the OEHHA disadvantaged community (to be released in December 2016/January 2017) and the Adaptive Management Plan presented in the recent Board meeting. This information is critical to assessing the EJ implications for the scenarios outlined in the Scoping Plan, and making a determination on a path to meeting the 2030 targets.
 - b. ARB should delay rulemaking for Cap and Trade until after the 2030 Target Scoping Plan and the Adaptive Management Plan are finalized. ARB needs to give the alternatives to Cap and Trade a fair analysis to ensure California is in the best position to reduce emissions in environmental justice communities while meeting our 2030 and 2050 targets.

2. A rigorous analysis of the Carbon Tax scenario is critical to the environmental justice community. Across the state, environmental justice communities, organizations and impacted residents have requested this analysis. It is imperative that ARB thoughtfully and thoroughly analyze this option for meeting the 2030 GHG targets. This includes:



- a. Provide more transparency on the inputs ARB is using to model a carbon cap and tax. All assumptions made for the model should be clearly and carefully outlined by ARB, after inclusion of public comments.
 - b. Assume a “cap and tax” scenario. California has passed a hard cap on greenhouse gas emissions by 2030, and carbon tax should be modeled assuming this hard cap stays in place, thus providing the emission reduction certainty needed.
3. ARB should conduct a more rigorous and public analysis to develop the most appropriate model for quantifying the social cost of carbon, and include the final analysis in all Scoping Plan scenarios. Under AB 197, ARB is directed to consider the social costs of carbon when adopting regulations to meet greenhouse gas reduction goals. ARB has stated they are using the Environmental Protection Agency’s estimate for the social cost of carbon. Developing an accurate figure for the social cost of carbon specific to the California context requires careful consideration of various models, and should have a public process to develop the best possible assessment.

However, there is very little information provided on the EPA model ARB proposes to use, nor an analysis of how it fits the California context. In addition, there is little to no information on how ARB is using this assessment to inform adoption of GHG rules and regulations, as required under AB 197.

4. Analyze the impacts of zeroing out allowable offsets under all scenarios, and offer substantive changes to the current program so that it benefits California’s residents. As ARB staff mentioned during the workshop, they are exploring reducing the current allocation of offset credits. If the offset program continues with a 8% allowable allocation of compliance obligations, offsets could make up almost one third of all reductions from 2021 to 2030, according to preliminary calculations.¹ This would forgo critical in-state emission reductions that are desperately needed in environmental justice communities, and to meet the 2030 targets.

Recent analysis shows that the largest emitters, which are more likely to be located in close proximity to environmental justice communities, have been found to be most likely to use offsets to meet their cap.² Offsets allow industry to delay making shifts to business practices that contribute to climate change, and do not ensure benefit to communities impacted by facility emissions. We recommend a full analysis of the impacts of removing offsets as a compliance option all together, and urge ARB to substantially reconfigure the program to address the performance and environmental justice issues that have been raised.

¹ ARB estimates that the total reduction needed is 671 MTCO₂e. If the maximum limit on the use of offsets continues to be 8% of permitted emissions (compliance obligations), and if the cap were to cover 77% of California emissions (as it is expected to in 2020) and decline linearly from 2020-2030, then maximum offset use would equal almost a third of all reductions needed in that period.

² Cushing, Wander, Morello-Frosch, Pastor, Zhu, and Sadd. “A Preliminary Assessment of Emissions and Equity Impacts Associated with California’s Cap and Trade Program”



5. Expand considerations of AB 197 implementation to sectors beyond the refineries. From the recent presentations, it appears that ARB is proposing a new refinery rule to meet the requirement of AB 197 to prioritize direct emission reductions. While reducing emissions from refineries is critical to EJ communities, the legislation does not specify that direct emissions reductions should only come from refineries. Implementation of AB 197 must apply to all sectors. In addition, ARB should release more detailed information on the proposed refinery measure.

Thank you for this opportunity to comment on the Proposed Amendments to the 2030 Target Scoping Plan GHG Policy Scenarios. We look forward to working collaboratively with ARB staff to ensure the needs of environmental justice communities are met.

Sincerely,

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