**Comments Regarding the 2030 Target Scoping Plan Update – Discussion Draft**

While ARB is to be lauded for including a carbon tax alternative in the draft Plan, it does not appear that ARB is yet giving serious consideration to a carbon tax alternative versus continuation/expansion of cap and trade.

On page 97 of the draft Plan, results from British Columbia’s carbon tax are described in a particularly negative tone:

“At the same time, recent information is emerging regarding the efficacy of the carbon

tax policy in British Columbia (BC)…. And, emissions data reveals

that BC’s GHG emissions per capita have increased in recent years and will fail to meet

its 2020 goal.98,99,100 “

Footnote reference 98 is interesting in that it references an American Thinker web site, which is populated by many articles purposely dismissive of attempts to reduce greenhouse gasses, such as:

“Climate Change – Where is the Science?”

“Climate Change – The Burden of Proof” by renowned climate change denier S. Fred Singer.

“Trump and the Climate Change Clown Show”

Furthermore, the specific blog referenced cherry picks data and ignores the overall effect of market prices on emissions. If this is the type of evidence ARB is using to evaluate the carbon tax alternative, one has to question the sincerely of its efforts.

The use of footnote reference 99 was also misleading by only highlighting the highly ambitious British Columbia goal of 33% reduction without including the fact that the program was frozen in 2012:

“Polak disagreed with the report's findings that B.C. has stalled in recent years on the climate front. She said the province continues to support climate policies, but it froze the carbon tax to allow others to catch up.”

Footnote reference 100 is also used in a manner that does not acknowledge the success of the BC program despite the fact that pricing was purposely frozen in 2012. From BC’s own site:

“A significant body of evidence points to the conclusion that B.C.’s carbon tax is working both economically and environmentally. Independent research has found that since the implementation of the tax, fuel use in B.C. has dropped by 16 per cent per capita, while it has risen three per cent per capita in the rest of Canada. Within the same timeframe, between 2007 and 2013, B.C.’s real GDP grew 9.2 per cent (more than the Canadian average). The province’s fiscal transfers have also assisted low income households to adjust to a carbon price. Based on this evidence and the economic modelling from Navius, the Climate Leadership Team is recommending that B.C. continue to use our strongest tool to reduce emissions, and recommence the annual increases in the carbon tax starting in 2018, when the carbon tax freeze ends. The Climate Leadership Team further recommends that the annual increases in the carbon tax are reviewed in five years, however, the modelling indicates that increases in the range of $10 per tonne per year will be required through to 2050 in order to achieve B.C.’s 2050 targets.”

The plain fact is that using data from both BC and the ARB, the BC program has been vastly simpler and more effective since its implementation in 2008 than the true cap and trade portions (not including regulatory mandates) of the ARB AB32 compliance program since its implementation in 2013.

Furthermore, the draft Plan shows scenario results charts both for scenarios with cap and trade (Figure III-2) and without cap and trade (Figure III-4), but shows no similar evaluation or chart for the carbon tax alternative. This also indicates that ARB has not (at least yet) given serious consideration to a carbon tax in place of cap-and-trade.

The above details aside, the real issue is determining how a true international solution to GHG emissions can best be implemented, otherwise California actions will be generally meaningless in solving the problem. It appears at this time that the only easily verifiable and uniformly fair international solution is to have a uniform carbon price applicable to all nations, enforceable through border trade adjustments. A carbon tax is more consistent with this approach than cap and trade. California should lead with this in mind.

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