



November 21, 2016

**Via Electronic Submission**

Clerk of the Board, Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**Re: California Air Resources Board's Public Workshop on the 2030 Target  
Scoping Plan on November 7, 2016**

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The Wonderful Company LLC ("Wonderful"), on behalf of Wonderful Pistachios and Almonds LLC ("WPA"), appreciates the opportunity to provide feedback to the California Air Resources Board ("ARB") regarding the November 7, 2016 workshop to discuss possible updates to the State's AB 32 Scoping Plan and the future of the Cap-and-Trade Program post 2030 ("Scoping Plan Update").

We acknowledge that ARB must adopt an updated Scoping Plan in order to establish regulations necessary to meet the newly mandated Greenhouse Gas ("GHG") reduction level targets by 2030; however, at this time, we do not believe that ARB has sufficient information in order to make determinations about the impacts of the proposed scenarios. For this reason, we respectfully request that ARB review additional studies before moving forward with any policy changes.

**1. GHG Reduction Strategies Must Be Backed By Good Science**

Wonderful recognizes that ARB must update the current AB 32 Scoping Plan in order to meet the new California GHG reduction targets as stipulated by Executive Order B-30-15. However, we believe that the current proposal falls short of the level of data and analysis required in order to determine the feasibility of reaching these new goals. The November 7<sup>th</sup> workshop did not include adequate details of the preliminary GHG modeling methodologies or provide reference to studies demonstrating success of these methodologies to support the Scoping Plan Update. The studies cited by ARB, do not contain sufficient evidence that California can achieve the aggressive goal of a 40% reduction below 1990 levels in GHG emissions by 2030. As such, in order to ensure the goals of the Scoping Plan Update are realistic and achievable, we urge ARB to continue reviewing relevant studies, or commission additional studies as necessary, prior to finalizing the Scoping Plan Update.

## **2. Changes to the Scoping Plan Must Make Economic Sense**

ARB has previously conducted two full-scale analyses, as part of the 2008 Scoping Plan and 2010 Updated Economic Analysis of the Scoping Plan, to assess the potential economic impacts of the Scoping Plan measures on California's economy. The results of these analyses were largely positive, however, the previous studies only compare potential economic impacts of 2007 to 2020 and do not take into consideration the newly proposed GHG reduction goals. A GHG reduction of 40% below 1990 levels by 2030 has not yet been fully studied. It is critical that ARB consider both technical and economic impacts of the new GHG reduction target goals before implementing the Scoping Plan Update.

## **3. ARB Should Improve Upon the Current Cap-and-Trade Program Where Possible**

The draft Scoping Plan Update includes potential scenario alternatives to the existing Cap-and-Trade Program post 2020. Although we appreciate ARB exploring alternate compliance methodologies, it is our position that if ARB retains the current Cap-and-Trade Program, it should include product-based allocation methodologies and continue to account for emissions leakage through appropriate free allowances, post 2020. Should additional changes to the Cap-and-Trade Program be required in order to meet the new GHG reduction goals, ARB should work with regulated entities to fully understand the implications of any proposed change and implement the changes gradually, thereby allowing the affected industries adequate time to adapt to the regulatory changes in a realistic and practicable manner.

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Thank you for your consideration of our comments on the November 7, 2016 workshop and the Scoping Plan Update. We would be happy to discuss at your convenience.

Sincerely,



Melissa Poole  
Senior Counsel/Director of Government Affairs