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November 12, 2015

Chair Mary Nichols and Board Members
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

**RE: Draft Cap-and-Trade Auction Proceeds Second Investment Plan: Fiscal
Years 2016-17 through 2018-19**

Dear Chair Nichols and Board Members:

Thank you for the opportunity to comment on the Draft Second Investment Plan for Cap-and-Trade auction proceeds ("Investment Plan"). LAANE supports many of the goals and investment strategies outlined in the Investment Plan. However, we feel that language should be added and certain investment concepts should be prioritized to ensure that Cap-and-Trade proceeds are invested in high quality projects. These are projects done efficiently and safely by well-trained workers that create real career opportunities for disadvantaged communities. We also feel that language defining investment strategies should, in some cases, be broader. This will allow room for innovative government and community projects to be funded.

LAANE is an advocacy organization dedicated to building a new economy for all. Combining dynamic research, innovative public policy and the organizing of broad alliances, LAANE promotes a new economic approach based on good jobs, thriving communities and a healthy environment.

LAANE played a pivotal role in the passage of sweeping anti-pollution and anti-poverty measures, which include:

- Advocating for the passage and implementation of the Clean Trucks Program for the region's ports to get dirty trucks off the road and improve quality of life for the industry's truck drivers.
- Increasing energy efficiency offerings at the Los Angeles Department of Water and Power to expand our renewable energy infrastructure.
- Improving recycling while reducing truck pollution at the Department of Sanitation.
- Advocating for the passage of a Construction Careers Policy at the Los Angeles County Metropolitan Transportation Authority to ensure that transportation development reduces congestion and creates middle class construction careers for disadvantaged communities.

In detail, we are requesting the following changes to the Investment Plan:

1. We commend the focus on disadvantaged communities and co-benefits throughout the Investment Plan, but feel the co-benefit goals need to be more explicit and the plan needs to describe an actual process by which these co-benefits will be assessed, measured and maximized or the hoped for benefits are unlikely to materialize.
2. We support the language in the investment plan that recognizes the importance of "microgrid" or "community scale" renewable projects to disadvantaged communities (p. 40). However, we recommend a change to the "Draft Investment Concepts for Clean Energy and Energy Efficiency" table (p. 39). Right now, the table indicates support for "energy efficiency and renewable energy projects for residential, commercial, industrial, and public buildings". We recommend that the words, "and land" be added to the end of that sentence so community renewable projects that do not consist of a project that is technically in a building, can be considered.
3. As part of this, we feel when the co-benefit of job creation is discussed (i.e. p. 40, 5. *Co-Benefits*); the Investment Plan should more explicitly target jobs that provide real career opportunities for disadvantaged communities. These are jobs that provide family-supporting wages and benefits and that the community has access to through specialized training and hiring programs.
4. We also feel that projects funded with Cap-and-Trade dollars should ensure the delivery of a high quality result in the most efficient way possible and ensure safe employment practices and the responsible use of funds. This is achieved by using responsible contractors and by implementing safeguards to ensure that funds do not inadvertently reward bad actors.
5. Along these lines we would also like to suggest that more funds be made available for energy efficiency and renewable generation in public buildings. Table A-1 on p. A3 shows this area of funding at \$40 million for 2015-16, but it has yet to receive any funding. We feel that this project area should be a priority and that funding should be increased. These projects reduce Greenhouse Gas emissions and also tend to result in high quality careers and training opportunities.
6. We also recommend that the funding earmarked for Waste Diversion, administered by the Department of Resources, Recycling and Recovery, be increased from the \$25 million allocated in 2014-15 (p. A7) and that this project be prioritized for funding. There is clear demand for infrastructure development, especially in Southern California, due to changes in state legislation like AB 1826. Investments in organics processing and recycling infrastructure will reduce landfill methane emissions and improve the domestic recycled-content manufacturing of materials. Re-introducing discards into the manufacturing process will reduce emissions and create more local jobs by keeping recycled materials on our shores.

We hope that the Investment Plan, when finished, will guide a set of programs for the region that, while reducing greenhouse gas emissions, will also improve the quality of life for

Californians, especially those living in communities struggling with underinvestment and a lack of opportunity, while also suffering through the worst effects of pollution and climate change with the least resources to mitigate this impact. While the language in the Investment Plan supports this concept, we urge you to make this a reality by ensuring that real co-benefits flow from these large investments in our future. True resiliency and change is only possible if everyone is included in the transition to a clean economy. We appreciate your attention to these comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jessica Goodheart', with a long horizontal flourish extending to the right.

Jessica Goodheart
RePower LA Project Director
LA Alliance for a New Economy (LAANE)