

08-10-2

November 19, 2008

Chairman Mary Nichols and Members,
California Air Resources Board
1001 I Street,
Sacramento, CA 95818

RE: Climate Change Proposed Scoping Plan

Dear Chairman Nichols and Board Members,

As the Proposed Scoping Plan notes, the California Public Utilities Commission and the California Energy Commission have jointly recommended full auctioning in the electricity sector by 2016 and the Market Advisory Committee found that: "[T]he fundamental objectives of cost-effectiveness, fairness, and simplicity... favor a system in which California ultimately auctions all of its emission allowances," (Final Report, p.55). Auctioning has many advantages over free allocation and CARB should send a clear signal that full auctioning is the preferred method for distributing emission allowances under their proposed cap-and-trade program.

We write to ask that you make the following changes to page 36 of the Proposed Scoping Plan (additions in bold; removal indicated by strikethrough):

"ARB agrees that the transition to a 100 percent auction, **with auction revenue going to further the objectives of AB 32**, is a worthwhile goal ~~for distributing allowances~~. **CARB expects that California will auction significantly more than the WCI minimum levels and will transition to 100% auction.** However, a broad set of factors should be considered in evaluating the potential timing of a transition to a full auction..."

These changes would make unequivocal the intent to transition to 100 percent auction.

Sincerely,

(Signatories from non-governmental organizations operating in California)

Bonnie Holmes-Gen

Andy Katz

Susan Stephenson

Jennifer Martin

Mike Sandler

Shankar B. Prasad

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Kristin Grenfell

American Lung Association of California

Breathe California

California Interfaith Power and Light

Center for Resource Solutions

Climate Protection Campaign

Coalition for Clean Air

Community Environmental Council

Environment California

Environmental Defense Fund

Friends of the Earth

Natural Resources Defense Council

(Signatories from non-governmental organizations operating in California, continued)

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Matt Vander Sluis	Planning and Conservation League
Robin Salsburg	Public Health Law and Policy
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Peter Barnes	Tomales Bay Institute
Rachel Dinno-Taylor	Trust for Public Land
Chris Busch	Union of Concerned Scientists
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(Signatories from California's academic community¹)

Professor Jane V. Hall	California State University, Fullerton
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¹ These signatories are lending their support as individuals. Their institutional affiliation is given for identification purposes only, not to imply institutional support.

² Nobel Laureate in Economics