

0011-107



Mary Nichols, Chair
California Air Resources Board
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Sacramento, CA 95812

ORIGINAL: [unclear]
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Executive Officer
Chair

November 20, 2008

RE: AB 32 implementation

Dear Ms. Nichols,

First, thank you for taking on the difficult task of determining how best to implement AB 32 to reduce greenhouse gasses emissions in California. This is a very important task, and also a tremendous challenge.

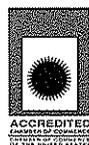
The Legislative and Government Affairs Committee of the Pasadena Chamber of Commerce fully supports the goals of AB 32. We do, however, have some concerns about the implementation of the measure.

We would hope that you would provide a certain and clear set of rules, regulations, procedures and protocols so that there is no chance for misinterpretation, profiteering or sidestepping of the mandates of AB 32.

We would urge that any decisions made be based on sound and verified scientific data and that a careful analysis is done in advance so that the results are understood and expectations are realistic. Before imposing regulations and requirements, we would urge the CARB to fully analyze the outcomes to ensure the goals of AB 32 are being met.

We are very concerned that economic impacts of various implementation strategies may not be fully analyzed or understood at this time. Therefore, before any strategies are imposed or regulations imposed, we would hope a thorough and complete financial impact analysis would be conducted. Given the uncertainties and challenges of today's economy, we feel that sound economic analysis needs to be taken into account before any recommendations are made or regulations imposed.

We would also hope that innovation would be promoted. While we appreciate allowing some measure of marketplace strategies to inform decisions, we also want to remind the CARB of previous efforts to allow market-based intrusions into the California electrical system that resulted in gross manipulation and profiteering, at the expense of California and Californians. We would hope that



innovation and efficiency are promoted through AB 32. We would also hope there are enough regulations and oversight to avoid another scenario where profiteers overwhelm the system at the expense of California and Californians. Please consider imposing regulations that severely restrict or disallow any form of windfall profits as a result of AB 32.

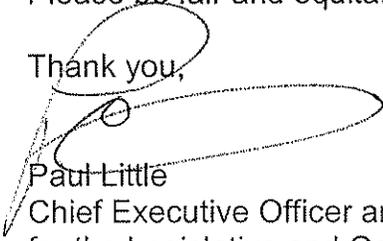
If some form of penalty is imposed, we would urge CARB to consider these very carefully. We at the Pasadena Chamber of Commerce would want to ensure that there are not multiple penalties imposed inadvertently. We'd also like to have any penalties used to promote and facilitate the objectives of AB 32. Any additional costs should be returned to Californians in the form of incentives or programs that further the goals of AB 32 and aid in the reduction of greenhouse gasses. It would seem inconsistent to have any penalties disappear into the state's General Fund or have any additional costs diverted to projects or activities that do not promote or enhance our abilities as a state to meet the goals of AB 32 in regard to reduction of greenhouse gasses.

We are also very concerned about implementation of any Cap and Trade scheme. While it seems very likely such a program will be put in place, again we would urge that money collected under such a program be required to be used to reduce greenhouse gasses in California. Would it not perhaps make more sense to initiate a penalty program where the funds paid by an entity would then go back into some form of greenhouse gas reduction program that would positively impact the greenhouse gas emissions of that entity?

Finally, we urge the CARB to carefully work to ensure that implantation measures actually do reduce greenhouse gasses and that AB32 does not become an avenue for some to profit and others to simply pay more.

Please be fair and equitable in whatever you decide.

Thank you,



Paul Little

Chief Executive Officer and President
for the Legislative and Government Affairs Committee

cc: California Air Resources Board Members
State Senator Carol Liu
State Assemblymember Anthony Portantino
Governor Arnold Schwarzenegger