



CALIFORNIA INSTITUTE OF TECHNOLOGY
Pasadena, California 91125

John Onderdonk.
Manager for Sustainability Programs
Facilities
Telephone: (626) 395-4724
Email: john.onderdonk@caltech.edu

August 6, 2008

Mr. Chuck Shulock
Assistant Executive Officer
Office of Climate Change
California Air Resources Board
1001 I Street
Sacramento, California 95812

RE: Comments on the Climate Change Draft Scoping Plan

Dear Mr. Shulock

Caltech hereby respectfully submits the following comments to the California Air Resources Board regarding the Climate Change Draft Scoping Plan. Caltech's comments are focused on two areas: research incentives and the equitable implementation of the proposed cap and trade system.

Research Incentives

In Section V of the Draft Scoping Plan, CARB emphasizes the vital role California's universities will take in developing innovative solutions to climate change.

Caltech understands the critical need for this research and over the past 117 years has dedicated significant resources to addressing atmospheric pollution resulting in significant discoveries including the impact on the atmosphere from anthropogenic lead pollution and the chemical formation of smog. Most recently, in April 2008, Caltech announced the creation of the Ronald and Maxine Linde Center for Global Environmental Science, which will unite Caltech's six academic divisions to address the multidisciplinary challenges posed by global climate change and other modern environmental problems.

Caltech encourages the State and CARB to consider incentives to promote continued research of innovative solutions to climate change. Potential incentives could include:

- Direct additional research funding to both public and private institutions for climate change studies and technology innovation that will reduce dependence on fossil fuels and the associated impact on the climate.
- Provide a waiver of the proposed carbon tax on electricity consumed in the direct research of these climate change solutions.
- Subsidize carbon credits for universities and institutions that are conducting climate-related research.



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Cap and Trade Program

With respect to the proposed cap and trade program, CARB should recognize that institutions such as Caltech, which have already put in place newer technologies such as updated cogeneration systems, or solar photovoltaic arrays, should not be penalized relative to those entities that have done little to date. It would be inequitable for those early movers to be treated the same as entities that have done little or nothing to reduce greenhouse gas emissions. If all entities are treated without regard to best practices already implemented, then the program could incentivize entities to delay improvements until the program is in place, the cap has been set, and the credits have been allocated.

Additionally, CARB should recognize and account for the disparity in power content between Investor Owned Utilities and many local municipal utilities. Industries or organizations that derive their power from more carbon-intensive municipal utilities would be placed at an inherent disadvantage in a cap and trade system compared to their direct competitors who, through no altruistic effort of their own, have the fortune of being located in an Investor Owned Utility service area.

Thank you for the opportunity to comment and for your consideration in developing these important measures.

Sincerely,

A handwritten signature in blue ink, appearing to read "JOH O", is positioned below the word "Sincerely,".

John Onderdonk
Manager for Sustainability Programs