

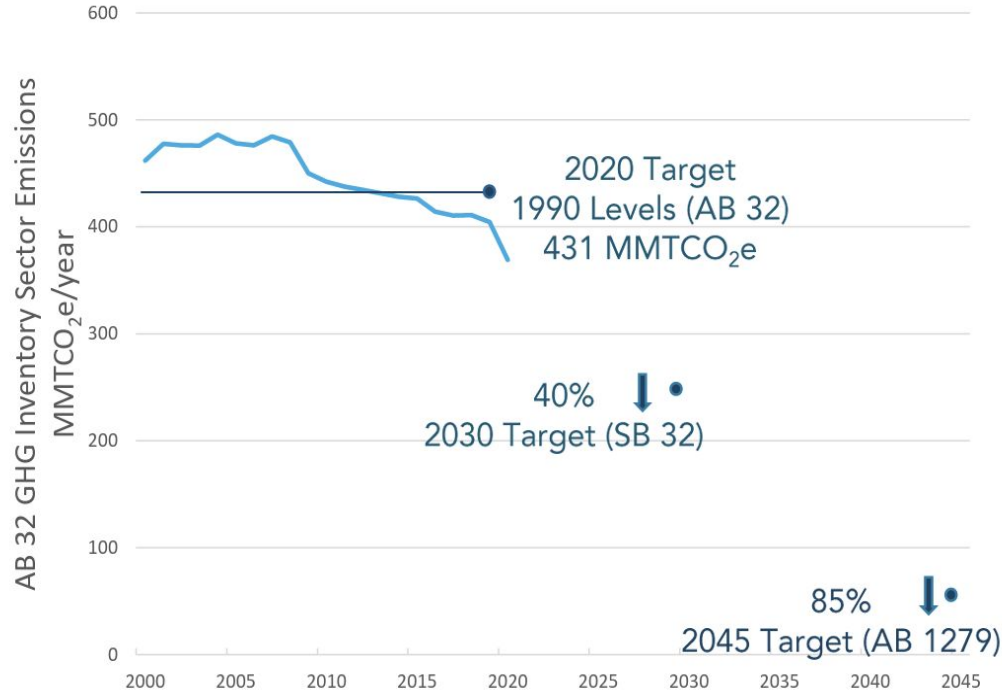
The Cap and Trade Program in CA

A brief Overview

Jasmin Ansar
Senior Researcher
The Climate Center

GHG Emissions Reduction Targets

Achieved AB 32 target in 2014



ACHIEVING
CARBON
NEUTRALITY
BY **2045**

GHGs included in statute: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), nitrogen trifluoride (NF₃).

Cap and Trade Basics



Implementation of Cap and Trade



GHG Targets & Goals

Legislation & Executive Orders: Total GHGs (AB 32/SB 32/AB 1279) or sector targets (SB 1383/SB 100), etc.



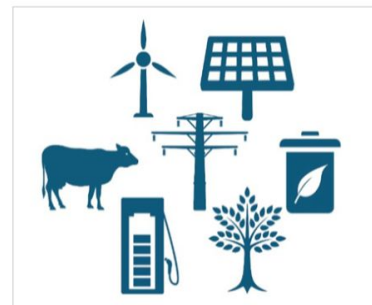
Scoping Plan

Actionable plan across all sectors



Action

Regulations & Incentives: Advanced Clean Cars, climate change investments, etc.



Projects

Examples: Zero-emission trucks, energy infrastructure and renewables, compost facilities, digesters, etc.

Next Steps

Goal is regulatory certainty as soon as possible

- Inform planning by regulated entities for a more stringent 2030 target
- Inform planning to leverage recent federal incentives

Tentative Schedule

- Late summer: Initial package released for 45-day public comment period
- Late 2024 - early 2025: Board Consideration
- Early 2025: Amended Regulation in effect

There will be multiple opportunities for public input after the rulemaking package has been released, including a 45-day public comment period.

Cap and Trade: what needs to change?

- The current program subsidizes polluters. High emitters (oil and gas companies) are given free allowances and do not pay for their pollution.
- Unstable and low carbon prices
- What should be funded by the auction revenues (the Greenhouse Gas Reduction Funds)?
- Offsets are unreliable and lack credibility - they allow harmful co-pollutants to continue in frontline communities.
- How do we manage affordability and higher carbon and energy costs?