



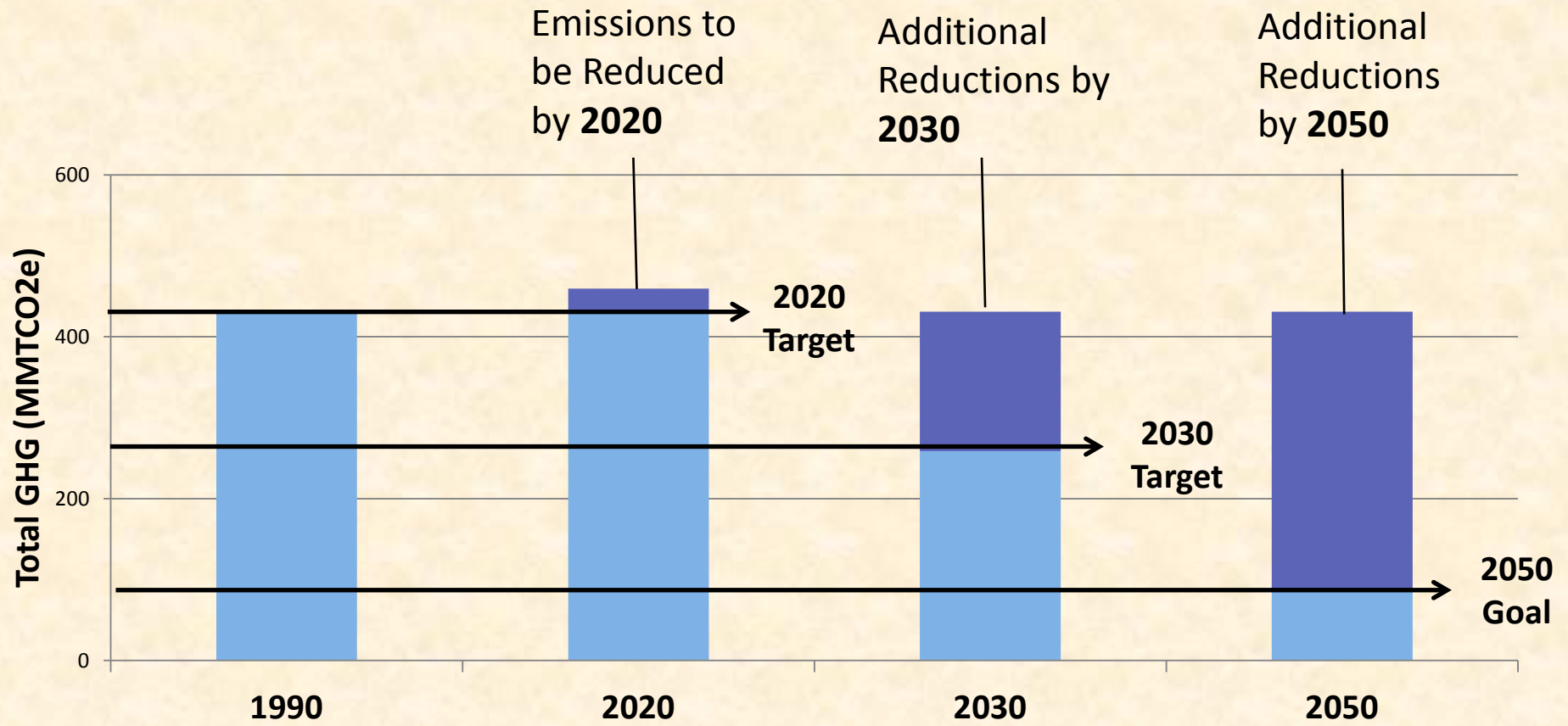
EJAC PUBLIC WORKSHOPS

clean air • clean energy • livable communities

California Environmental Protection Agency

 **Air Resources Board**

CA Greenhouse Gas Goals



Note: MMT = Million Metric Tons

Proposed Scoping Plan Scenario

- › Direct greenhouse gas (GHG) reductions in California
- › Incorporates existing plans to improve air quality
- › Balanced approach to meet GHG target, protect public health, and support robust economy
 - *SB 350 – increase renewable energy and energy efficiency
 - *SB 1383 – Short-Lived Climate Pollutant Reduction Plan
 - *SB 375 – support sustainable community development
 - *Mobile Source Strategy – help State achieve its federal and state air quality standards
 - *Low Carbon Fuel Standard
 - *Sustainable Freight Action Plan
 - New Refinery Efficiency Measure – 20 percent by 2030
 - Post-2020 Cap-and-Trade Program



*Existing commitments included in any Scoping Plan Update

No Cap-and-Trade Alternative

- › **The No Cap-and-Trade Alternative includes prescriptive regulations on a wide variety of sectors**
 - **Specific required reductions for all large greenhouse sources, utilities, and fuel suppliers, new incentive programs**
- › **Higher uncertainty in achieving reductions due to statutory, cost, or technology barriers**
- › **Difficult to link with other programs in other regions and harder to protect against job loss and impacts to California economy**



Carbon Tax Alternative

- › Replaces Cap-and-Trade in Proposed Scoping Plan Scenario with a carbon tax
- › Requires additional statutory authority
- › Higher uncertainty to meet 2030 target due to challenges in setting appropriate tax rate that would result in the required actions
- › Difficult to link with other programs in other regions and harder to protect against job loss and impacts to California economy



All Cap-and-Trade Alternative

- › Relies more on Cap-and-Trade
- › No refinery measure
- › No enhancement to Low Carbon Fuel Standard (LCFS)
(keep at 10% reduction in CI)
- › Less certainty about amount of greenhouse gas reductions at refineries



Cap-and-Tax Alternative



- › The Cap-and-Trade Program would be replaced by a Cap & Tax Regulation post-2020
- › Emissions from individual industrial facilities, utilities, and fuel suppliers would be required to reduce GHG emissions each year
- › Each metric ton of GHG emissions would be subject to a tax of \$50 per tonne
- › Penalties would be assessed for any annual GHG emissions above an individual cap
- › No trading of emissions allowances and no use of offset credits
- › Preliminary estimates indicate this alternative has highest direct costs and costs to Californians
- › Difficult to link with other programs in other regions and harder to protect against job loss and impacts to CA economy

	Proposed Strategy	Alt. 1 (Prescriptive)	Alt. 2 (Carbon Tax)	Alt. 3 (All C&T)	Alt. 4 (Cap-and-Tax)
Reduce GHGs to meet 2030 target	✓	Less certainty	No certainty	✓	✓
Provide air quality co-benefits	✓	✓	✓	✓	✓
Prioritize direct emission reductions	✓	✓	Less prioritization	Less prioritization	✓
Protect against emissions leakage	✓	Fewer options	Could exempt some sectors	✓	Fewer options
Develop integrated & cost-effective regional, national, & international programs	✓	Limited opportunities for linkages	Limited opportunities for linkages	✓	Limited opportunities for linkages
Support GHG reductions through targeted funding	✓	None. Need new funding mechanisms for incentives to replace & retire older assets	✓	✓	✓
Provide public health benefits	✓	✓	✓	✓	✓
Flexible compliance & cost effective	✓	Limited compliance flexibility	✓	✓	Limited compliance flexibility
Support the Clean Power Plan & federal climate programs	✓	Need new mechanism to comply with CPP	Need new mechanism to comply with CPP	✓	✓

Schedule

- › CEQA comment period: January 20 – April 10
www.arb.ca.gov/lispub/comm/bclist.php
- › EJAC Community Meetings and Committee Meetings
- › May 2017: Release Final Proposed Scoping Plan
- › June 2017: Final Board consideration

Scoping Plan webpage:

www.arb.ca.gov/cc/scopingplan/scopingplan.htm

