

**Comments of the Western Power Trading Forum  
to the California Air Resources Board  
on the 2030 Scoping Plan Update Discussion Draft  
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The Western Power Trading Forum<sup>1</sup> (WPTF) welcomes the opportunity to provide input to the California Air Resources Board (CARB) with respect to its ongoing consideration of the 2030 Scoping Plan Update.

WPTF reiterates its strong support for continuation of the California cap and trade program as the most cost-effective mechanism to reduce GHG emissions over the long-term. A multi-sector trading system incents emission reductions across the economy by providing a consistent carbon price signal across all covered sectors. Because covered entities have the flexibility under an emissions trading program to find and use the lowest cost means of meeting their emission obligations, emission reductions can be achieved more efficiently and at a lower overall cost to regulated firms and to society as a whole than they would under the enhanced command and control regulatory approaches presented in the Scoping Plan Alternative 1. A carbon tax as proposed under Scoping Plan Alternative 2 might provide similar benefits in terms of economic efficiency, but a change from a cap and trade program to a tax would be extremely disruptive and costly for entities already covered under the cap and trade program.

California has set itself a state target of reducing GHG emissions 40% below 1990 levels in 2030. The level of emissions reduction required to meet this target will likely cause allowance prices to rise to much higher levels than currently exist under the cap and trade program. The ability of covered entities to use lower cost emission offsets will thus become more important in the future as allowance prices rise. WPTF considers offsets to be an important means of constraining program compliance costs and thus supports maintaining them under the cap and trade program.

WPTF will provide detailed comments on the Scoping Plan Scenarios after CARB has released the complete draft and accompanying environmental and economic analyses in January.

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<sup>1</sup> WPTF is a diverse organization comprising power marketers, generators, investment banks, public utilities and energy service providers, whose common interest is the development of competitive electricity markets in the West. WPTF has over 80 members participating in power markets within California and elsewhere across the United States.