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SACRAMENTO, Calif. — Cap and trade is still gathering momentum as the state's preferred policy to reduce emissions despite anti-poverty groups' best efforts to stymie it.

California

13.2% emissions rate reduction

126 lbs CO2 / MWh reduction

DRAFT RULE REDUCTION: 23.1% (161 lbs CO2 / MWh)

Editor's note: The following summary represents state and utility stances after the Supreme Court stayed the Clean Power Plan in February 2016.

California was the first in the nation to release a draft proposal for complying with U.S. EPA's Clean Power Plan mandate.

The Golden State in a draft released in early August said it will rely on its cap-and-trade program for carbon emissions and proposed amendments to extend that system in order to meet its targets under EPA's rule.

"The Cap-and-Trade Program establishes a declining limit on major sources of GHG emissions, and it creates a powerful economic incentive for major investment in cleaner, more efficient technologies," the California Air Resources Board said in the proposal. Other state rules will provide assistance. Those include California's energy efficiency standards and a mandated level of renewable power for electricity generation.

The ARB is choosing to comply with the CPP via the "state measures" option, which gives states the choice to develop and use their own rules to achieve required cuts to greenhouse gas emissions.

California said it's proceeding despite the Supreme Court's stay as "an insurance policy" and to make sure the CPP requirements sync up with cap and trade in the later years of the program. It also wants to provide "a proof of concept for other states, to demonstrate that this is a program that can be adapted to each state and that can be set up in a way that we can form a regional association," said ARB spokesman Stanley Young.

California under the CPP must cut its emissions rate 13.2 percent below the 2012 level by 2030.

It looks likely to hit that number. As the only state with an economywide carbon cap, California is already on track to reduce its greenhouse gases to 1990 levels by 2020, and is writing regulations to reach 40 percent below that by 2030.

Even in a high-emissions scenario, which could come about through higher-than-expected electricity demand or a drought that limits hydropower production, the state expects to be about 2 million tons below EPA's 2030 target.

"There's no reason for us to delay," said Mary Nichols, head of the ARB. "Obviously, we were surprised and disappointed — as were many other people — by the [Supreme Court] decision, but as we look at where we are and what we need to do, first of all, we still believe very strongly that EPA will prevail, that the Clean Power Plan will be upheld at the end of the day, so it would be foolish to slack off in our efforts to develop approvable plans right now."

The state has also been in discussions with other Western states about the potential for multistate carbon trading. Nichols said she has been engaged in talks with all other Western states through former Colorado Gov. Bill Ritter's (D) clean energy center at Colorado State University, although she has not put forth a formal proposal yet.

Multistate collaboration also could come through California's grid operator, the California Independent System Operator, which manages the electricity grid for the majority of California and a small portion of Nevada but also has connections to nine other Western states.

"We see the Clean Power Plan as creating opportunities to further modernize the Western grid into a flexible, resilient system that will meet or exceed state and federal environmental goals," said California ISO President and CEO Steve Berberich.

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For questions or comments about E&E's Power Plan Hub or related stories, please email staff reporters Emily Holden and Rod Kuckro at PowerPlanHub@eenews.net.

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