



December 16, 2016

Rajinder Sahota, Branch Chief, Cap-and-Trade Program
California Air Resources Board (ARB)
1001 I Street
Sacramento, CA 95814

RE: 2030 Target Scoping Plan Discussion Draft

Dear Ms. Sahota:

The American Carbon Registry (ACR), an ARB-approved Offset Project Registry (OPR) for the California cap-and-trade program, welcomes the opportunity to offer input on ARB's 2030 Target Scoping Plan Discussion Draft.

We applaud the judicious approach evident in ARB's effort to meet competing legislative mandates, while ensuring California's climate programs remain efficient and effective. ARB's comparison of alternatives identifies key advantages of a climate plan that includes cap-and-trade versus a carbon tax or direct regulation. ACR concurs with this assessment and specifically endorses the following findings:

- Only cap-and-trade provides the requisite certainty that California will comply with its aggregate GHG limits.
- Cap-and-trade offers the strongest protections against emissions leakage.
- Cap-and-trade is most amenable to linkage and, by facilitating programs in other jurisdictions, this results in greater overall GHG reductions.
- Cap-and-trade offers compliance flexibility. This translates into greater climate protection at lower cost to Californians.
- Cap-and-trade provides funding for the GGRF, including programs in disadvantaged communities, that direct regulation simply does not.
- Cap-and-trade does provide benefits to air quality and public health.
- A climate plan that includes cap-and-trade can prioritize direct emissions reductions.

We appreciate that the Discussion Draft explicitly recognizes the public health impacts directly related to climate change and the outsize exposure of disadvantaged communities. It is on these problems that the climate plan should remain focused. The plan that is most effective at mitigating GHGs wherever they are emitted will provide disadvantaged communities in California the greatest public health benefits.

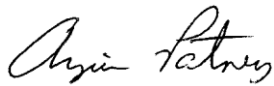
ACR agrees with ARB and with the Environmental Justice Advisory Committee (as cited by ARB) that U.S. EPA's Social Cost of Carbon (SC-CO₂) is an appropriate metric for analyzing and comparing climate policy alternatives. SC-CO₂ is rapidly becoming an accepted measure across agencies and jurisdictions, with

recognition in the courts. SC-CO2 correctly incorporates only impacts directly associated with climate change.

ACR recommends that alternatives under consideration include the possibility of increasing the offset usage limit. This would accelerate climate progress. Offsets are real emissions reductions and, as such, their use should be preferred over allowances, which are simply permits to release GHGs. In order to address concerns of the EJ community, ARB may wish to consider allowing compliance entities to exceed the current eight percent offsets limit if additional offsets are generated from projects located in disadvantaged communities. Indeed, certain offsets projects – livestock digesters, for example – in such locations could represent an approach to meeting AB 197’s requirement to prioritize direct emissions reductions from sources other than large stationary sources and mobile sources.

We appreciate the opportunity to provide these comments, and we look forward to continued engagement as the process moves forward. If you would like to further discuss our thoughts, please feel free to get in touch.

Respectfully,

A handwritten signature in black ink that reads "Arjun Patney". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Arjun Patney
Policy Director, American Carbon Registry
an enterprise of Winrock International
arjun.patney@winrock.org