



AB 32 Implementation Group



Working Toward Greenhouse Gas Emission Reductions
And Enhancing California's Competitiveness

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NEXT STEPS IN THE AB 32 SCOPING PLAN ARE CRITICAL

SACRAMENTO -- The AB 32 Implementation Group, a coalition of over 150 organizations representing companies that provide millions of jobs throughout the state, recognizes all the work that has gone into the AB 32 draft Scoping Plan that was released by the California Air Resources Board earlier today.

Dorothy Rothrock, vice president of the California Manufacturers & Technology Association and AB 32 Implementation Group co-chair stated, "The California Air Resources Board [CARB] has worked very diligently to craft this AB 32 draft Scoping Plan document. There is still much we don't know about the details, but we are encouraged that CARB acknowledges the importance of market systems like cap-and-trade to deliver greenhouse gas emission reductions at lower costs to protect California jobs and consumers."

The AB 32 Implementation Group supports cost-effective and technologically feasible regulations to reduce greenhouse gas emissions and protect California workers, consumers and companies.

That means the strategies adopted in the Scoping Plan should be based on the best available scientific and economic analysis. We look forward to more information on the economic impact of strategies so that decision-makers and the public can be fully confident that they deliver real emission reductions and support a growing economy.

Amisha Patel, policy advocate with the California Chamber of Commerce and AB 32 Implementation Group co-chair added, "AB 32 Implementation Group believes California must be able to seamlessly link to other GHG emission reduction programs if we are going to create positive outcomes in climate change issues. This draft Scoping Plan recognizes the importance of being able to link with regional, national and international programs. By incorporating a cap-and-trade system, California's plan will align with the other evolving climate change programs."

The draft Scoping Plan does not describe all elements of a cap-and-trade market, but suggests that offsets will play an important role. Based on experience and research, AB 32IG agrees that offsets will play a crucial role in keeping the cost of emission reductions low and help prevent leakage of emissions and jobs to other states and countries. However, an auction tax as suggested in the draft Scoping Plan would be a significant economic burden on California employers and threaten the economy and jobs.

For example, LADWP has estimated that using an auction system could cost its electricity ratepayers nearly a billion dollars more. A full auction of emission allowances could cost up to \$39 billion a year statewide depending upon the cost of carbon, and penalize companies that have invested in California.

Rothrock concluded, "We will stay focused on making sure the agency does its homework to fully understand the environmental, economic and social impacts of their plan."