California Climate Program

- Reduce emissions to 1990 levels by 2020
- Programs:
  - Clean Cars
  - Low Carbon Fuel Standard
  - Renewable Portfolio Standard
  - Cap-and-Trade Program
  - Energy Efficiency
  - Others
- 2050 Emissions Goal: 80% below 1990 levels
AB 32’s Multiple Objectives

- Achieve GHG emissions limits
- Enhance energy security and affordability
  - Improve and modernize energy infrastructure
  - Maintain electric system reliability
- Maximize economic benefits
- Maximize environmental co-benefits, including improving air quality
- Exercise a leadership role
Cap and Trade

- Emission certainty
- Competitiveness
- Economic development and job growth
- Consumer impacts – low income communities
- Public health risks – vulnerable populations
- Effective program and market oversight
- Incentives for investment and innovation
Uses of Allowance Value: California Example

- Price Containment Reserve
- Voluntary Renewable Energy Reserve
- Forward Auctioning
- Auction Proceeds for AB 32 Statutory Objectives
- Allocated to Electrical Utilities on Behalf of Customers
- Leakage Prevention -- Cement
- Leakage Prevention -- Refining
- Leakage Prevention -- Oil & Gas Extraction
- Leakage Prevention -- Other
Investment of Auction Proceeds: California Fiscal 2014/15 Plan

- Low carbon transportation and transit
- Sustainable communities
  - Affordable housing emphasis
  - Preservation of agricultural land
- Energy Efficiency
  - Low-income dwellings in disadvantaged communities
  - Agricultural energy and operational efficiency
  - Water-energy efficiency
- Lands
  - Wetlands and watershed restoration
  - Urban forestry
  - Waste diversion
Environmental Justice Communities

http://oehha.ca.gov/cej/ces11.html
A Well Functioning Market

- Design from the start
- Market rules
- Independent market monitoring
- Collaboration with other regulators
- Scale
Promoting Investment and Innovation

- Carbon price is open and transparent
  - Escalating floor price
  - Offset limit
- Cost Containment Reserve
For Additional Information

ARB Climate Change Web Site:
www.arb.ca.gov/cc/cc.htm

California Climate Credit on Customer Bills:
http://www.cpuc.ca.gov/PUC/energy/capandtrade/climatecredit.htm

California Auction Proceeds Investment Plan:
http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/auctionproceeds.htm

California Auction Results:
http://www.arb.ca.gov/cc/capandtrade/auction/auction.htm
California Allowance Auctions
(metric tons and price per metric ton, **Bold = auction floor price**)

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