

10 RECOMMENDATIONS

Issue	Recommendation	Benefits
1. Program Extension	Extend cap-and-trade through 2030 with 40% reduction below 1990	Meet SB 32 goals; restore confidence in cap-and-trade program; bring demand back to auctions
2. Unsold Allowances	Take all allowances currently unsold and pancake them at 2019 - 2029 auctions	Limit short-term allowance supply; stabilize allowance prices
3. ARB Exclusive Jurisdiction	Give ARB exclusive jurisdiction over GHG emissions in the State	Ensure air districts do not undercut the cap-and-trade program and reduce State revenues
4. Disadvantaged Communities	Create \$600 million fund to reduce toxics and criteria in Disadvantaged Communities	Recognize EJ concerns; take first step toward reduction of air toxics and criteria pollutants
5. Transparency	Reporting on GHG and criteria pollutant emissions of large stationary sources	Show efficiency improvements for GHG emissions and reduction of criteria pollutants
6. Price Cap	Price cap at [\$50] in 2018 escalating at 2% + CPI annually	Protect state economy and consumers from uncontrollable price spikes and create new state revenues by freeing allowances currently in ACPR
7. Speed Bumps	Create two speed bumps between auction floor and cap PAUSE	Provide signal to Legislature of and mitigate risk of market overheating
8. Price Containment	Make offsets available to more compliance entities	Contain cost of cap-and-trade program to CA economy
9. Consumer and ratepayer protection	Maintain current industry assistance and consignment levels	Protect consumers and minimize leakage of economic activity to other states
10. Program Review	LAO to oversee economic and sector analyses at each compliance period	Ensure program works as intended and maintain California's leadership