



Independent Emissions Market Advisory Committee

Submitted electronically

iemac@calepa.ca.gov

Re: Draft 2021 IEMAC report

To Whom It May Concern,

Please accept these comments on the Independent Emissions Market Advisory Committee (IEMAC)'s 2021 draft annual report. Analyses of the cap and trade program's limitations and failures are essential as California revisits the assumptions underlying the state's approach to addressing climate change as part of the 2022 Scoping Plan. As an advocate for clean air and environmental justice in the San Joaquin Valley and a member of the California Air Resources Board's Environmental Justice Advisory Committee (EJAC) for the 2022 Scoping Plan, I appreciate the time the IEMAC put into compiling this draft report and regret that the short comment period only allowed for a brief review and these general comments. As a member of the cap and trade workgroup of EJAC, I would also request a meeting and/or briefing with IEMAC panelists to more fully discuss the findings once the report is final.

The 2021 report's draft introduction importantly both acknowledges the mounting challenges attributable to human caused climate change and that the cap and trade program, as a core component of the state's climate strategy, has a price floor that is "modest compared to estimates of the social cost of CO₂ emissions" (p. 1). The introduction calls for a "more specific examination of pathways to achieve the 2030 target" that could improve assessment of "affordability and who bears the cost of emissions reductions and can inform anticipated improvements in air quality that we expect to accompany emissions reductions," calls that resonate with requests that I and others have made at EJAC meetings. Particularly important for climate justice is the need for "elevated attention to outcomes that prioritize environmental improvements in historically disadvantaged and environmentally overburdened communities" (p. 1-2). I applaud and echo these requests.

Given the importance of CARB's 2022 Scoping Plan to environmental justice communities in the San Joaquin Valley, and given the interactions between the carbon market and many companion policies, it is essential that CARB "further illuminate expectations for the market" and "help set course for the continuing decarbonization of California" (p. 3). CARB cannot rely on modeling alone to forecast imaginary futures; it must also assess the impacts of its programs on people's health, particularly Black and Indigenous peoples and People of Color. Evidence

suggests that there are too many allowances in the system, and policy makers must assess whether current program caps align, particularly with 2030 emissions limits. About 80% of offset credits come from the forest offset protocol, which has been criticized for issuing credits that may not reflect real climate benefits and for failing to adequately insure against the risk of wildfire and other carbon losses. Accelerating climate impacts like extreme heat, drought, and wildfires will only increase these problems.

While I appreciate recommendations for potential reforms, such as replacing the forest offsets program with publicly funded projects, market based mechanisms are fatally flawed and must be ended. Offsets have further concentrated pollution in communities of color and low income communities. Without proper calibration, strict controls, and diligent, stringent oversight, the system is gamed by industry and now, as the draft report indicates, outside speculators. Because CARB's current approach is market-driven, the Scoping Plan presupposes that social and health costs will be externalized in environmental justice communities. Offsetting systems like cap and trade must be replaced by direct emissions reductions, with prioritization for disproportionately impacted environmental justice neighborhoods.

Sincerely,
Dr. Catherine Garoupa White
Executive Director, Central Valley Air Quality Coalition