



December 20, 2024

Meredith Fowlie, Chair,
Danny Cullenward, Vice Chair,
and members of the Independent Emissions Market Advisory Committee

Subject: Comments on the [December 18, 2024 IEMAC meeting](#)

Dear Dr. Fowlie, Dr. Cullenward, and members of the IEMAC,

The IEMAC's defined role under AB 398 is to "report to both the state board and the Joint Legislative Committee on Climate Change Policies on the environmental and economic performance of the regulation adopted by the state board pursuant to subdivision (c) of Section 38562 and other relevant climate policies." Beyond reporting on the performance of cap-and-trade through 2030, as directed by statute, the IEMAC also plays an important advisory role in shaping future legislative and regulatory policy relating to cap-and-trade and other relevant climate policies post-2030. The IEMAC's 2024 Annual Report is of special import, as the Legislature will be taking up the matter of cap-and-trade authorization in 2025.

The IEMAC's guidance and recommendations pertaining to post-2030 GHG regulation should be framed by the statewide policy, as set forth in AB 1279, to do the following:

(1) Achieve net zero greenhouse gas emissions as soon as possible, but no later than 2045, and to achieve and maintain net negative greenhouse gas emissions thereafter. This goal is in addition to, and does not replace or supersede, the statewide greenhouse gas emissions reduction targets in Section 38566.

(2) Ensure that by 2045, statewide anthropogenic greenhouse gas emissions are reduced to at least 85 percent below the statewide greenhouse gas emissions limit established pursuant to Section 38550.

The IEMAC's advice is premised on its interpretation of the meaning and intent of these legislative directives, which should be clearly articulated. If there is perceived ambiguity in the statute's meaning and intent, the ambiguity should be noted. The IEMAC's guidance on post-2030 reauthorization of cap-and-trade should specifically address the following questions:

"statewide" emissions:

Are the references to "greenhouse gas emissions" and "statewide anthropogenic greenhouse gas emissions" in the above-quoted statutory language intended to be limited to emissions within the state, or is it the IEMAC's understanding that California may achieve net-zero "statewide" emissions, in part, by outsourcing its emissions reductions to other jurisdictions via linkage and offsets? If the latter, should linkage credits and offsets be allowed from jurisdictions that do not have net-zero targets in 2045, and net-negative thereafter, as California does?

"no later than 2045":

Is it the IEMAC's understanding that the net-zero target "no later than 2045" should preempt the AB-398 cap-and-trade price ceiling? If not, how are these provisions to be reconciled? For example, can the language be construed to mean "achieve net zero greenhouse gas emissions as soon as possible, within the limitation of the price ceiling"?

"as soon as possible":

Is it the IEMAC's understanding that California should "achieve net zero greenhouse gas emissions as soon as possible" irrespective of whether net zero is achieved sooner or later than 2045?

The IEMAC members might not agree on and need not strive for unanimity on their understanding of the statute, but they should be able to articulate their understanding or at least identify the possible alternative interpretations and consequent policy implications. We encourage the committee members to address these questions, to the best of their ability, in the 2024 Annual Report.

Sincerely,

Glen Garfunkel and Ken Johnson
Legislation and Public Policy Committee
Climate Reality Project: Silicon Valley Chapter