

# **Independent Emissions Market Advisory Committee**

Committee Handbook

September 2021

## Committee membership:

Dr. Ross Brown  
Dr. Dallas Burtraw, Chair  
Dr. Danny Cullenward, Vice  
Chair Prof. Meredith Fowle  
Katelyn Roedner Sutter

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**1. Introduction**

This Handbook documents the policies and procedures used by the Independent Emissions Market Advisory Committee (known as the IEMAC and referred to as “the Committee” here). It also catalogs relevant laws that apply to the Committee’s scope and activities, including the Committee’s relationship with the California Environmental Protection Agency (CalEPA), the California Air Resources Board (CARB), and the Joint Legislative Committee on Climate Change Policies (JLCCCP). Finally, it describes the mechanisms by which interested members of the public can engage with Committee members and the Committee’s work.

The Committee Handbook is meant to be a living document that reflects current Committee policies as of the date of publication. It can be modified by a majority vote of the Committee at any time. It cannot expand the Committee’s legal authority, nor does it constitute legal advice to Committee members. Committee members with questions about legal matters should contact CalEPA for formal advice.

## 2. Legal authorities and responsibilities

### 2.1. Core legal authority

The Committee was created as part of legislation called AB 398 (Stats. 2017, Ch. 135) that extended California’s cap-and-trade program through 2030 and codified the creation of the Committee in Section 38591.2 of the Health and Safety Code.

#### 2.1.1. Membership

The Committee consists of five voting members and a sixth non-voting member from the Legislative Analyst’s Office. Of the five voting members, three are appointed by the Governor, one is appointed by the Speaker of the Assembly, and one is appointed by the Senate Rules Committee.

The current membership is as follows:

<b>Member</b>	<b>Home institution</b>	<b>Appointing authority</b>
Dr. Dallas Burtraw	Resources for the Future	Governor
Prof. Meredith Fowlie	UC Berkeley	Governor
Katelyn Roedner Sutter	Environmental Defense Fund	Assembly
Dr. Danny Cullenward	CarbonPlan	Senate
Dr. Ross Brown	Legislative Analyst’s Office	Legislative Analyst’s Office
[Vacancy]	[Vacancy]	Governor

#### 2.1.2. Statutory authority

The Committee’s core legal authority is found Section 38591.2 of the Health and Safety Code:

*The committee, at least annually, shall hold a public meeting and 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.*

For context, this provision refers to CARB as the “state board” and CARB’s cap-and-trade program for greenhouse gases as the “regulation adopted by the state board pursuant to subdivision (c) of Section 38562” of the Health and Safety Code.

### **2.1.3. Annual report**

The Committee’s primary statutory obligation is to produce an annual report that is transmitted to CARB and the JLCCCP. The Committee’s reports provide advice to CARB and the JLCCCP on the environmental and economic performance of CARB’s cap-and-trade program and other relevant climate policies. The Committee published its first report in 2018.

CARB is also required to report to the Legislature, in consultation with the Committee, if two consecutive quarterly auction clearing prices exceed the lower of the two price containment levels established by the AB 398 implementing regulations.<sup>1</sup> CARB set the lower of the two price containment levels at \$41.40 per allowance in a 2018 rulemaking, with this level beginning in 2021 and rising at five percent plus inflation per year thereafter.<sup>2</sup> As of this writing, no auction has yet cleared at or above this level.

## **2.2. Other legal responsibilities**

### **2.2.1. Open meeting rules (Bagley-Keene)**

The Committee is generally subject to California’s open public meeting rules, which are commonly known as the Bagley-Keene Act.<sup>3</sup> The California Department of Justice provides a guide that explains the general requirements of these provisions.<sup>4</sup>

One of the critical requirements of the Bagley-Keene Act is a prohibition on communications that occur outside of public meetings and involve a majority of Committee members. The Committee’s understanding is that when all five voting positions are filled, three or more voting Committee members constitutes a majority for the purposes of the Bagley-Keene Act, and therefore that a concurrent communication between three or more voting Committee members regarding subject matters within the jurisdiction of the Committee would constitute a prohibited communication if it

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<sup>1</sup> Health & Safety Code § 38562(c)(2)(J).

<sup>2</sup> California Code of Regulations, title 17, §§ 95913(h)(5)-(6).

<sup>3</sup> Government Code §§ 11120–11132.

<sup>4</sup> California Department of Justice, <https://oag.ca.gov/open-meetings>.

occurs outside of a properly noticed public meeting. In contrast, the following examples are permissible outside of public meetings:

- Communications between two Committee members;
- Communications between two voting and one non-voting Committee members;
- Communications between individual Committee members and state government officials.

Although the Committee is generally subject to the Bagley-Keene rules, SB 85 (Stats. 2019, Ch. 31) exempted the Committee from subdivision (b) of Section 11122.5 of the Government Code, which prohibits what are called “serial meetings.”<sup>5</sup> A serial meeting could involve, for example, Committee members A and B discussing a topic that Committee members B and C then separately discuss. In this example, a three-member “serial meeting” has occurred between Committee members A, B, and C, even if the two conversations occur at separate times and places.

As a result of the Committee’s statutory exemption from the general prohibition on serial meetings, CalEPA has advised the Committee that Committee members can engage in unlimited bilateral communications.

### **2.2.2. Conflicts of interest**

Section 38591.2(b)(2)(B) of the Health and Safety Code requires that members “lack financial conflicts of interest with entities subject to the [cap-and-trade program] regulation ...”

Neither CalEPA nor the Committee has not adopted a formal policy for implementing this requirement.

### **2.2.3. Public Records Act**

The Committee’s activities may be subject to the Public Records Act.<sup>6</sup>

### **2.2.4. FPPC Form 700 reporting**

The Political Reform Act requires various reporting obligations for designated employees and officials, including an annual Statement of Economic Interest (known as Form 700).

In a November 20, 2018 letter to the Fair Political Practices Commission (FPPC), CalEPA requested an exemption to relieve the Committee of the responsibility to adopt a conflict-of-interest code. On December 12, 2018, the FPPC granted CalEPA’s request, exempting the Committee from the obligation to adopt a formal conflict of interest code. Pursuant to this determination, and the underlying findings, Committee members are not designated employees and are not required to file a Form 700 each year. The conflict-of-interest code exemption remains in effect until the

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<sup>5</sup> Health & Safety Code § 38591.2(d).

<sup>6</sup> Gov. Code §§ 6250, et seq.

basis for FPPC’s determination no longer exists or the end of two years, whichever is shorter.<sup>7</sup> In a letter to CalEPA dated May 17, 2021, the FPPC granted a two-year extension of its original exemption.<sup>8</sup>

### **2.2.5. Public notice for meetings**

CalEPA will announce and post the Committee’s public meeting notice and agendas at least 10 business days prior to those meetings, consistent with the requirements of the Bagley-Keene Act.

### **2.2.6. Accessibility**

Committee meetings are open to the public and are held remotely or in barrier-free facilities that are accessible to those with physical disabilities, in accordance with the Americans with Disabilities Act (ADA). If you are a person with a disability requiring disability-related modifications or accommodations to participate in a meeting, including auxiliary aids or services, or if you require documents be made available in an alternate format or another language or require an interpreter at a meeting, please contact the staff member identified in the “Accessibility at CalEPA” section at the end of each meeting notice and agenda. Requests should be made as soon as possible, but at least ten (10) business days prior to the scheduled meeting. You may also dial a voice TTY / TDD / Speech-to-Speech Communications Assistant at 7-1-1.

Committee members should prepare documents and other meeting materials in formats that are ADA accessible, including making digital written documents accessible to text-to-speech software for the visually impaired. The Committee also encourages members of the public to submit any public comments in an accessible format that meets the Web Content Accessibility Guidelines 2.0, or a subsequent version, published by the Web Accessibility Initiative of the World Wide Web Consortium at a minimum Level AA success criteria. Resources on how to make records accessible can be found at the following webpages:

- Department of Rehabilitation: <https://www.dor.ca.gov/Home/AB434>
- California Department of Technology: <https://cdt.ca.gov/accessibility/>

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<sup>7</sup> Fair Political Practices Commission, [http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/LegalDiv/Exemptions\\_and\\_Extensions\\_18751/Exemptions/E-18-005.pdf](http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/LegalDiv/Exemptions_and_Extensions_18751/Exemptions/E-18-005.pdf).

<sup>8</sup> Fair Political Practices Commission, [https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/LegalDiv/Exemptions\\_and\\_Extensions\\_18751/Extensions/IEMAC2021.pdf](https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/LegalDiv/Exemptions_and_Extensions_18751/Extensions/IEMAC2021.pdf)

### **3. Internal Committee Policies**

#### **3.1. Governance**

##### **3.1.1. Chair**

The Committee elects a Chair from among its members. The Chair is responsible for acting as a liaison between the Committee and CalEPA and for running public Committee meetings.

The Chair serves for a term of three years and can serve an unlimited number of terms.

The current Chair is Dr. Dallas Burtraw, whose term ends December 31, 2023.

##### **3.1.2. Vice Chair**

The Committee elects a Vice Chair from among its members. The Vice Chair is responsible for the duties of the Chair when the Chair is unavailable.

The Vice Chair serves for a term of three years and can serve an unlimited number of terms.

The current Vice Chair is Dr. Danny Cullenward, whose term ends December 31, 2023.

##### **3.1.3. Quorum**

A simple majority of the total number of voting Committee members who hold office, exclusive of any vacancies in the Committee membership, constitutes a quorum. In the case of an even number of qualified members, a majority shall constitute half of the Committee plus one member.

#### **3.2. Committee Reports**

The Committee's core work centers around the production of an annual report that is transmitted both to CARB and the JLCCCP. The Committee is also required to hold at least one public meeting per year.

##### **3.2.1. Committee Scope**

Section 38591.2 of the Health and Safety Code requires Committee reports to address "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."

The Committee understands its scope to include, but not be limited to, matters relating to CARB's cap-and-trade program for greenhouse gases. Each year in a public meeting, the Committee determines a scope of work for the upcoming annual report that is consistent with this interpretation. The Committee welcomes input from interested members of the public as well as state policy-makers during this process.

### **3.2.2. Subcommittees**

The Committee develops ad hoc subcommittees each year to carry out work and discussion between public Committee meetings. Each subcommittee is comprised of no more than two voting Committee members and may also include the non-voting Committee member. Each subcommittee focuses on a topic selected by the full Committee for inclusion in that year's annual report. Because two voting Committee members and one non-voting Committee member can communicate with one another in between public Committee meetings under the Bagley-Keene Act rules, this structure affords the Committee the opportunity and flexibility to conduct its work throughout the year.

Subcommittees report their progress and interim work products to the Committee at public meetings. They do not speak for the Committee, although their work products can be approved by the full Committee in a public meeting for inclusion in annual Committee reports.

### **3.2.3. Annual Report Approval Process**

The Committee works to achieve consensus on the final text of annual reports. This approach has worked well to date and the Committee hopes to continue achieving consensus outcomes. Should consensus not be possible, however, a simple majority of voting members—that is, at least three voting Committee members, when all Committee positions are filled—can approve a final Committee report for publication.

Committee reports should indicate the manner by which they were approved each year to provide clarity to policymakers and the interested public.

### **3.2.4. Individual Member Statements In Annual Reports**

All Committee members can issue independent statements to be included in published Committee reports. This approach allows each member to express a more detailed or individualized perspective on issues where there is broad consensus, or the opportunity to distinguish that member's views from the rest of the Committee where consensus is not possible.

Individual member statements are not subject to the review or approval of the full Committee. They should therefore be designated in final published reports and publicly interpreted as representing the individual views of a Committee member, rather than the Committee as a whole.

## **3.3. General Policies**

### **3.3.1. Committee Handbook**

The Committee Handbook is meant to be a living document that reflects current Committee policies. It can be modified by a majority vote at any time. It cannot expand the Committee's legal authority, nor does it constitute legal advice to Committee members. Committee members with questions about legal matters should contact CalEPA for formal advice.

### **3.3.2. Document distribution**

CalEPA and all Committee members should distribute any documents that require the attention of the full Committee to all Committee members without any unreasonable delays.

Due to the Committee's exemption from the prohibition on serial meetings (see Section 2.2.1, above), individual Committee members can distribute documents to the full committee via separate emails to each individual Committee member. Committee members can also transmit public documents to CalEPA for public posting on the Committee website.

### **3.3.3. Non-voting members**

The Committee's representative from the Legislative Analyst's Office participates on the Committee as a non-voting member. Statements from and reports by the Committee do not necessarily reflect the views of the Legislative Analyst's Office and should not be construed as representing the views of the Legislative Analyst's Office.

### **3.3.4. Disclaimers for outside work**

Voting members of the Committee are encouraged to acknowledge their Committee positions when speaking or writing publicly but should include an appropriate disclaimer whenever there might be the potential for misunderstanding about the nature of their representations.

A disclaimer should clearly indicate that Committee members are speaking only for themselves and not for the Committee as a whole. For example:

*[Committee member name] is a member of the CalEPA Independent Emissions Market Advisory Committee, but does not speak for the Committee here.*

The only statements from the Committee as a whole are those that have been approved by the Committee, such as its annual reports.

## **4. Engagement with state government**

### **4.1. California Environmental Protection Agency**

The Committee is established within the California Environmental Protection Agency, and CalEPA manages the administrative functions of the Committee's public meetings.

#### **4.1.1. Staff and leadership contacts**

The Deputy Secretary for Climate Policy and Intergovernmental Relations is CalEPA's designated official for working with the Committee. The current Deputy Secretary is Ms. Shereen D'Souza.

Various staff members at CalEPA also help support the Committee and share access to an email inbox at [IEMAC@calepa.gov](mailto:IEMAC@calepa.gov).

#### **4.1.2. Staff support for meetings**

In coordination with the Committee Chair, CalEPA staff prepare official public meeting notices, arrange for logistics for in-person or web-based public meetings, and ensure that Committee documents are posted to the IEMAC website in advance of Committee meetings in an accessible format.

#### **4.1.3. Reimbursements**

Committee members serve as volunteers and are not compensated for their time. However, CalEPA has agreed to reimburse Committee members for travel expenses incurred to attend Committee meetings.<sup>9</sup>

### **4.2. Joint Legislative Committee on Climate Change Policies**

The Committee is required to submit its annual reports to the JLCCCP.

#### **4.2.1. Committee leadership and staff**

The Joint Legislative Committee on Climate Change Policies is currently led and staffed by:

- Assembly Member Al Muratsuchi, Chair
- Senator Josh Becker, Vice Chair
- Susan Chan, JLCCCP Chief Consultant

## **5. Public access and transparency**

### **5.1. Website and email list serve**

CalEPA maintains a website listing the Committee's activities and publications. Notices about upcoming Committee meetings and meeting agendas are posted at the CalEPA website:

<https://calepa.ca.gov/independent-emissions-market-advisory-committee/>

In addition to the website, CalEPA also maintains an email list serve to which announcements concerning Committee meetings, meeting agendas, and publications. Members of the public can

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<sup>9</sup> CalEPA, IEMAC Process Memo (June 2018), <https://calepa.ca.gov/wp-content/uploads/sites/6/2018/06/IEMAC-Process-Memo-June-2018.pdf>.

subscribe to the email list by sending an email message requesting subscription to [IEMAC@calepa.ca.gov](mailto:IEMAC@calepa.ca.gov).

## 5.2. Public comments

The Committee welcomes comments from interested members of the public through a variety of mechanisms and opportunities. The Committee also encourages members of the public to submit any public comments in an accessible format as described in Section 2.2.6.

### 5.2.1. Contacting the Committee

The email addresses for Committee members and for CalEPA staff working on Committee matters are:

Member / Agency	Email address
CalEPA	<a href="mailto:IEMAC@calepa.ca.gov">IEMAC@calepa.ca.gov</a>
Ross Brown	<a href="mailto:Ross.Brown@lao.ca.gov">Ross.Brown@lao.ca.gov</a>
Dallas Burtraw (Chair)	<a href="mailto:burtraw@rff.org">burtraw@rff.org</a>
Danny Cullenward (Vice Chair)	<a href="mailto:dcullenward-iemac@ghgpolicy.org">dcullenward-iemac@ghgpolicy.org</a>
Meredith Fowlie	<a href="mailto:fowlie@berkeley.edu">fowlie@berkeley.edu</a>
Katelyn Roedner Sutter	<a href="mailto:kroedner@edf.org">kroedner@edf.org</a>

### 5.2.2. Written comments

The Committee invites written comments from interested members of the public on upcoming and recent Committee agenda items. Please send written comments to CalEPA ([IEMAC@calepa.ca.gov](mailto:IEMAC@calepa.ca.gov)) and copy each member of the Committee using the email addresses listed above in Section 5.2.1.

Please note that written comments will be treated as public documents. Public comments may be posted on the Committee website or otherwise accessed by members of the public by making a request. Records requests can be made by email to [PRARRequests@calepa.ca.gov](mailto:PRARRequests@calepa.ca.gov) or sent via U.S. mail to:

Attn: CalEPA PRA Coordinator  
 California Environmental Protection Agency  
 1001 I Street, MS 25C  
 Sacramento, CA 95811

### 5.2.3. Oral comments

The Committee welcomes oral comments and questions in its public meetings and encourages interested members of the public to follow up with written comments or questions to provide a more comprehensive record for Committee deliberations.

Government Code section 11125.7 provides the opportunity for the public to address each agenda item during discussion or consideration by the Committee or prior to the Committee taking any action on said item. Members of the public will be provided appropriate opportunities to comment on any issues before the Committee, but the Committee Chair may, at their discretion, apportion available time among those who wish to speak. Individuals may appear before the Committee to discuss items not on the agenda; however, the Committee cannot discuss or take official action on these items during the same meeting. (See Gov. Code, §§ 11125, 11125.7(a).)

#### **5.2.4. Public Records Act**

Anyone contacting the Committee should be advised that their public comments will become matters of public record. CalEPA may post comments received on the Committee's website. Any emails or other written communications with CalEPA or individual Committee members are also potentially subject to the Public Records Act.

### **5.3. Committee materials**

#### **5.3.1. Meeting recordings**

Records of all public Committee meetings are to be made available to the public. In earlier meetings, CalEPA arranged for a court reporter to provide an official transcript. More recently (and for web-based meetings in particular), CalEPA has arranged to make a digital video recording on the IEMAC website.

#### **5.3.2. Document availability**

Meeting notices and agendas and other meeting materials, including the Committee's annual reports, are made available on the Committee's website.

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## 6. Appendix

### 6.1. Core legal authority

#### **Health & Safety Code § 38591.2**

- (a) The Independent Emissions Market Advisory Committee is hereby established within the California Environmental Protection Agency.
- (b) (1) (A) The committee shall be composed of at least five experts on emissions trading market design appointed according to the following:
- (i) Three members appointed by the Governor.
  - (ii) One member appointed by the Senate Committee on Rules.
  - (iii) One member appointed by the Speaker of the Assembly.
- (B) (i) The committee shall include a representative from the Legislative Analyst's Office.
- (ii) The representative from the Legislative Analyst's Office shall be a nonvoting committee member.
- (2) The committee members shall meet all of the following requirements:
- (A) Have academic, nonprofit, and other relevant backgrounds.
  - (B) Lack financial conflicts of interest with entities subject to the regulation adopted by the state board pursuant to subdivision (c) of Section 38562.
- (c) The committee, at least annually, shall hold a public meeting and 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.
- (d) The activities of the committee pursuant to this section shall not be subject to subdivision (b) of Section 11122.5 of the Government Code.
- (e) This section shall remain in effect only until January 1, 2031, and as of that date is repealed.

*Legislative history: Added by AB 398 (Stats. 2017, Ch. 135); amended by SB 85 (Stats. 2019, Ch. 31).*

## 6.2. Official correspondence

Here is a list of official correspondence involving the Committee:

- FPPC reply letter to CalEPA (Dec. 2018), [http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/LegalDiv/Exemptions\\_and\\_Extensions\\_18751/Exemptions/E-18-005.pdf](http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/LegalDiv/Exemptions_and_Extensions_18751/Exemptions/E-18-005.pdf)
- FPPC reply letter to CalEPA (May 2021), [https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/LegalDiv/Exemptions\\_and\\_Extensions\\_18751/Extensions/IEMAC2021.pdf](https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/LegalDiv/Exemptions_and_Extensions_18751/Extensions/IEMAC2021.pdf)
- Letter from Senator Ben Allen et al. to CARB, CalEPA, and the IEMAC (March 2019), [https://calepa.ca.gov/wp-content/uploads/sites/6/2019/09/IEMAC-Meeting-Materials-9-20-19-Legislative\\_Letter.ahp\\_.pdf](https://calepa.ca.gov/wp-content/uploads/sites/6/2019/09/IEMAC-Meeting-Materials-9-20-19-Legislative_Letter.ahp_.pdf)

## 6.3. CalEPA guidance documents

Here is a list of public CalEPA guidance documents the Committee has received:

- IEMAC Process Memo (June 2018), <https://calepa.ca.gov/wp-content/uploads/sites/6/2018/06/IEMAC-Process-Memo-June-2018.pdf>
- IEMAC Bagley-Keene Memo (June 2018), <https://calepa.ca.gov/wp-content/uploads/sites/6/2018/06/IEMAC-Bagley-Keene-Memo-June-2018-1.pdf>

## 6.4. Committee reports

All Committee reports are published on the Committee website:

<https://calepa.ca.gov/independent-emissions-market-advisory-committee/>

- 2018 IEMAC Annual Report
- 2019 IEMAC Annual Report
- 2020 IEMAC Annual Report