One conspicuous omission in the 2023 IEMAC Annual Report is any recommendation or clear guidance on which of the three reduction targets for 2030 that CARB is considering -- 40%, 48%, or 55% -- should be adopted. The Governor's 55% target is not even mentioned. Is the 55% target merely a straw man alternative, which is not actually under serious consideration?

Attached herewith is a comment letter that I submitted for the Senate's February 13 joint hearing on Cap-and-Trade, which articulates an economic rationale for a more ambitious target:

"... The price ceiling represents the limit of what we are able and willing to pay for climate change mitigation. As long as the price ceiling is below the social cost of carbon, there is no economic justification for adopting an emission target that results in allowance prices well below the ceiling."

This rationale applies to near-term GHG targets in the 2025-2030 time frame. In the context of post-2030 regulatory options, the more fundamental question is whether there is any economic justification for paying less than what we are able and willing to pay for climate change mitigation (irrespective of any emission targets). A regulatory policy framework that seeks to minimize emissions subject to a predetermined price limit would be very different from one that seeks to minimize allowance prices subject to a predetermined emissions limit. The latter alternative is incompatible with existing statutes including (1) the AB 32 mandate requiring the "maximum technologically feasible and cost-effective *greenhouse gas emission* reductions" (not *cost* reductions), (2) the AB 398 mandate requiring attainment of net-zero emissions "as *soon* as possible" (not as *cheaply* as possible), and (3) the AB 398 price ceiling, which expressly forfeits emissions certainty in favor of price certainty.

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