

Independent Emissions Market Advisory Committee
California Environmental Protection Agency
Sacramento, CA and remote participation via Zoom
12:30pm to 2:30pm PDT, December 18, 2024

Meeting minutes — December 18, 2024

1. Call to order, roll call, and establishment of quorum

IEMAC voting members Fowlie and Sutter were present.

IEMAC voting members Burtraw, Cullenward, and Holt joined remotely.

IEMAC non-voting member Kerstein was present.

An information technology issue led to a delay in the start of the meeting.

Chair Fowlie announced the presence of a quorum and brought the meeting to order at 12:49 pm.

2. Welcome, introductions, and meeting purpose

Chair Fowlie welcomed the committee members and members of the public.

Chair Fowlie reviewed the intended report timeline, in which a draft report would be released for comment on Friday, December 20, 2024; public comments would be due on January 17, 2025; and a target date for the final release of the report of January 24, 2025.

The committee discussed the likely need to extend the timeline to address substantive exchanges between committee members related to the drafts prepared for today's meeting and agreed to revising the timing question in a later agenda item.

No action was taken.

3. Discussion and possible action to approve minutes from November 6, 2024

Holt made a motion to approve the minutes from November 6, 2024; Sutter seconded.

Votes in favor: Burtraw, Cullenward, Fowlie, Holt, Sutter

Votes in opposition: None

Not voting: Kerstein

The minutes were approved.

4. Discussion of Cap-and-Trade Program updates

The committee noted its understanding that CARB's cap-and-trade regulatory process would likely not involve any actions in 2024 and would instead continue in 2025, and that legislative discussions concerning the cap-and-trade program were underway.

No action was taken.

5. Presentation and discussion of chapter outlines for Annual Report

Chair Fowlie invited representatives of each chapter to present their work to the full committee.

No action was taken.

a. Affordability

Chair Fowlie presented the draft chapter for committee discussion.

b. Cost containment

Chair Fowlie presented the draft chapter for committee discussion.

c. Allowance allocation and auction revenues

Cullenward presented the draft chapter for committee discussion.

d. Offsets

Cullenward presented the draft chapter for committee discussion.

e. Market design

Burtraw presented the draft chapter for committee discussion.

f. Carbon removal

Sutter presented the draft chapter for committee discussion.

g. Disadvantaged communities

Sutter presented the draft chapter for committee discussion.

h. Public comments

A member of the public encouraged the IEMAC to recommend that the legislature clarify its intent with existing statutes, including the meaning of “statewide emissions” in AB 1279 (and whether that allows for out-of-state reductions, removals); the effect of the price ceiling from AB 398, which could cause the cap-and-trade program to fail to achieve in-state emission reductions consistent with 2030 and 2045 outcomes; and whether the direction to achieve the 2045 target “as soon as possible” in AB 1279 has any substantive meaning.

A member of the public encouraged the IEMAC to incorporate the anticipated allowance supply reductions being discussed in the CARB workshops (180-265 million allowances) and not to disregard the “rule-based” cost containment mechanisms from the 2010 cap-and-trade rulemaking (which designate offset limits by reference, in part, to the original design of the Allowance Price Containment Reserve).

A member of the public also referenced the “offsets under the cap” issue in relation to both Washington and the earlier California rulemaking, and requested process time to review the forthcoming draft IEMAC report, including to socialize potential public comments with industry associations.

6. Next steps – finalizing IEMAC report – Chair Fowlie

The committee discussed the status of the draft chapters and updated its expectation that a draft report would be release for public comment in January 2025. No action was taken.

7. Agenda items for future meetings

Chair Fowlie requested that CalEPA poll committee members to schedule a meeting in January. No date was determined and no action was taken.

8. Public Comment on Items not on the agenda – Chair Fowlie

No public comments were offered.

8. Adjournment – Chair Fowlie

Chair Fowlie adjourned the meeting at 3:10pm.