

California Legislature

August 25, 2017

The Honorable Anthony Rendon
Speaker of the Assembly

The Honorable Kevin de León
Senate President pro Tempore

Dear Speaker Rendon and President pro Tem de León:

In February, I along with several other members wrote the attached letter. As you will note, we requested that a significant portion of the Greenhouse Gas Reduction Fund (GGRF) revenues be directed to programs that provide proven air quality benefits for heavily polluted disadvantaged communities throughout California.

As you know, the recent carbon permit auction bought \$935 million in credits, which in addition to the existing GGRF revenues, brings the total in available funds to an estimated \$1.4 billion. The price permit in this quarter's auction saw the highest price above the minimum in years, with a final bidding price of \$14.75. The success of the auction has reinforced the need to invest GGRF revenues in programs that will quantifiably and most effectively mitigate and reduce the impacts of climate pollution, particularly in communities most afflicted by poor air quality.

We continue to strongly recommend that the Legislature invest in programs that have proven to be effective in reducing emissions for the communities most impacted by air pollution. The ongoing success of the Carl Moyer program, the Lower-Emission School Bus program, and the Enhanced Fleet Modernization Program that have established and effective metrics for reducing pollution depends on our continued investment to meet funding needs. These programs, and other incentive-based efforts, have a solid track record of getting surplus emission reductions within cost-effectiveness limits.

The renewed certainty in the cap-and-trade program and the encouraging success of the carbon permit auction have redoubled the need for the state to invest in programs that can demonstrate significant and cost-effective GHG-emission and criteria-pollutant reductions. We ask that all stakeholders come together in a constructive effort to ensure that our GGRF dollars be put toward programs that will optimize the benefits for all Californians.

Thank you for your consideration of this issue and our recommendations.

Sincerely,



RUDY SALAS
Assemblymember, 32nd District



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