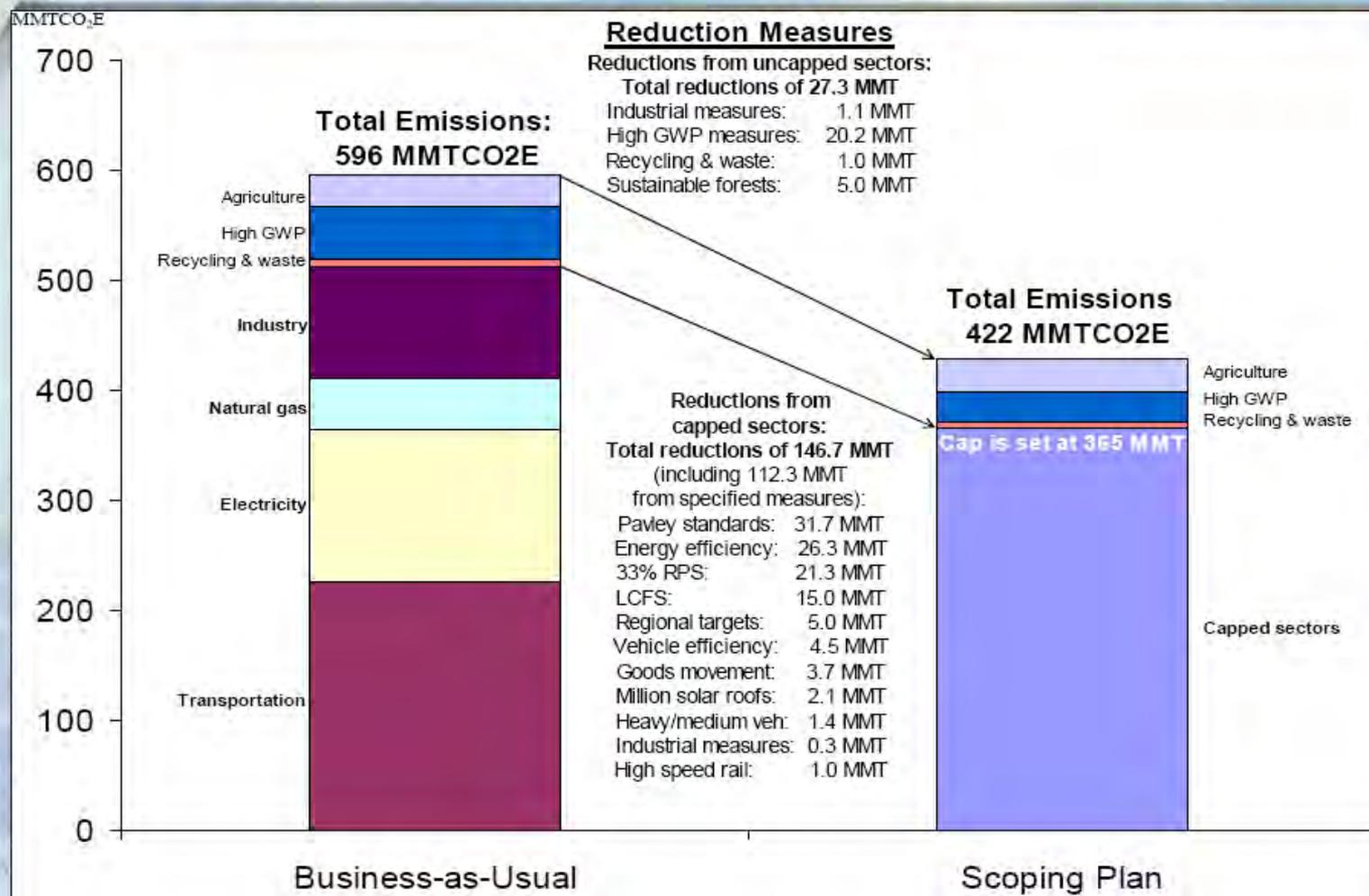


AB32 Update

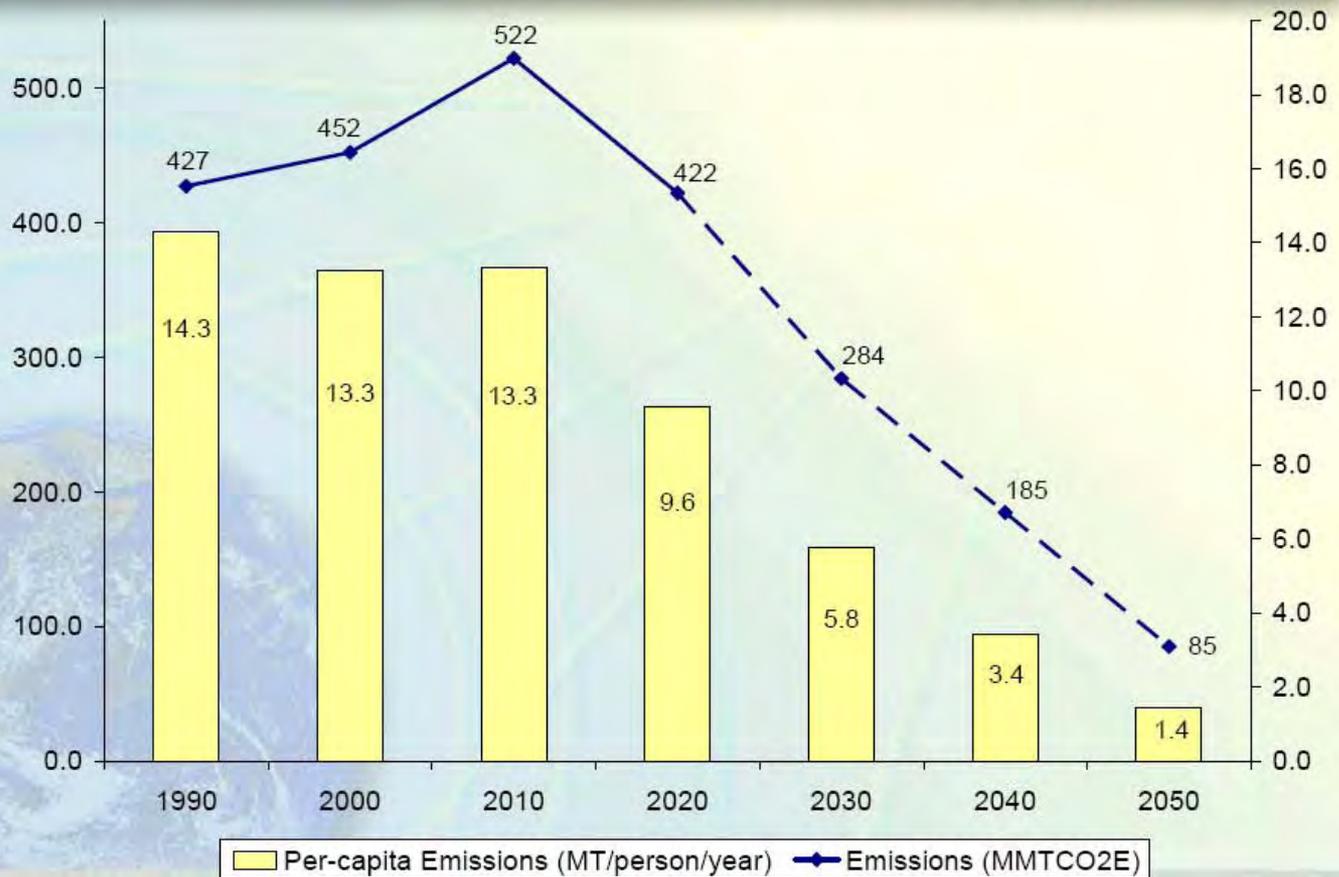
Bob Wyman
January 13, 2009

California 2020 GHG Emissions and Recommended Reduction Measures



Moving Toward 2050

A Clean Energy Future



Six Priority Observations

- California's market design (cap and control) will cost more than other regional markets
 - Independent mandates are appropriate for strategic sectors (LCFS, motor vehicles, RPS), but not otherwise
 - Broad geographic and sector offsets are essential to bound California's economic risk
 - Unlike other regions, CA sources will be uniquely vulnerable as many will have few on-site reduction opportunities
- California's market should promptly transition to the national program
- Ambitious targets are fine, but of little value without a serious effort to remove entitlement barriers and prioritize infrastructure investments
- Energy efficiency and renewable power opportunities should extend beyond utility programs
- CEQA for climate should address a project's impact on regional carbon intensity not its local tons
 - Energy and transportation balance is the objective
 - Tonnage thresholds will chill desired investment (stimulus projects included)
- Under SB375, MPOs should be careful not to cause conformity risks