

Wenzel, Mark

From: Dunn, Ashley@ARB [adunn@arb.ca.gov]
Sent: Thursday, March 25, 2010 11:42 AM
To: Economic & Allocation Advisory Committee
Subject: FW: arbcombo -- EAAC Allocation Final Report Available

-----Original Message-----

From: DON JEPSON [mailto:DJEPSON@senecafoods.com]
Sent: Thursday, March 25, 2010 10:54 AM
To: Dunn, Ashley@ARB
Subject: RE: arbcombo -- EAAC Allocation Final Report Available

I have read the preliminary report on the economic impact and had a comment or two. I'm going to keep short and to the point.

Basically the Economic Impact report indicates that there will be a small increase in economic benefit to implementing the CARB Scoping Plan with the Cap and Trade Plan.

I find that result to be totally incredible. The Cap and Trade cost will expand to \$30.00/unit and a minimum cost per year to operate at 25,000 MT/yr will be \$750,000/yr added operating cost. That is a significant economic impact that will continue on forever. This will slow down the movement of money in the state economy. This will ruin many businesses in the state.

You are assuming that the incentives are going to power the economy to overcome the purchase of new efficient equipment. The purchase of new efficient equipment will be greatly hampered due to the lack of capital after paying out the cap and trade costs. This is counter productive to reducing GHG emissions. Paying cash to pollute does not solve the problem.

If you want this CARB Scoping Plan to have the expected economic benefit you are proposing, the Cap and Trade portion needs to go away. Let businesses take those funds and purchase new efficient equipment. Then you will see a tangible reduction in GHG emissions without adversely affecting the economy.

The rate of GHG reduction will occur at the rate that makes the most economic sense. If businesses have profits and capital to spend on reducing costs through buying energy efficient equipment, then it will happen. The rate at which the conversion can occur is dependent on technology available and the funds available. Trying to speed up the conversion process through Cap and Trade will have a negative effect on the economy.

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-----Original Message-----

From: owner-arbcombo@listserv.arb.ca.gov
[mailto:owner-arbcombo@listserv.arb.ca.gov] On Behalf Of adunn@arb.ca.gov
Sent: Thursday, March 25, 2010 9:21 AM
To: post-arbcombo@listserv.arb.ca.gov
Subject: arbcombo -- EAAC Allocation Final Report Available

The final version of the report, "Allocating Emissions Allowances Under a California Cap-and-Trade Program," prepared by the Economic and Allocation Advisory Committee (EAAC) is now available. It can be found at <http://www.climatechange.ca.gov/eaac/>. The Committee adopted the report at a public meeting on January 11th, 2010, pending the incorporation of changes the Committee requested to this report presented at that meeting.

For further information on the EAAC, please see <http://www.climatechange.ca.gov/eaac/>.

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The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, visit the Flex Your Power website at www.fypower.org .
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