



June 12, 2012

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The Honorable John A. Pérez, Speaker
California State Assembly, Room 219
Sacramento, CA 95814

**RE: AB 1532 (Pérez) – Global Warming Solutions Act of 2006: GHG Reduction Account
As Amended 5/1/12 – Support in Concept
Set for hearing on July 2, 2012 – Senate Environmental Quality Committee**

Dear Mr. Speaker:

On behalf of the California State Association of Counties (CSAC), we write to express our support for the concepts contained in your AB 1532, a measure related to Cap and Trade revenues. CSAC is an association that represents county government before the California Legislature, administrative agencies and the federal government. Representing all 58 of California's counties, CSAC places a strong emphasis on educating the public about the value and need for county programs and services critical for healthy and sustainable communities.

As you are aware, the Global Warming Solutions Act of 2006 (AB 32) requires the State to adopt greenhouse gas (GHG) emissions limits with the goal of reducing our emissions to 1990 levels by 2020. In addition, AB 32 requires the California Air Resources Board (CARB) to adopt regulations to implement GHG reduction strategies, and authorizes the use of market-based mechanisms. Consequently, CARB has designed a Cap and Trade program, which included a multi-year stakeholder process, and meets the requirements set forth in AB 32.

This bill would develop the framework for the investment of the proceeds of the Cap and Trade program. Specifically, this bill would require CARB and other relevant state agencies to adopt guidelines for funding criteria and would require CARB to adopt an investment plan every three years which identifies and prioritizes the expenditure of Cap and Trade revenues. In addition, this bill would require CARB to consult with an advisory committee made up of the Secretaries for Natural Resources, Environmental Protection, Agriculture, and Business, Transportation and Housing. CSAC believes that the inclusion of a local government representative on the Advisory Committee would add value to the process, allowing for coordination between state policy and local implementation. We firmly believe that local governments continue to demonstrate leadership on this issue by addressing climate change and creating inventive programs that tackle GHG emissions reductions in their respective communities.

The Governor's January 2012 budget estimates revenue from the Cap and Trade program to be approximately \$1 billion in the first year. With significant new revenues at stake, CSAC strongly supports the proposal of establishing clear guidelines for funding eligibility and the creation of an investment plan so that Cap and Trade revenues are

expended in a way that meets the goals of AB 32. CSAC believes that investments made should reduce GHG emissions while providing additional co-benefits, such as creating in-state jobs, protecting California's disadvantaged and rural communities, promoting environmental health, ensuring public health, and reducing the impacts of climate change.

In addition, CSAC strongly supports the addition of a local government GHG emissions reduction funding component to the bill. Local governments across the state are making significant strides to reduce GHG emissions through a variety of different approaches, including clean and renewable energy projects, energy efficiency measures, facilities and fleet upgrades, and innovative planning processes, to name a few. However, most local governments lack the funding to engage in complex, multi-benefit GHG reduction projects, though they would like to. Providing local governments with a funding source to engage in these efforts will not only promote local sustainability, but it will help California meet its climate goals. Further, CSAC supports the expenditure of auction revenues derived from vehicle fuels on the transportation network. Targeting revenues and incentives toward local governments in support of various GHG reduction strategies found in regional transportation planning efforts across the state will further AB 32 goals.

CSAC applauds your leadership on this important issue and we look forward to working with you as this bill moves forward in the legislative process. Should you have any questions regarding our position, please contact Karen Keene at 916-327-7500, ext. 511, or kkeene@counties.org, or DeAnn Baker at 916-327-7500, ext. 509, or dbaker@counties.org.

Sincerely,



Karen Keene
CSAC Senior Legislative Representative



DeAnn Baker
CSAC Senior Legislative Representative

cc: Senator Joe Simitian, Chair, Senate Environmental Quality Committee
Members & Consultant, Senate Environmental Quality Committee
Consultant, Senate Republican Caucus
Mary Nichols, Chairman, California Air Resources Board