

## Cap-and-Trade by the Numbers

80% coverage of state's GHG emissions

~400 covered facilities

> 400 private investors

12 years old

8 Regulatory updates

10 years linked with Québec

49 quarterly auctions

>\$31 billion for the GGRF for budget appropriation

76% of implemented CCI funding benefits priority populations (>\$8 billion)

>13 billion for California Climate Credit on energy bills

> \$11 billion to protect CA jobs and businesses, and to minimize emissions leakage

6 approved offset project types

> 265 million verified compliance offsets issued

> 90 million verified offsets issued to Tribal projects (~\$1.5 billion)

## Cap-and-Trade Program Quick Facts

The Cap-and-Trade Regulation establishes a declining limit on major sources of greenhouse gas (GHG) emissions throughout California, and it creates a powerful economic incentive for significant investment in cleaner, more efficient technologies. The Cap-and-Trade program is one of a suite of regulations and incentives identified by the Scoping Plan to cost-effectively achieve the State's required GHG emissions reductions. These targets include at least a 40 percent reduction from 1990 levels by 2030 (SB 32), an 85 percent reduction from 1990 levels by 2045 and statewide carbon neutrality by 2045 (AB 1279).

The Program was authorized by AB 32 (2006), and AB 398 (2017), which passed with a two-thirds Legislative vote, clarified the role of the post-2020 Program.

Compliance with other Programs such as the Renewables Portfolio Standard and Low Carbon Fuel Standard count as compliance with the Cap-and-Trade Program.

### **6-7x less costly than prescriptive regulations on the energy and industrial sectors (2022 Scoping Plan Update)**

**Cost containment:** Per AB 398, Program includes a price ceiling and price speed bumps to protect against price spikes. Offsets provide limited use lower cost compliance option. Multi-year compliance allows for smoothing of annual variability. Industry receives some free allowances to minimize for emissions leakage and remain competitive. Limited banking of allowances supports hedging to plan for reduced compliance costs.

**Air pollution:** The Program has been scientifically proven to reduce air pollution and is aligned with efforts to continue to reduce harmful air pollution as discussed [here](#). And provides critical funding for AB 617.

**Offsets:** Design of the compliance offset program ensures that emissions reductions are real and has been successfully litigated. Current limit on offset use is up to 4% of compliance and half must be from projects that provide direct environmental benefits to California.

**Information Transparency:** [Data Dashboard](#)