

Background and Recommendations: Cap-and-Trade Program

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AB 32 Environmental Justice Advisory Committee
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California has some of the worst air quality in the country. The problem is rooted in the San Joaquin Valley

[Nation](#) Jun 16, 2022 6:22 PM EDT

California Farm Counties Are Not Even Close to Meeting the EPA's New Clean Air Quality Standard

The nation's largest agriculture region has never been able to meet the EPA's standard for pollution from particulate matter. Health and environmental justice groups are hoping the new rules will spur urgent action.

BY VIRGINIA GEWIN • MARCH 5, 2024



AB 32 (Núñez, 2006): Global Warming Solutions Act

- Set 2020 target of achieving 1990-level emissions
- Established the Environmental Justice Advisory Committee (EJAC)

Requires:

- Consulting with EJ communities
- Providing an opportunity to comment before adoption of plans and regulations
- Ensuring there is no disproportionate impact on low-income communities
- CARB to complement the state's efforts to achieve and maintain health-protective air quality standards and to reduce toxic air contaminants

Certain standards for respective CARB regulations and the Scoping Plan:

- Maximum technologically feasible and cost-effective reductions
- Complementary to other strategies
- Non-duplicative of other efforts
- Real, permanent, quantifiable, verifiable, and enforceable reductions



Figure 4. Trends in California GHG Emissions.

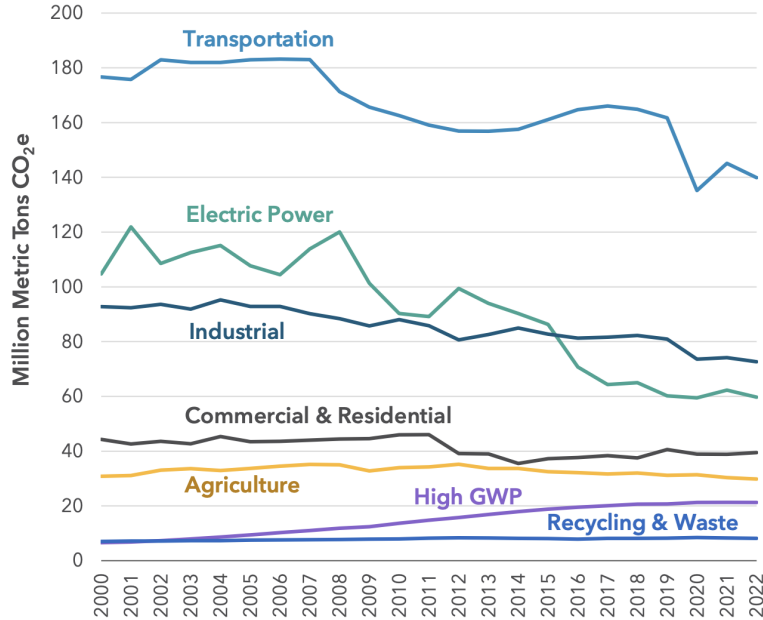


Figure 4 shows changes in emissions by Scoping Plan sector between 2000 and 2022.

Figure 9. Racial Composition of Neighborhoods by Number of Nearby Facilities



Source: Pastor et al, "Up in the Air: Revisiting Equity Dimensions of California's Cap-and-Trade System"

Subsequent Actions

In 2016, 2 linked bills clearly reinforced the Legislature's desire to reduce emissions + maximize co-benefits to EJ communities:

1. AB 197 (E. Garcia, 2016)

- Established Joint Legislative Committee on Climate Change Policies
- Directed CARB to prioritize direct emissions measures

2. SB 32 (Pavley, 2016)

- Established 2030 emissions target



AB 398 (E. Garcia, 2017)

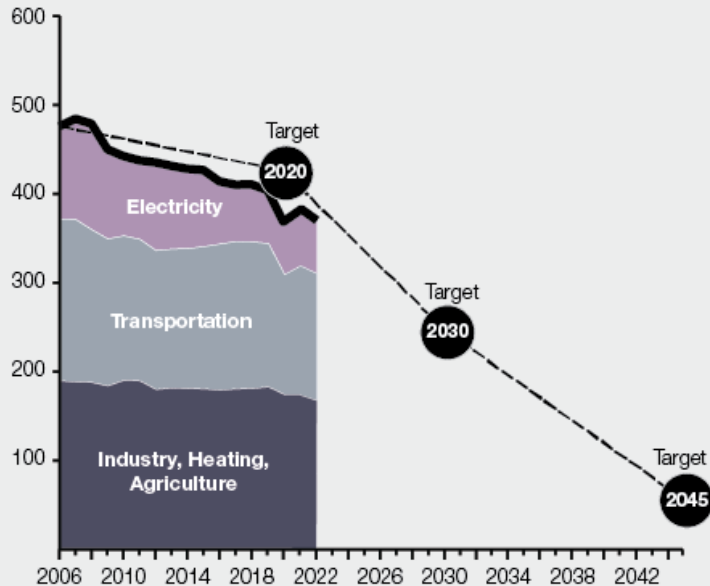
- Authorized carbon markets until 2030, with the following conditions:
 - Limited offset use and banking
 - Price controls
 - “Industry assistance factor” at 100% for all industries, regardless of leakage risk
 - Regular reports to the Legislature
 - Created the Independent Emissions Market Advisory Committee
- *Linked to **AB 617** (C. Garcia, 2017): Community Air Protection Program*



Figure 1

State Met 2020 GHG Targets Early, But 2030 and 2045 Targets Are More Ambitious

Million Metric Tons of GHGs Emitted



“We now know that we are not on a line that’s going to meet the 2030 target, much less the 2045 goal of carbon neutrality. And so we’re going to have to step back and take a serious look at the role that Cap-and-Trade, and other measures, play in getting us to that point.”

Chair Mary Nichols, Dec. 13 2018 CARB hearing

GHG = greenhouse gas.

LAOA

EJAC Resolution & Recommendations

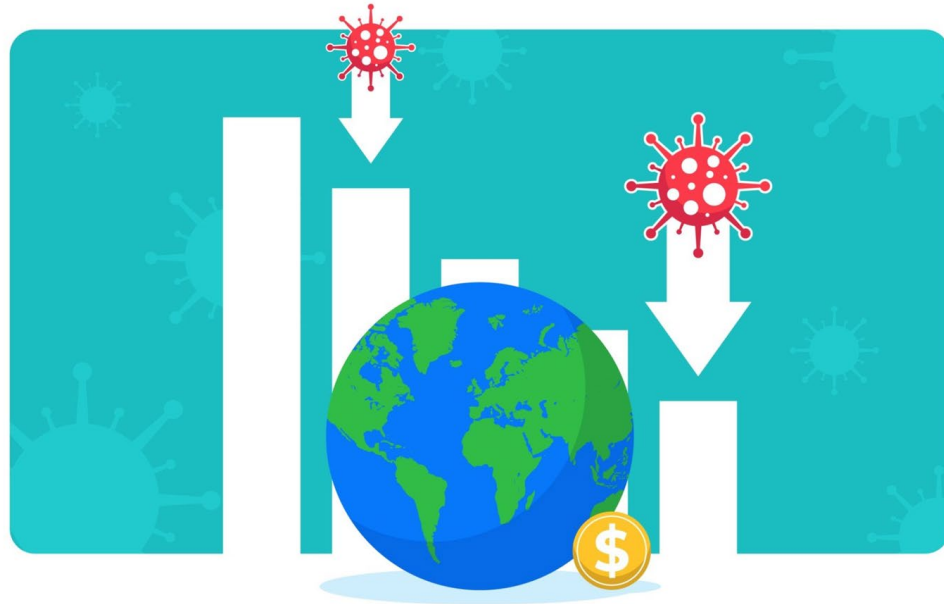
1. Eliminate free allowances for the industrial sector.

2. Eliminate offsets.

- a. If CARB does not eliminate offsets, they should correct the values of projects proven to be overestimated and prioritize projects within the state.
- b. If CARB does not eliminate offsets, they should prohibit the use of offsets to fund projects that increase air or water pollution.

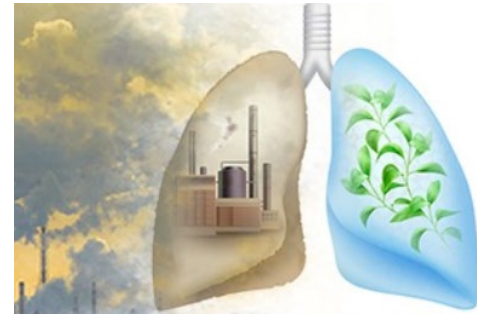


Offsets and Tribal Concerns



3. Cumulative health impacts + Real, quantifiable, verifiable, surplus, permanent emissions reductions:

- a. **Restrict trading in disadvantaged communities** (“no trade zones”) or establish facility-level caps, particularly for sectors in which emissions have failed to decrease at a rate equivalent to the overall declining cap.
- b. **Prohibit permitting** - including expansion - of stationary sources in disadvantaged communities that directly emit pollution and / or that increase the volume or concentration of indirect or areawide pollution, including but not limited to mobile sources.
- c. **Conduct statewide audits** of facilities in environmental justice communities, including but not limited to by conducting permit reviews, site inspections, and source testing.
- d. **Ensure direct emissions reductions** beyond the Community Air Protection program, and that EJ communities are not experiencing foregone reductions due to carbon markets.
- e. **Strengthen the Community Air Protection Program**, including but not limited to by:
 - i. making community plans legally enforceable by CARB and citizens,
 - ii. targeting funds at community priorities,
 - iii. improved data transparency, including online access to all air permits, and
 - iv. ensuring Best Available Control Technology (BACT) and Best Available Retrofit Control Technology (BARCT) are implemented, and permits and standards are reviewed every 5 years.



4. **Prohibit crediting for Carbon Capture or Direct Air Capture** projects, both in and out of state.
5. **Require annual certification** by the Board and Executive Officer that the program is being carried out in compliance with the civil rights requirements of Title VI of the 1964 Civil Rights Act and California Code 11135.
6. Continue to build on previous work for **adaptive management planning**.



Environmental Justice = Recognition + Improved Outcomes

Community Air Protection Program

- *Community-engagement*
 - *Accessibility (translation, stipends, evening meetings)*
 - *Trust and relationship building*
 - *Ground truthing through lived experience.*
 - *Informed consent*



THE SPECTRUM OF COMMUNITY ENGAGEMENT TO OWNERSHIP



forests
rangelands
urban parks
wetlands
grasslands
developed
land/
farms

BOTH
CONTRIBUTES
TO CLIMATE CHANGE
AND HELPS REDUCE
EMISSIONS

WHERE
ARE OTHER
OPPORTUNITIES
TO REDUCE GHG
AND SEQUESTER
CARBON?

LOW INCOME + BIPOC

COMMUNITIES DISPROPORTIONALLY
AFFECTED BY REPLACING AND
CONCENTRATION OF POLLUTION
MAGNETS

≈ 50%

OF CA'S
CLIMATE
EMISSIONS = TRANSPORTATION

MORE
AFFORDABLE
OPTIONS
NEEDED!

MAJOR
CONCERN:
GETTING
LEFT BEHIND
WHEN MOVING
FROM GAS → ELECTRIC
FOR TRANSPORT,
HOMES, & ENERGY
SOURCES

RESIDENTS OF
AGRICULTURAL

COMMUNITIES
ARE GREATLY AFFECTED.

→ ALLERGIES/CHEMICAL
EXPOSURE

→ VALLEY FEVER

WHAT CAN
BE DONE?

• INCLUDE PESTICIDES AS POLLUTION

• WORK WITH FARMERS TO
REDUCE USE

NATURAL
WORKING LANDS

MASKS
NEEDED

LAND USE AND
TRANSPORTATION

BUSES

WALKING

VAN POOL

RIDESHARE

CARBON CAPTURE
AND STORAGE

NATURAL CARBON
STORAGE

UNPROVEN
TECHNOLOGY

composting
urban forestry
avoiding fertilizers
wetland restoration

SAN JOAQUÍN
VALLEY
CLIMATE JUSTICE
AND
THE SCOPING PLAN

JUST TRANSITION
OFF FOSSIL FUELS

TRANSITIONING
FROM FOSSIL FUELS → CLIMATE SAFE ENERGY =
HUNDREDS OF NEW JOBS

JUST
TRANSITION

NO WORKER
OR
COMMUNITY
LEFT BEHIND

DIRTY
JOBS CANNOT
BE SOLD AS
CLEAN JOBS

NEEDS MORE
GUIDELINES
ON TRASH
INCINERATORS,
ETC.

ENERGY

SAN JOAQUÍN
VALLEY GENERATES
RENEWABLE ENERGY
AS WELL AS FROM
POLLUTING SOURCES

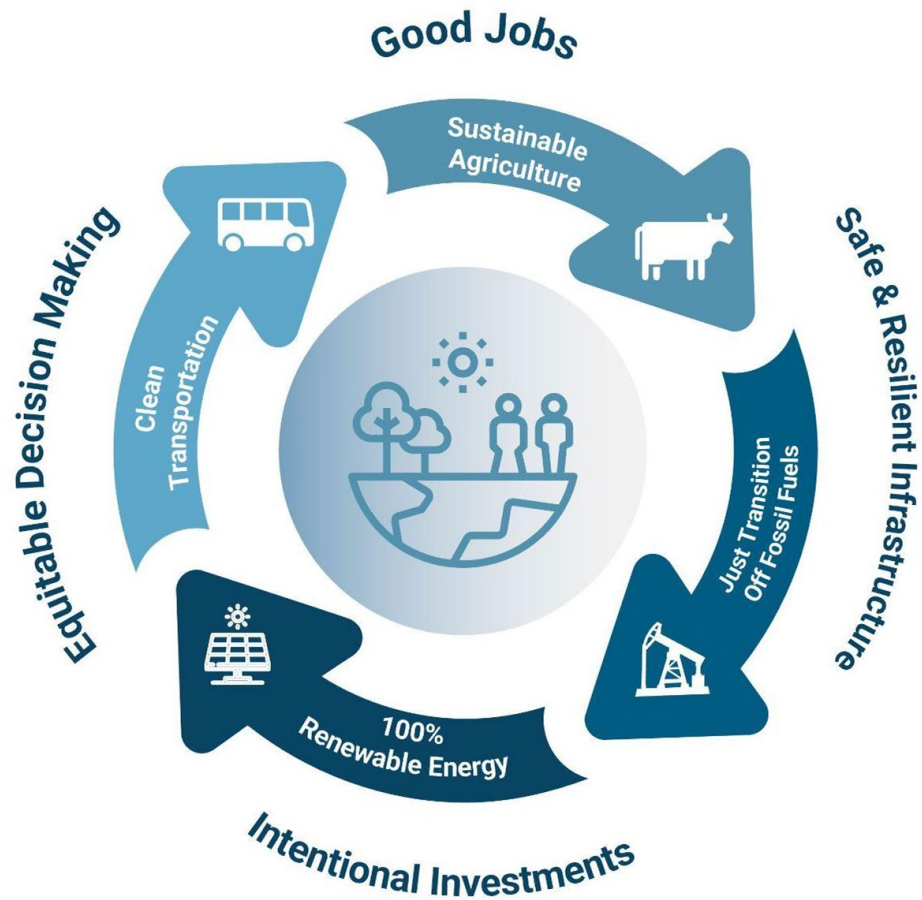
COMMUNITIES
ARE OPPOSED TO MORE
MONEY FOR OIL COMPANIES

EXPENSIVE

SUBSIDIZED BY
TAXPAYERS

THERE ARE
SOLUTIONS:

LISTEN TO INDIGENOUS PEOPLES AND
THEIR NATURAL METHODS
IMPACTED COMMUNITY MEMBERS
MUST BE AT THE TABLE CREATING
SOLUTIONS



Discussion

1. Cap-and-Trade, Climate Goals + Improving Air Quality and Racial Equity
2. Environmental Justice Communities + EJAC Consultation and Engagement→Upcoming rulemakings and Scoping Plan process

