**Cap and Trade.**

**Under a carbon tax, the government sets a price that emitters must pay for each ton of greenhouse gas emissions they emit. Businesses and consumers will take steps, such as switching fuels or adopting new technologies, to reduce their emissions to avoid paying the tax.**

**While a carbon tax sets the price of CO2 emissions and allows the market to determine the amount of reduced emissions, a cap-and-trade system sets the quantity of emissions allowed, which can then be used to estimate the decline in the rise of global temperatures.**

**What is the Cap-and Trade law? In the Cap-and Trade system, the government sets an emissions cap and issues a quantity of emission allowances consistent with that cap. Emitters must hold allowances for every ton of greenhouse gas they emit. Companies may buy and sell allowances, and this market establishes an emission price. Companies that can’t achieve this cap/limit can trade with other companies that won’t reach their cap.**

**2. From CARB provided Link, Apr. 23 webinar: Cap-and-Trade Background**

**CARB first formally adopted the Cap-and-Trade Regulation in October 2011. The Board adopted amendments to the Regulation in June 2012, October 2013, April 2014, September 2014, June 2015, July 2017, March 2018, and December 2018.** **The California Cap-and-Trade Program and Québec Cap-and-Trade System have participated in a linked carbon market since January 2014****. In 2017, AB 398 was passed by a supermajority in the Legislature and included prescriptive direction on the design of the program from 2021 through 2030. The Cap-and-Trade Regulation establishes a declining limit on major sources of GHG emissions throughout California, and it creates a powerful economic incentive for significant investment in cleaner, more efficient technologies. The regulation is one of the measures adopted by CARB, pursuant to Health and Safety Code Sections 38500-38599 (AB 32) to reduce California’s greenhouse gas emissions and advance the State’s climate goals. It complements other measures to ensure that California cost-effectively meets its goals for GHG emissions reductions.**

**3. I have some questions/concerns related to the above information.**

**If my Projects will be approved -For more efficient outcomes these Projects must be conducted with international collaboration. Canadian provinces (even Quebec and BC) are not familiar with advanced energy materials’ emerging applications and manufacturing, and collaboration with Quebec is not needed. What does it mean for projects, I am presenting? Can it be trade between CARB and Quebec (one of Canadian provinces) -if both can’t achieve their cap/limit on emissions? What is the situation at present time? Can California provide trade directly or indirectly (through Canadian provinces which are all connected) with other countries which also won’t reach this cap on emission (for example- with Iran??).**

**3.Can it be- that something is missing or must be updated in cap-and- trade system? If my projects will be approved without Canadian provinces- I’ll legally move to California, because Canada is not ready for these projects.**

**Projects I’ve submitted as strategic projects related to the most innovative renewables, technologies, based on unique energy materials. It is important for me and to CARB to understand above issues before starting any project. Perhaps it would be useful to meet for important discussion. Please advise.**

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