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New Democrats Outline Key Provisions for Cap-and-Trade Extension

Group wants to ensure California's continued environmental leadership while also protecting state's economy

SACRAMENTO – As a result of Governor Jerry Brown's signal that the Legislature should agree by June 15 on legislation to extend the Cap-and-Trade program, today the New Democrats outlined key points that the extension must include to ensure the state's continued environmental and economic leadership in climate policy.

“Over the past several weeks, the New Democrats have had lengthy conversations on components that we believe are fundamental to an all-encompassing, effective response to the threat of climate change,” said Assemblymember Adam Gray (D-Merced). “California must continue to lead the world by implementing a strong climate policy that ensures both a healthy environment for future Californians and growth in all sectors of our economy.”

Among the provisions the New Democrats believe must be included in the extension of the Cap-and-Trade program:

- Cap-and-Trade must be the primary greenhouse gas reduction method for California to meet its 2030 goals.
- Cap-and-Trade needs to be a cost-effective mechanism to fight climate change and, therefore, must include cost containment tools like carbon offsets and free allowances that reduce the direct burden on consumers and limit emissions leakage to other states.

- Any Cap-and-Trade extension should sunset in 2025 to ensure continued legislative oversight. Furthermore, an analysis by the Legislative Analyst's Office is crucial to evaluating the performance of the program in its entirety.
- Workforce development and job training for the green economy are fundamental to achieving our climate goals and transitioning California's workforce.
- Program revenues should prioritize addressing localized air pollution, particularly in non-attainment zones.
- Rural California and impacted industries - like agriculture and goods movement - should benefit from equipment upgrade incentive programs to allow them to be more competitive in the marketplace, while reducing their emissions.

“Nobody will follow a system that asks our poorest communities to make the greatest sacrifices,” said Assemblymember Raul Bocanegra (D-San Fernando). “We must take this opportunity to develop a sustainable climate policy framework that will reach our greenhouse gas emissions targets in the most thoughtful way for everyone.”

“We have an opportunity to improve the Cap-and-Trade program and help communities with the poorest air quality,” said Assemblymember Rudy Salas (D-Bakersfield). “We must prioritize programs that demonstrate cost-effective GHG emissions and programs that promote green job growth in high unemployment areas.”

“The New Democrats look forward to working with our colleagues on both sides of the aisle in the Assembly and Senate, as well as with the Governor, to ensure that any legislative proposal that moves forward includes these crucial principles for the benefit of our communities, the environment, and our economy,” said Gray.

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