



Energy
Efficiency



Natural
Gas



Renewable
Energy

July 14, 2017

The Honorable Jerry Brown
Governor of California
State Capitol, Suite 1173
Sacramento, CA, 95814

The Honorable Kevin De León
Senate President Pro Tempore
California State Senate, Room 205, Sacramento, CA 95814

The Honorable Anthony Rendon
Assembly Speaker
California State Assembly, Room 219, Sacramento, CA 95814

Dear Governor Brown, President Pro Tempore de León and Speaker Rendon:

On behalf of the Business Council for Sustainable Energy, we commend the release this week of AB 398 and urge the legislature to swiftly act to extend the cap-and-trade program.

The Business Council for Sustainable Energy is a twenty-five year old coalition of energy efficiency, natural gas, and renewable energy companies. The Council advocates for policies and programs at the state, federal, and international level that promote clean, efficient and sustainable energy products, technologies and services.

The Council has long supported market-based approaches to addressing climate change and applauds California's leadership in developing a cap and trade program to reduce greenhouse gas (GHG) emissions. Extending the cap and trade program would provide continued policy certainty to the business community and accelerate climate-friendly investment in the state.

Further, California's leadership on climate change sends strong market signals to other states and localities that are increasing their engagement in climate mitigation and adaptation policy and investment. By providing opportunities to link California's program with other U.S. states and Canadian provinces, extension of California's program could facilitate linked carbon reduction goals and markets throughout North America. This leadership is needed now more than ever as federal efforts are stalled.

The U.S. energy system is experiencing significant changes and is using a diverse set of clean and affordable energy resources, technologies and services. These shifts have resulted in substantial reductions in greenhouse gas emissions and clean energy industries now support over 3 million American jobs. California's policies have contributed to these trends.

At the end of 2016, U.S. greenhouse gas emissions fell to their lowest level in 25 years and 12 percent below 2005 levels. The United States is nearly half-way to its Paris goal of a 26-28 percent cut by 2025. U.S. power sector emissions have been a driver of the reductions and are 24 percent below 2005 levels. As these changes are occurring, U.S. energy

productivity is increasing and consumers are spending the lowest proportion of their household budget on energy costs since the early 1960s ([2017 Sustainable Energy in America Factbook](#)). California has played an integral part in leading this sustainable energy transition and should continue to do so through extension of the cap and trade program.

BCSE urges extension of the cap and trade program and looks forward to working with the state on implementation.

Sincerely,



Lisa Jacobson
President, Business Council for Sustainable Energy

CC:

Assembly Member Eduardo Garcia
Nancy McFadden, Office of the Governor
Dan Reeves, Office of President Pro Tempore de León
Carrie Cornwell, Office of Speaker Rendon
Mary Nichols, California Air Resources Board