

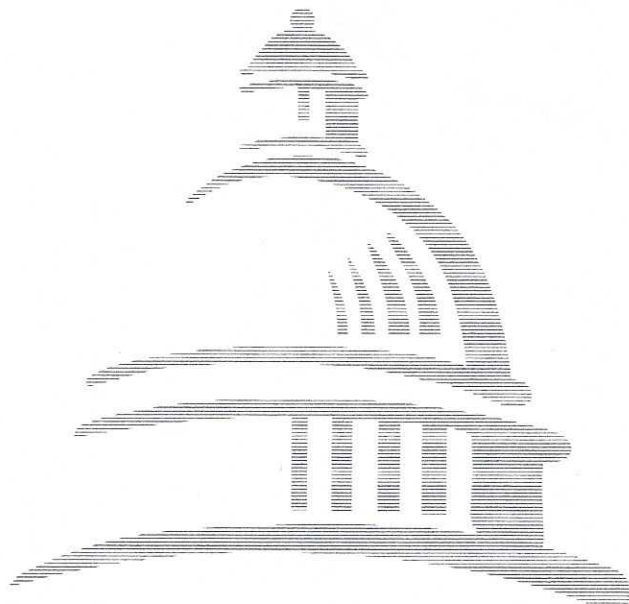
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LEGISLATIVE ANALYST'S OFFICE

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Administration's Cap-and-Trade Report Provides New Information, Raises Issues for Consideration

Presented to:
Assembly Budget Subcommittee No. 3
On Resources and Transportation
Hon. Richard Bloom, Chair





Estimated Average GHG Reduction Cost Is High With Wide Variation Across Programs



Estimated Average Cost Per Ton of Reduction Varies Greatly

Program	Cost Per Ton ^a
Organics and recycling loans	\$4
Forest health	4
Dairy digester research and development program	8
Organics composting/digestion grants	9
Forest legacy	10
Recycling manufacturing	15
Delta and coastal wetlands restoration	30
State water and efficiency and enhancement program	33
Clean vehicle rebates	46
Sustainable agricultural lands conservation	59
Mountain meadow ecosystems restoration	113
Urban and community forestry	116
Water-energy grant program	141
Affordable housing and sustainable communities	191
Single-family solar photovoltaics ^b	209
Transit and intercity rail capital	259
Single-family energy efficiency and solar water heating ^b	282
Large multifamily energy efficiency and renewables ^b	343
Enhanced fleet modernization program "plus-up"	414
Truck and bus voucher incentives	452
Incentives for public fleets pilot project for DACs	725
Overall Average	\$57

^a Calculated as the amount of cap-and-trade funds awarded to a program divided by the total estimated greenhouse gas (GHG) emission reductions from the projects that receive cap-and-trade funds.

^b Assumes GHG reductions at the midpoint of the administration's estimated range.

DACs = disadvantaged communities.

- Administration's data suggests average cost of \$57 per ton reduced.
- At the most recent auction in February 2016, cap-and-trade allowances sold for substantially less—about \$13 per ton.