

The California Air Resources Board (CARB) today released the [preliminary draft cap-and-trade regulation](#). CARB staff would like to have comments by January 11th of next year. A new proposal based on the comments will then be issued in Spring 2010.

Some quick key points:

- 1) The proposal limits a covered entity's use of offsets to a maximum of four percent of the allowances that the entity surrenders at the end of a compliance period.
- 2) CARB staff are considering shortening the compliance period from three years to one year.
- 3) Cement manufacturers are covered under this proposal.
- 4) CARB will continue public discussion about the co-pollutant issue and release a white paper on this subject in the coming year. Environmental justice (EJ) advocates are concerned that allowing regulated entities under cap-and-trade to pay to emit greenhouse gases (GHG) will mean allowing them to continue emitting hazardous co-pollutants associated with the GHG emissions. These emissions often disproportionately impact low-income communities of color. EJ groups sued CARB earlier this year (Sean posted about it [here](#)) over the disproportionate impact that the cap-and-trade program, as outlined in the CARB scoping plan, would have. This debate will be one of the more interesting to watch in the coming months.

Game on!