This subgroup will provide further evaluation and guidance regarding the three economy-wide approaches identified in the Draft Scoping Plan.
Meeting 6 Agenda

> Overview of discussion structure for discussing, drafting, and agreeing upon a recommendation to the CAC

> Public comment preview

> Priorities for an economywide program discussion

> Sectoral considerations

> Clean Energy Supply Standard

> Summary of meeting takeaways & prep for Meeting 7
Level Setting

- This is an invitation only subgroup.
- Participation in all meetings is encouraged.
  - The team will be flexible to the extent possible.
- State staff will be responsive to questions but not participate in the discussion.
- Chatham House rule will guide our discussions.
- Notes and presentations from the meeting will be posted to the website within one week.
- Alternative options and perspectives will be considered should consensus not be achieved.
<table>
<thead>
<tr>
<th>Meeting Date</th>
<th>Meeting Focus</th>
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<tr>
<td>Meeting 1 – June 27 2:00-3:30 PM</td>
<td>Setting the Table for the Work Ahead/Refining and Prioritizing Criteria</td>
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<td>Meeting 2 – June 29 9:30 – 11:00 AM</td>
<td>RFF Presentation/Identifying Further Clarity Needed</td>
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<td>Meeting 3 – July 20 9:00 – 11:00 AM</td>
<td>Rationale Discussion/Finalizing &amp; Applying Criteria (Emissions)</td>
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<td>Meeting 4 – July 25 2:00 – 4:00 PM</td>
<td>Applying Criteria (Certainty and Sufficiency of Funding and Use of Proceeds and Consistency with Other Regulatory Programs; Equity)</td>
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<tr>
<td>Meeting 5 – August 8 2:00 – 4:00 PM</td>
<td>Applying Criteria (Economic; Incorporating Multi-Jurisdictional Programs and Maintaining Administrative Simplicity)</td>
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<td>Meeting 6 – August 22 2:00 – 4:00 PM</td>
<td>Setting Priorities for an Economywide Policy</td>
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<td>Meeting 7 – August 29 2:00 – 4:00 PM</td>
<td>Comparing and Contrasting Potential Approaches/Incorporating Public Comment</td>
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<td>Meeting 8 – September 12 2:00 – 4:00 PM</td>
<td>Finalizing Recommendation</td>
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Questions or Suggestions?
Comment review is still being wrapped up. Initial themes highlighted below.

Overall, commenters that addressed economy-wide policies were generally in support of an economy-wide policy and validated the subgroup's efforts to discuss a recommendation in more depth.

Individual Commenters
- Commenters noted a particular interest in establishing a mechanism that sets a price on carbon across all sectors, and specifically suggested that the price gradually increase over time and the proceeds be redistributed to DACs or LMI households.
- Specific carbon price mechanisms were not a focus of most comments; we have a few in which there was a specific mechanism identified. Additional details on those comments are to follow.

On Behalf of Organizations
- Similarly to the individual commenters, comments submitted on behalf of organizations favor a carbon pricing mechanism as a way to meet the goals of the CLCPA faster and more cost effectively.
- Almost all of the comments that reference a Clean Energy Supply Standard relate to specific sectoral policies, specifically hard-to-electrify sectors. California's low carbon fuel standard was stated as a potential model to replicate.
Questions or Reactions?
Priorities for an Economywide Program Discussion
If we were to implement an economywide program, what criteria (top ~5) would you prioritize as key considerations in the program’s design and why?

### Setting Priorities for an Economywide Policy Recommendation

#### Emissions
- Certainty of emission reductions to comply with state limit
- Potential for minimizing carbon price and/or maximizing abatement/$
- Application economy wide or to specific sectors
- Reduction of co-pollutant emissions

#### Economic
- Price certainty
- Mitigating risk of leakage
- Supporting economic development and innovation
- Maintaining affordability for consumers/businesses
- Regional equity

#### Equity
- Prioritizing emissions and pollutant reductions in DACs/avoiding hotspots
- Affordability and avoiding regressive impacts

#### Programmatic
- Certainty and sufficiency of funding and use of proceeds
- Incorporating multi-jurisdictional programs
- Consistency with other regulatory programs
- Maintaining administrative simplicity
What high-level design features could be included to advance these top priorities?
Sector Considerations
How should we deal with difficult to cover sectors?
How should we address leakage?
Sectoral Considerations

> How should deal with electricity given RGGI and CES?
Clean Energy Supply Standard
Should we continue considering a Clean Energy Supply Standard as an economywide policy or should we think of it as complementary sector specific policies?
Key Takeaways
Prep for Meeting 7

- Monday, August 29; 2:00 – 4:00 PM
- Overview and discuss potential approaches for each economywide policy
- Incorporation of full public comment feedback
Thank You!