

# Cap-and-Trade Stakeholder Meeting

Program Design Options:  
Scope

October 24, 2005

# Scope

- **Define scope in terms of sectors.**
- **Define scope in terms of sources:  
Stationary Combustion.**
- **Define scope in terms of all fossil fuels.**

# Scope: Sector Definition

- **Electric Power Sector:**
  - In-state generation only
  - Demand: Load Serving Entities (LSEs)
    - IOUs only
    - All LSEs
- **Other Sectors:**
  - Oil refining
  - Oil and gas extraction
  - Landfills
  - Cement production
  - Other
- **Mobile Sources**
  - Light duty vehicle GHG emissions rule

# Scope: Stationary Combustion

- **All “major” sources of fossil fuel stationary combustion.**
- **All sectors with major sources included under the cap.**
- **“Major” defined in terms of fossil fuel use, such as MMBtu.**
- **Electric Power Sector**
  - A. Include in-state generation sources with stationary combustion sources**
  - B. Address separately with a LSE cap**

# Scope: Fossil Fuels

- **Reduce emissions by placing a cap on the carbon content of oil, gas, and coal.**
- **Impose the cap at appropriate point in the fuel distribution system:**
  - **Liquid fuels: Terminal rack**
  - **Natural Gas: Pipeline transfer points and/or gas utilities**
  - **Coal: combustion facilities**
- **Need to address imports with embedded carbon:**
  - **Electricity**
  - **Cement**
  - **Others?**

# Scope: Summary

| Scope   | # Entities   | % of State Inventory  |
|---|--|---|
| <b>Electric Power Sector:</b><br>In-state generation ( $\geq 25$ MW)<br>LSEs: IOUs Only<br>All LSEs   | $\approx 313$ facilities<br>3 IOUs<br>$\approx 47$ LSEs                              | $\approx 10\%$<br>$\approx 14\%$ (approx) <sup>a</sup><br>$\approx 20\%$ <sup>a</sup> |
| <b>Other Sectors:</b><br>Oil Refining<br>Oil and Gas Extraction<br>Landfills<br>Cement Production<br>Others   | 21 refineries<br>429 facilities<br>$\approx 300$ landfills<br>11 plants<br>(various) | $\approx 3\%$<br>$\approx 3\%$<br>$\approx 2\%$<br>$\approx 1.5\%$<br>$< 1\%$         |
| <b>Stationary Fossil Fuel Combustion</b>  | $\approx 5,200$ Total<br>$\approx 500$ Major   | $\approx 5\%$ to $10\%$ <sup>b</sup>  |
| <b>All Fossil Fuels</b>   | $\approx 150$ facilities   | $\approx 75\%$ <sup>c</sup>   |
| a. Includes emissions from electricity imports.<br>b. Does not include emissions from the electric power sector<br>c. Include emissions from mobile sources |  |   |