

# Cap and degrade: State's landmark emissions program allowed rich companies to pollute more

## New California legislation aimed at closing the loopholes in the system

By [Graham Womack](#)

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Amidst Gov. Jerry Brown signing a flurry of legislation to reduce greenhouse gas emissions, the California Environmental Justice Alliance released a September 14 report highlighting **a dirty secret**: The state's landmark reduction program, **cap and trade**, has possibly **made things worse** in disadvantaged communities.

Entitled "A Preliminary Environmental Equity Assessment of California's Cap-and-Trade Program," CEJA's report notes that while emissions have dropped since 2001, many industries have actually **increased their emissions** in California since cap and trade's debut in 2013.

This is because, until Brown's September 8 approval of Assembly Bill 197, high-pollutant companies could offset their California emissions by purchasing **out-of-state credits**.

The report also notes that in areas within 2.5 miles of greenhouse gas-emitting facilities, 66 percent of residents are people of color and 41 percent earn no more than twice the poverty level.

For Katie Valenzuela Garcia, who serves on the California Air Resources Board's Environmental Justice Advisory Committee, the report validated concerns she's had.

"What this report did is basically **call ARB out** and say, 'Not only does your data show this, but it shows it at a more extreme measure than any of us could have ever imagined,'" said Valenzuela Garcia, who also consults for CEJA, a statewide grassroots advocacy group, but didn't work on this report.

In Sacramento, Valenzuela Garcia sees high-polluting facilities "overwhelmingly located in **communities of color**," noting a power plant on 47th Avenue and a truck depot operating out of the former Campbell Soup factory on Franklin Boulevard.

The state might be catching on to the problem.

Valenzuela Garcia said that one of its new pieces of legislation, AB 197, requires the ARB to focus on direct emission reductions.

CEJA also noted in a September 15 release that newly signed AB 1550 requires 25 percent of cap-and-trade funds be used for projects in disadvantaged communities, while another newly-signed bill, AB 2722, created the Transformative Climate Communities Program, to invest **\$140 million** in environmental justice projects into **poor neighborhoods**.

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