



CALIFORNIA CARBON
FORUM



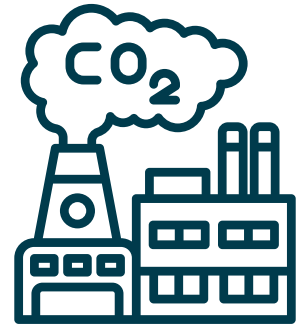
Carbon Markets Around the World
October 6, 2026

AGENDA

- Introductions
- Cap and Invest vs. Other Carbon Reduction Policies
- California in the Context of Global Momentum
- Affordability Comparison
- Discussion



Climate change
needs solutions.



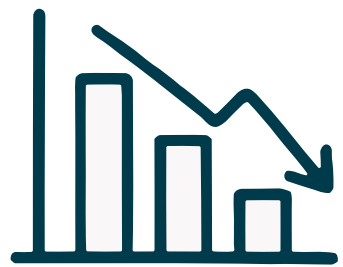
Command and Control

Government requires carbon reductions.



Carbon Tax

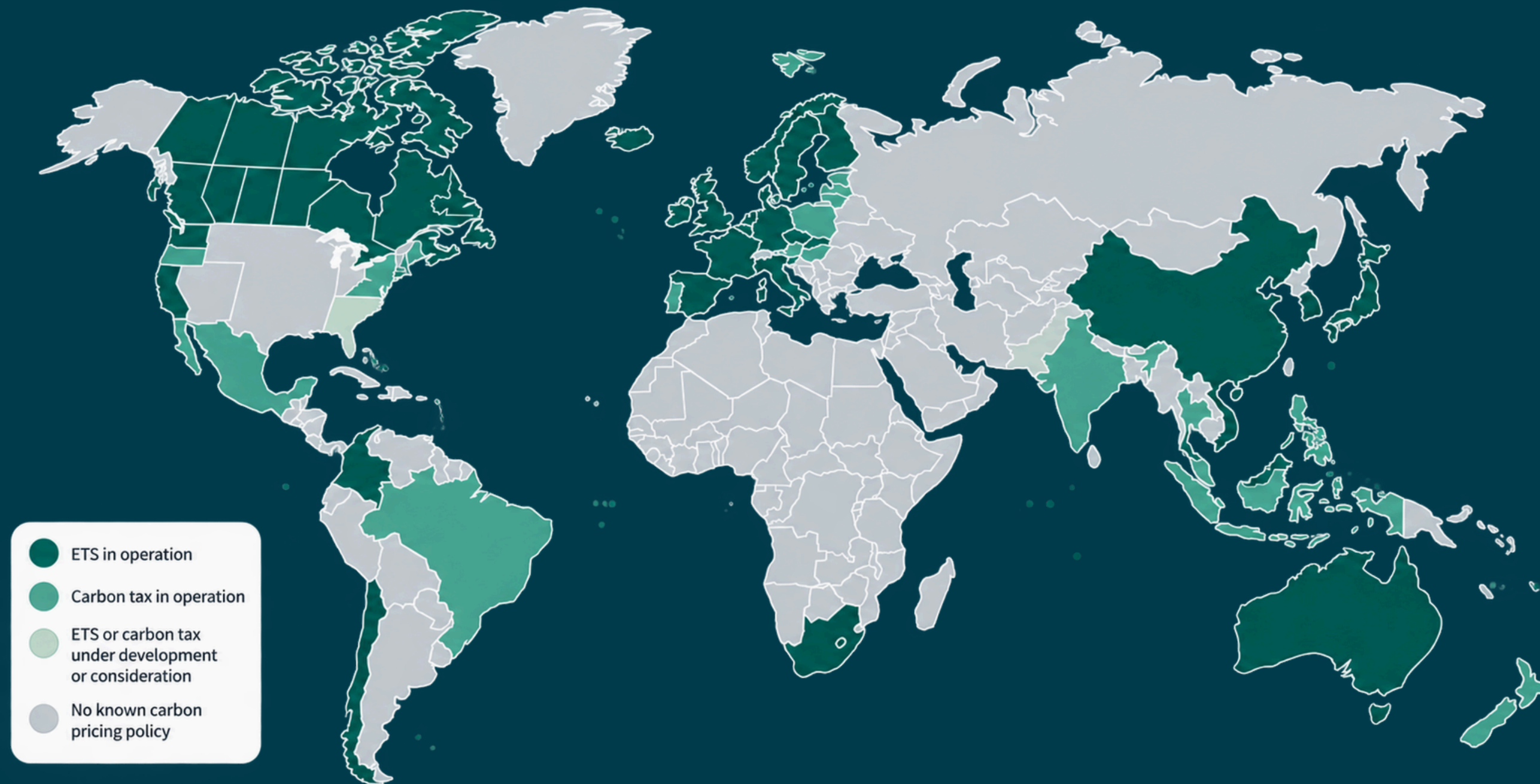
Government sets a carbon price.



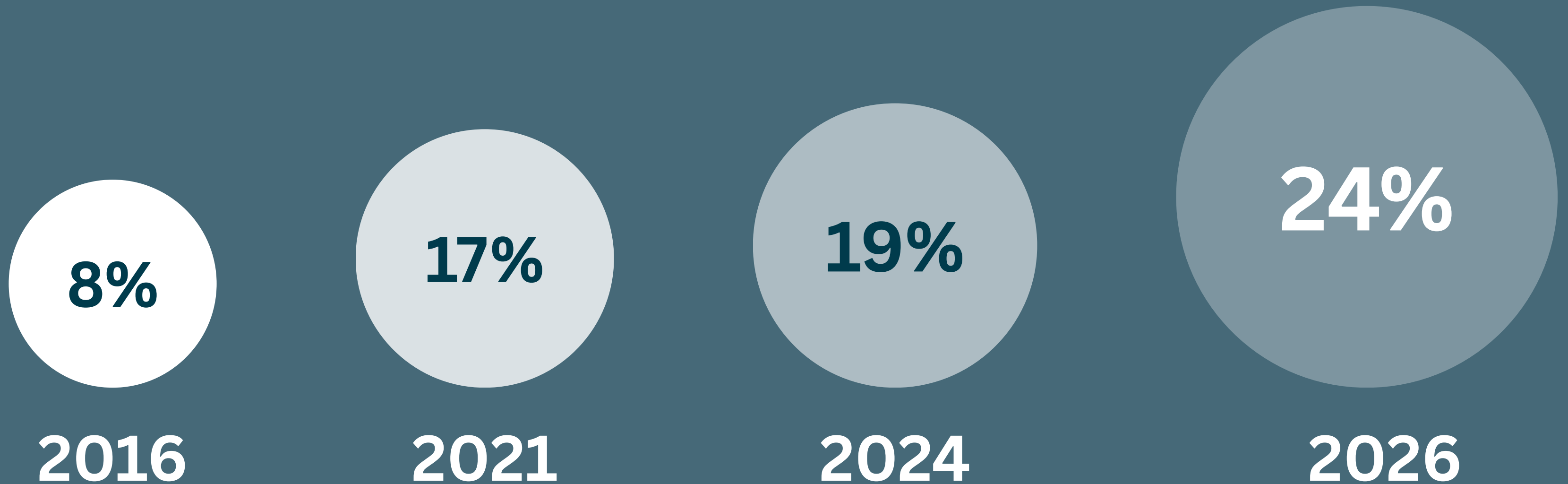
Cap and Invest

Market sets price under emissions cap.

41 current trading systems, 9 more in development, 7 more under consideration



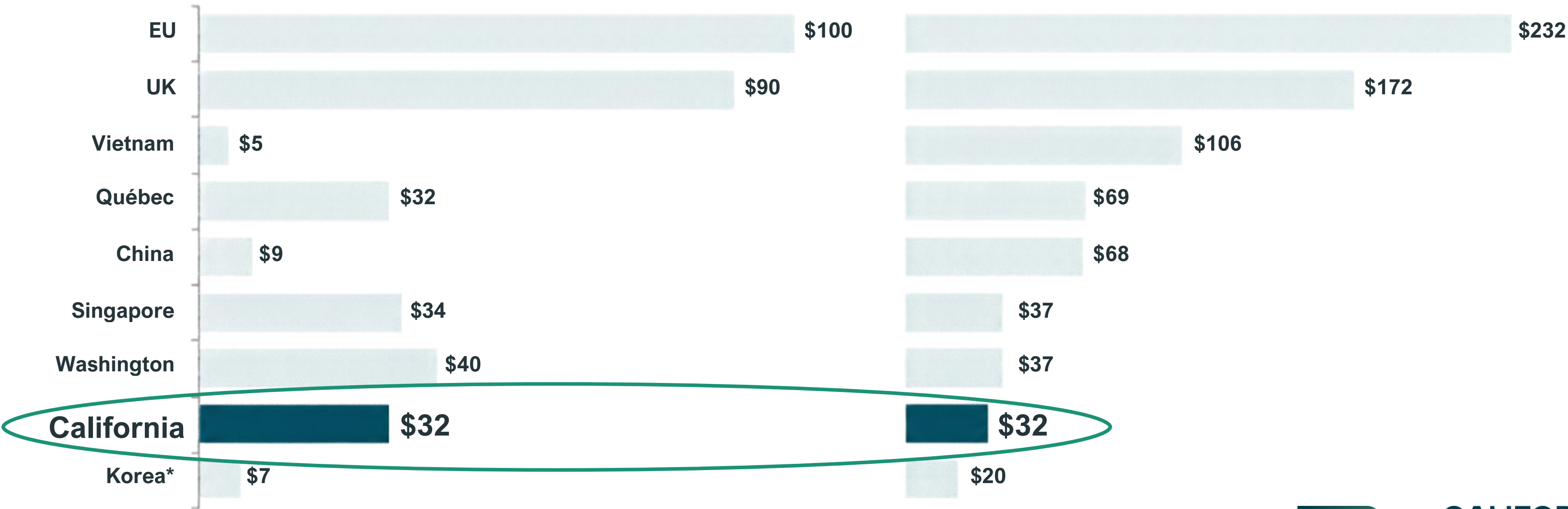
In 10 years, priced carbon has tripled



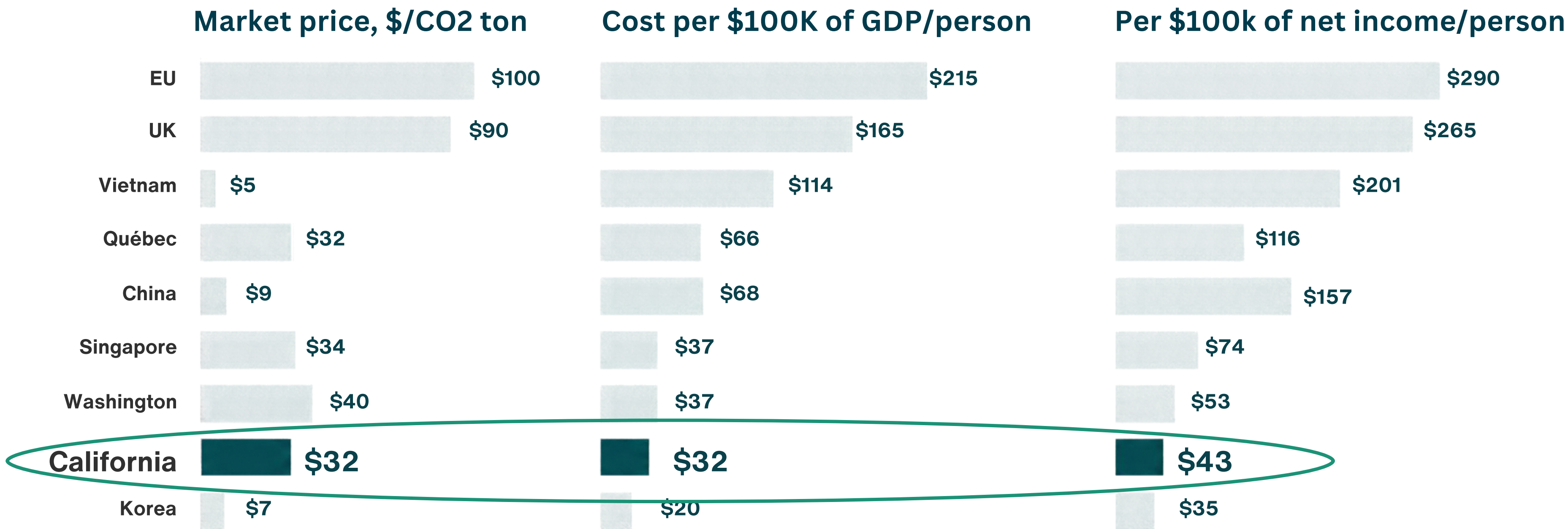
California's carbon price is affordable

Market price, \$/CO2 ton

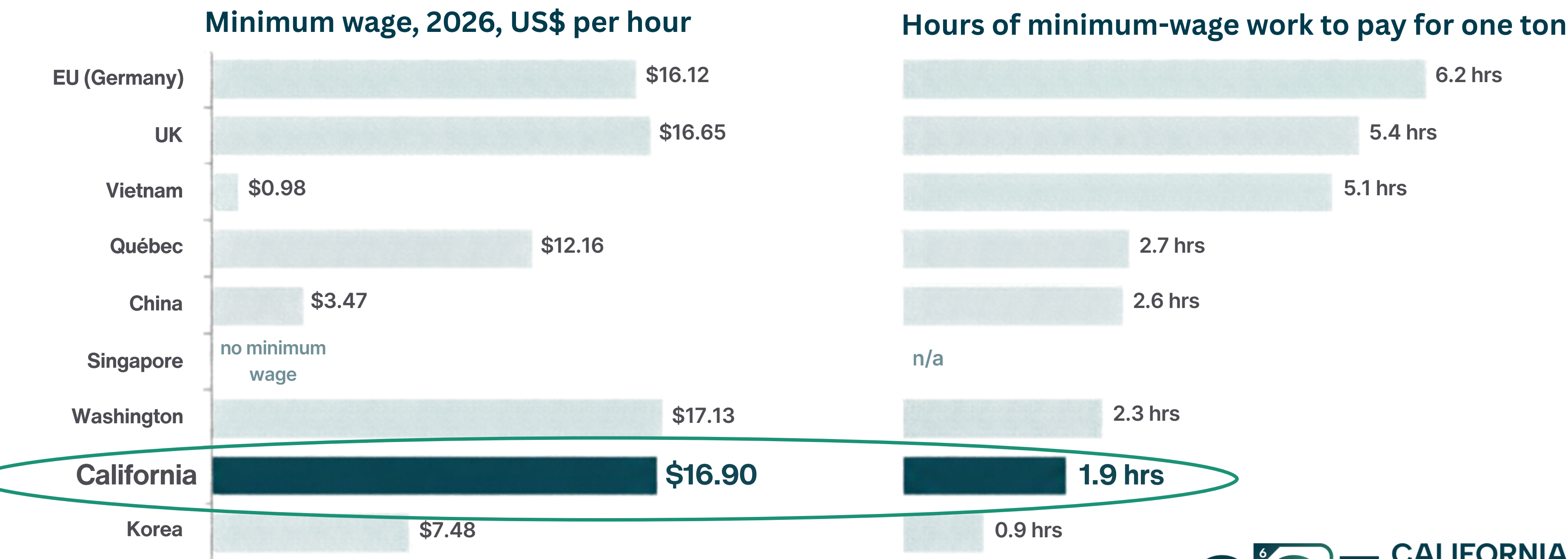
Cost per \$100K/capita local income



Adjusted for per-capita income

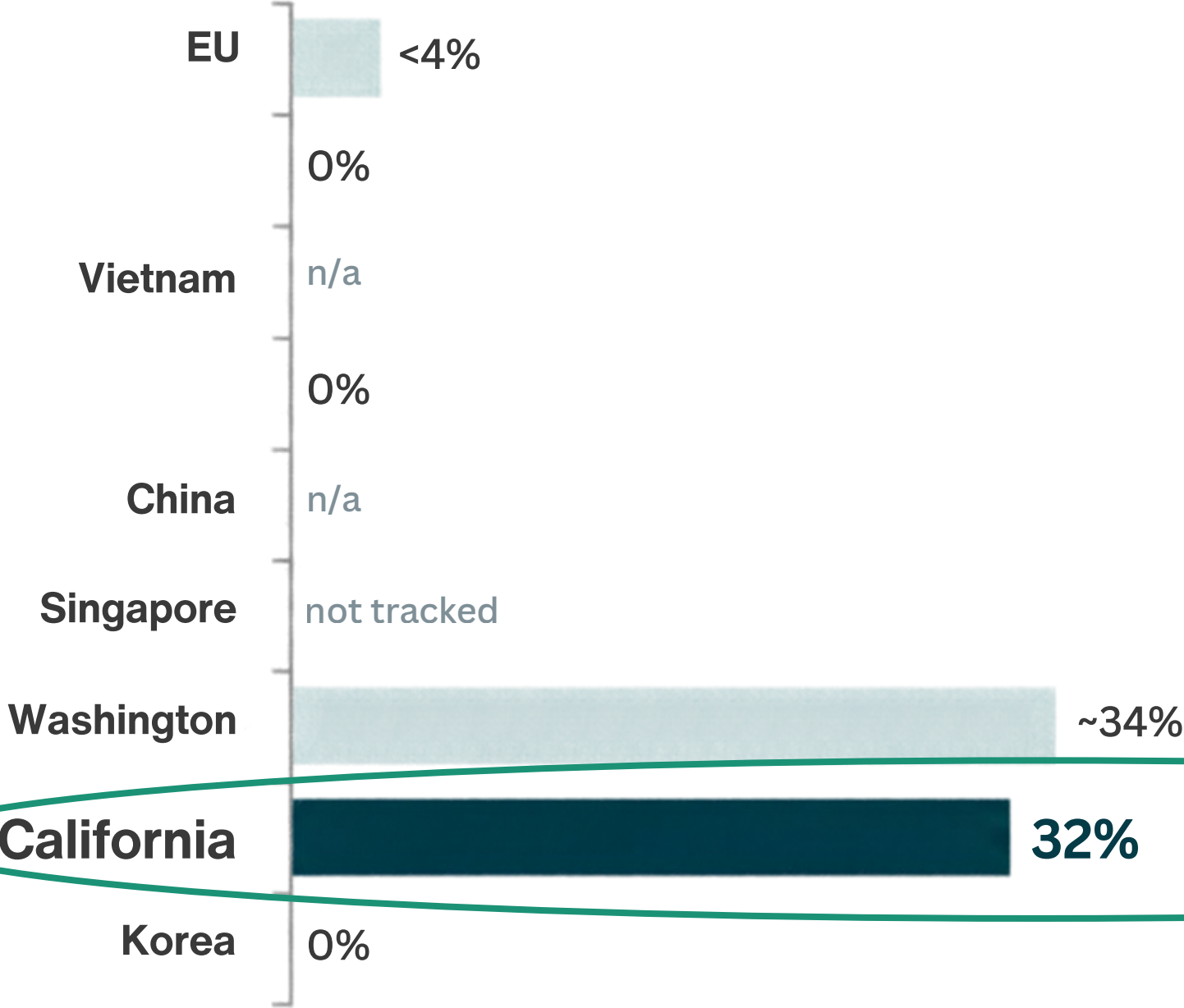


Minimum wage cost = 1.9 hours in California

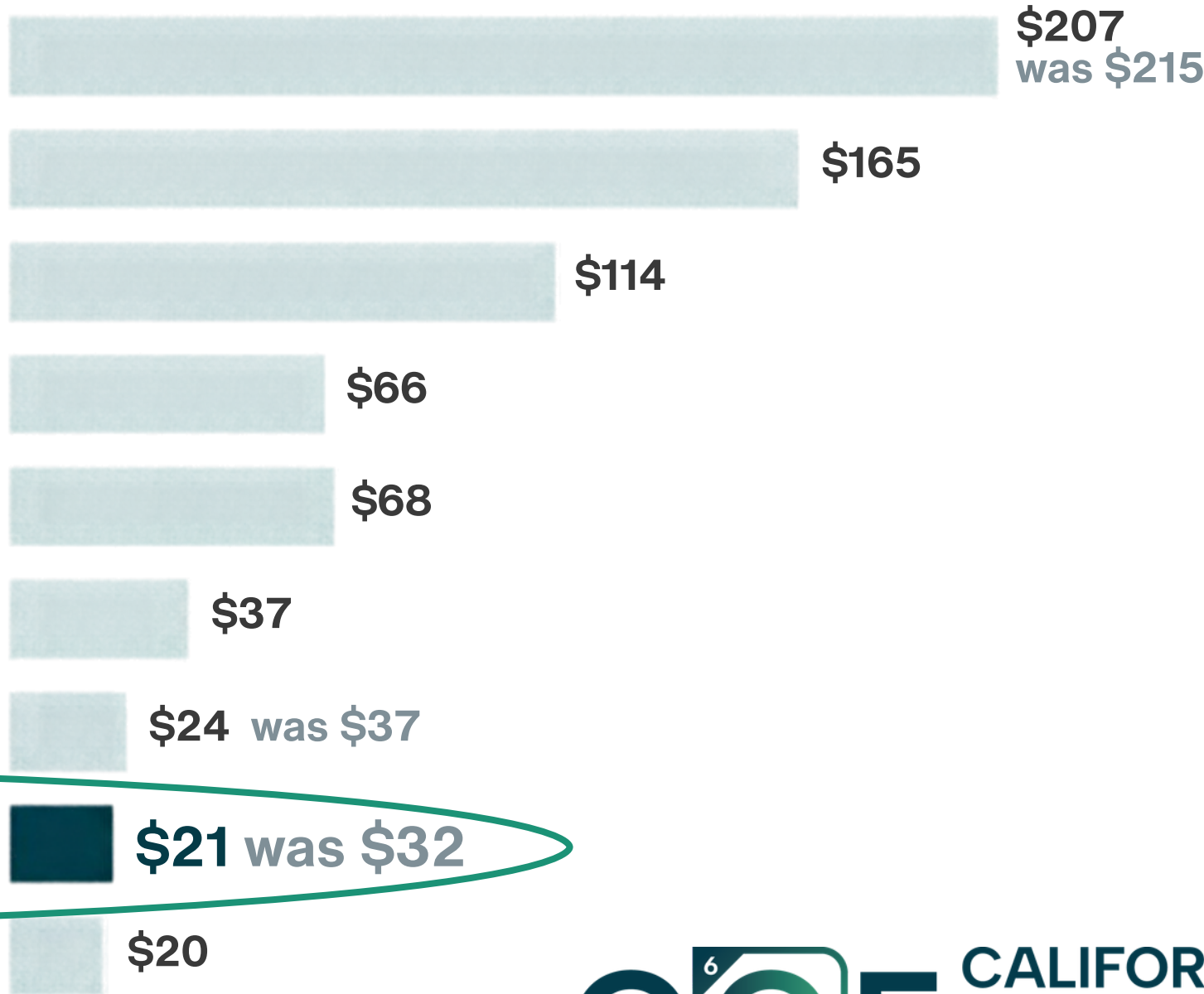


The Climate Credit cuts state cost by a third

Share of carbon revenue returned directly to households

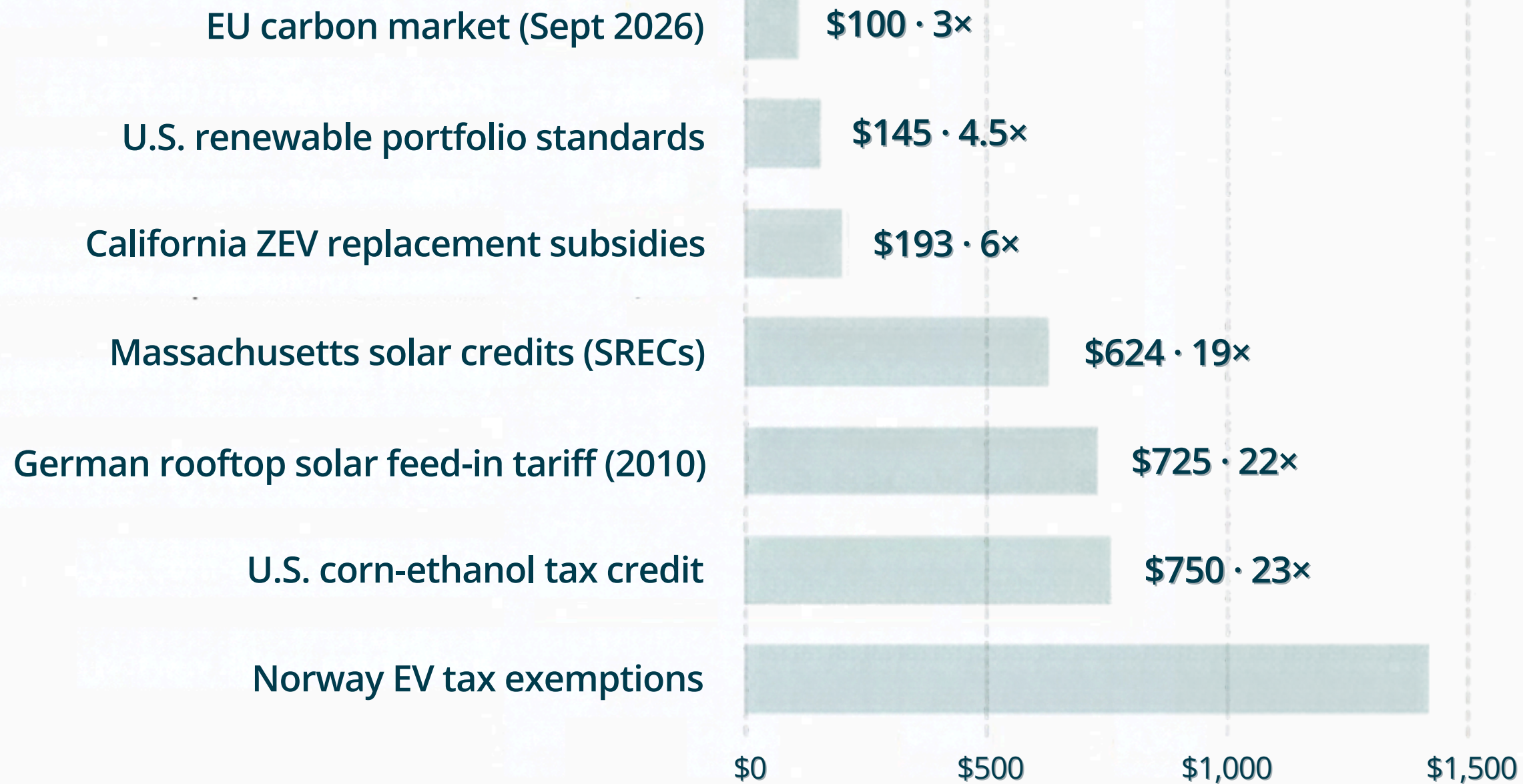


Net cost per \$100K of GDP per person, after rebates



Mandates and subsidies cost up to 43X more

California cap-and-invest (Aug 2026) ■ **\$32**



Subsidy for 1 MWh of solar vs. Cap and Invest



Massachusetts, 2010s

Solar Credit \$200 ÷ Avoids 0.32 CO₂ t ≈

\$624 per ton

(at the 2011 peak of ~\$550: ~\$1,555)



Germany, 2010

Tariff €341 ÷ 0.55 CO₂ t ≈ €625 ≈

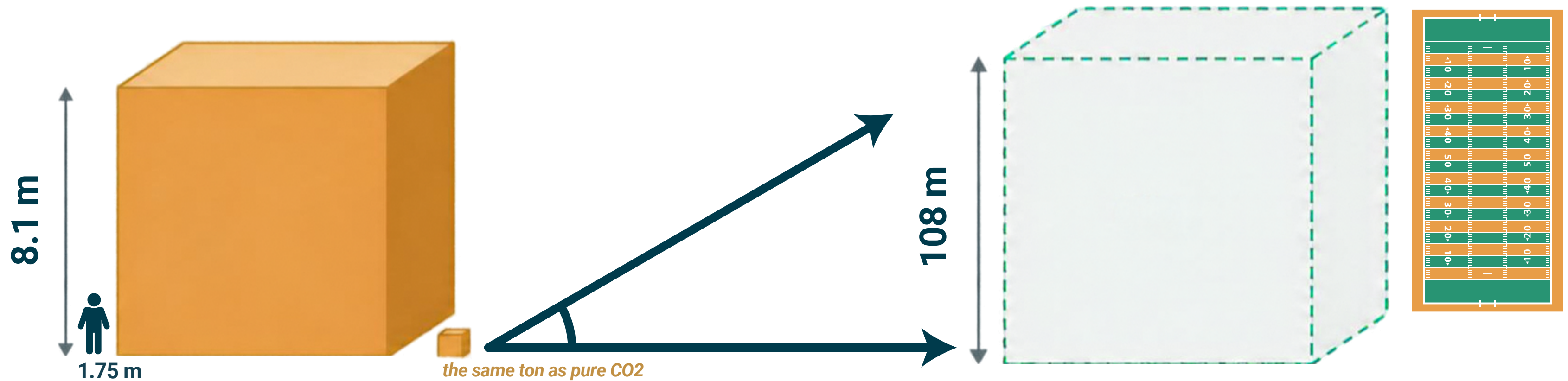
\$725 per ton



California's Cap

\$32 per ton,
from whichever source
is *cheapest*.

Capture vs. Cap: Volume

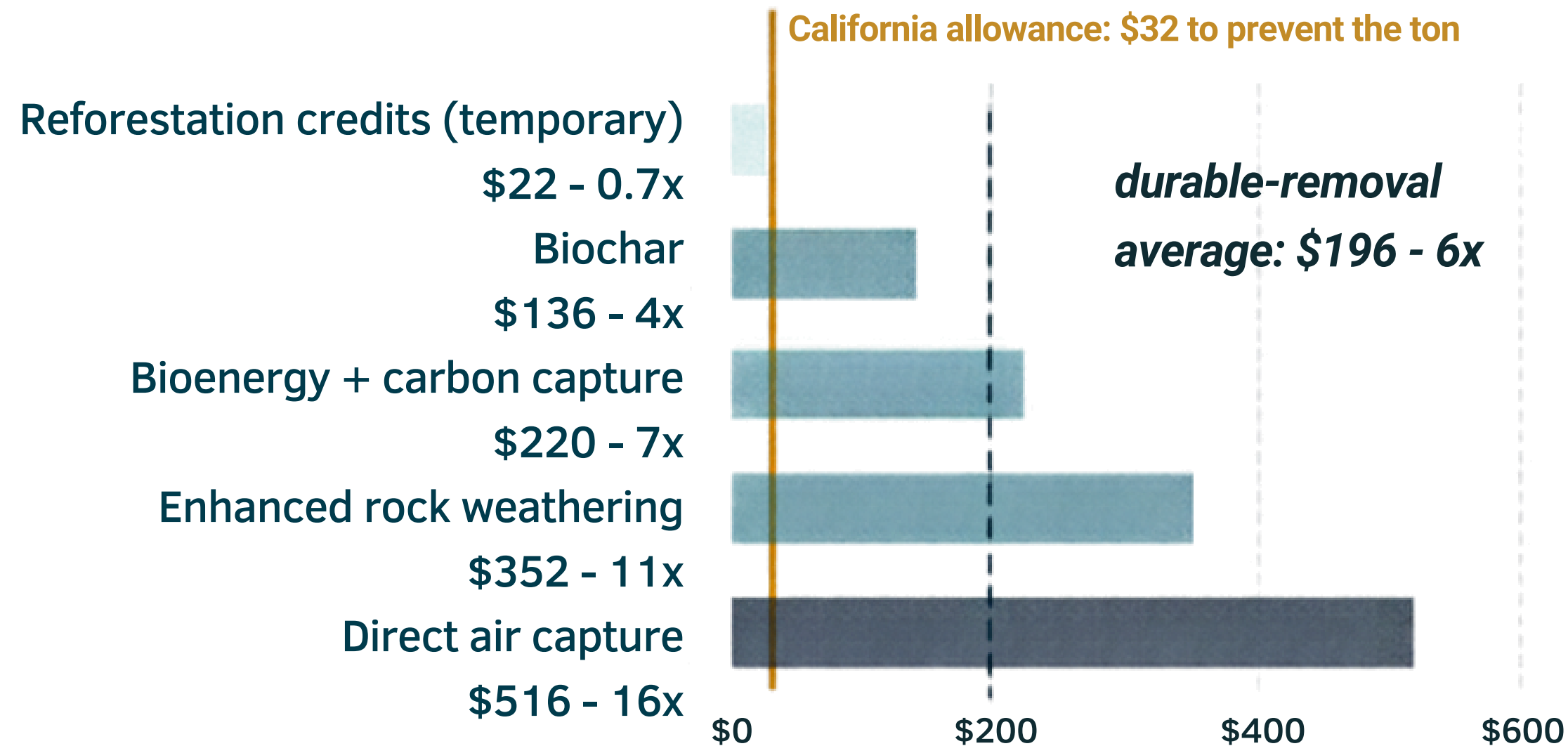


1 ton of CO2 = an 8.1-meter cube
- *taller than a two-story house...*

...diffused it fills a 108-meter cube of air -
each side the length of a football field.

~1,200 of these tons of CO2 added worldwide every second.

Capture vs. Cap: Cost



Every ton the cap prevents for **\$32** = a ton that doesn't have to be bought back later—at **\$196** on average, or **\$516** with air capture.

~1,500 tons of air must pass through a capture machine to remove 1 ton of CO₂.

Protect these principles

INTEGRITY

- A hard declining cap

CONSISTENCY

- Visibility into future planning horizons for compliance entites and investors alike

TRANSPARENCY

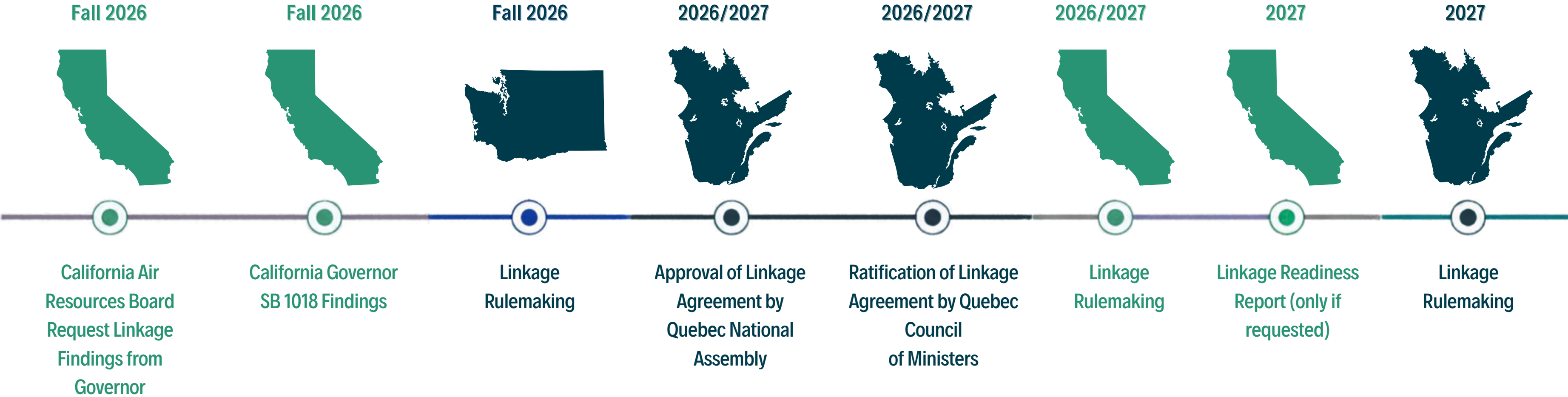
- Clear public rulemaking process

California has held all three.



Washington Linkage
October 6, 2026

Linkage Timeline



** Estimated timing is subject to change.*