

2023 ANNUAL REPORT OF THE INDEPENDENT EMISSIONS MARKET ADVISORY COMMITTEE

Dallas Burtraw (Chair), Danny Cullenward (Vice Chair), Meredith Fowle, Brian Holt,
Katelyn Roedner Sutter, Ross Brown (Nonvoting Member)

TOPICS

1. Introduction

- Update to allowance supply
- Balancing free allocation and the auction
- Rule-based adjustments e.g., an Emissions Containment Reserve
- Clarify the post-2030 future
- Ensure reductions benefit disadvantaged communities

2. Greenhouse Gas Accounting

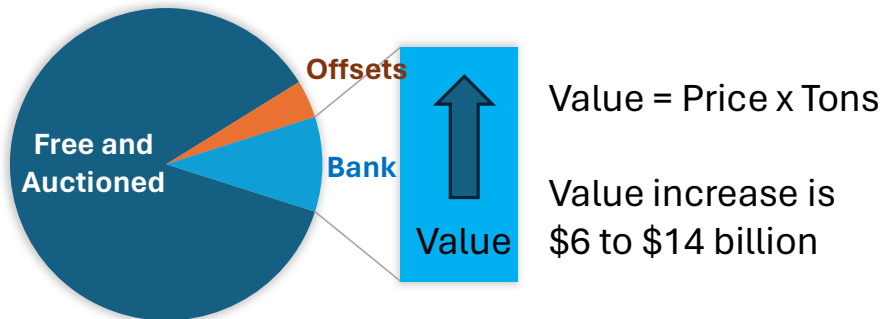
3. Affordability

4. Market Links

5. Subsurface Carbon Management

Shifts in Value Within the Carbon Market

CHANNELS OF ALLOWANCE SUPPLY



Desired Reduction in Supply
115-390 million tons

CARB scenarios have considered reductions in free and auctioned supply

The financial value of the bank will grow substantially

ALTERNATIVES

- ❖ Reduce compliance value (tons/allowance) of banked allowances
- ❖ Reduce compliance value of all allowances