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Governor Newsom, Legislature double down on state's critical cap-and-trade program in face of federal threats

What you need to know: With one of the state's leading climate programs – cap-and-trade – set to expire in 2030, Governor Newsom, Senate President pro Tempore Mike McGuire and Assembly Speaker Robert Rivas announced they would seek an extension of the program.

SACRAMENTO – Governor Gavin Newsom, Senate President pro Tempore Mike McGuire and Assembly Speaker Robert Rivas announced today they will seek an extension of California's nation-leading climate pollution reduction program – known as cap-and-trade – during this legislative year.

The program is currently set to expire in 2030, and requires extension by the Legislature. As the Governor noted in his [proposed budget](#), extending the program this year can provide the market with greater certainty, attract stable investment, further California's climate leadership and set the state on a clear path

investment, further California's climate leadership and set the state on a clear path to achieve its 2045 carbon-neutrality goal.

Today's announcement comes as the Trump Administration threatens deep cuts to federal environmental programs and attempts to **derail state climate efforts** with a "glorified press release masquerading as an executive order."

California must continue to lead on reducing pollution and ensuring our climate dollars benefit all residents. That's why we're doubling down on cap-and-trade: one of our most effective tools to cut emissions and create good-paying jobs.

In just the last decade, cap-and-trade has invested billions of dollars in projects by holding polluters accountable – helping clean our air, protect public health and propel new careers.

Cap-and-trade is a huge success and, working together, we'll demonstrate real climate leadership that will attract investment and innovation to deliver the technologies of tomorrow, right here in California.

Governor Gavin Newsom, Senate President pro Tempore Mike McGuire and Assembly Speaker Robert Rivas

The cap-and-trade program is the state's leading climate program – proposed by Republican Governor Arnold Schwarzenegger and adopted under a law he signed in 2006 – that holds carbon polluters accountable by charging them for emitting more carbon pollution than allowed. The funds raised are then put to use across the state on projects and programs that help clean the air, protect public health, reduce reliance on fossil fuels, conserve nature, and more. The funds are also delivered directly back to Californians in the form of the **California Climate Credit**, a credit applied to utility bills twice a year.

As of last year, the program had **funded \$28 billion in investments** across the state in the last decade and cut carbon emissions equivalent to taking 80% of the state's cars off the road. Since 2000, the state has **cut carbon emissions by 20%** while California's GDP has increased by 78%.

Details of the Governor's proposal for the cap-and-trade extension will be shared in the coming weeks.

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