



July 13, 2017

The Honorable Senator Anthony Canella
State Capitol, Room 5082
Sacramento, CA 95814-4900

RE: AB 398 (E. Garcia) – California Global Warming Solutions Act of 2006: market-based compliance mechanisms

Dear Senator Canella:

Ingomar Packing Company SUPPORTS AB 398 which extends the Cap-and-Trade program post-2020.

Our company, based in Los Banos, was founded in 1983 and employs over 500 people in the low income region of western Merced County. We produce industrial diced tomato paste and spend over \$150,000,000 in the San Joaquin Valley every year to local suppliers.

Overall, Ingomar Packing Company believes AB 398 recognizes that the economics and science support food processors being given adequate industry assistance. Just as important, AB 398 continues to ensure that [Your Company Name] has this cost containment tool, allowing our company to select emission reduction strategies that give us the opportunity to control our costs yet continue meet our compliance obligations, at both the state and local level.

Currently, AB 398 will do all of the following:

1. Provide 100% allowance allocations from 2020 to 2030.
2. Adjust the 3rd compliance period to 100% allowances beginning 2018 through 2020.
3. It will provide a price ceiling on the price of allowances starting 2020.
4. Adjusts the cap adjustment factor setting it to the rate of cap decline.
5. Establishes the Emissions Market Advisory Committee to oversee Cap-and-Trade which will provide the food processors, such as Ingomar Packing Company, an opportunity to seek changes in the program should it become necessary.
6. Requires that the Air Resources Board, in the ongoing development of the Cap-and-Trade regulation, must rely on the best available economic and scientific information available.

AB 398 provides a seamless transition that will contribute much needed consistency in the program through its reform of the market design and additional oversight and accountability. It is needed to prevent further economic leakage and to protect our company from a deterioration of competitiveness against out-of-state competitors both national and international.



The alternative to extending California's Cap-and-Trade program is a far costlier command-and-control regulatory scheme that would lead to higher energy prices for both our facility and consumers and businesses in general.

For these reasons, Ingomar Packing Company SUPPORTS AB 398 and requests your "Aye" vote on this important bill.

Sincerely,

INGOMAR PACKING COMPANY, LLC

A handwritten signature in black ink that reads "Gregory R. Pruett".

Gregory R. Pruett
Chief Executive Officer

GRP:tw

cc: John Larrea, CLFP
Kent Rounds
Danny Green