



# **Update on AB 32 Implementation**

**Assembly Natural Resources Committee**

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March 9, 2009**

# Outline

- Introduction & context
- Overview of AB 32 Scoping Plan
- Key elements of the Scoping Plan and adoption of regulatory measures
- Federal interaction

# Why Do We Need to Act?

- Climate change is real
- The Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment (2007) definitive but understates impacts
- Temperature rise and climate impacts occurring faster than expected
- Recent scientific findings show sea level rise by 2100 underestimated



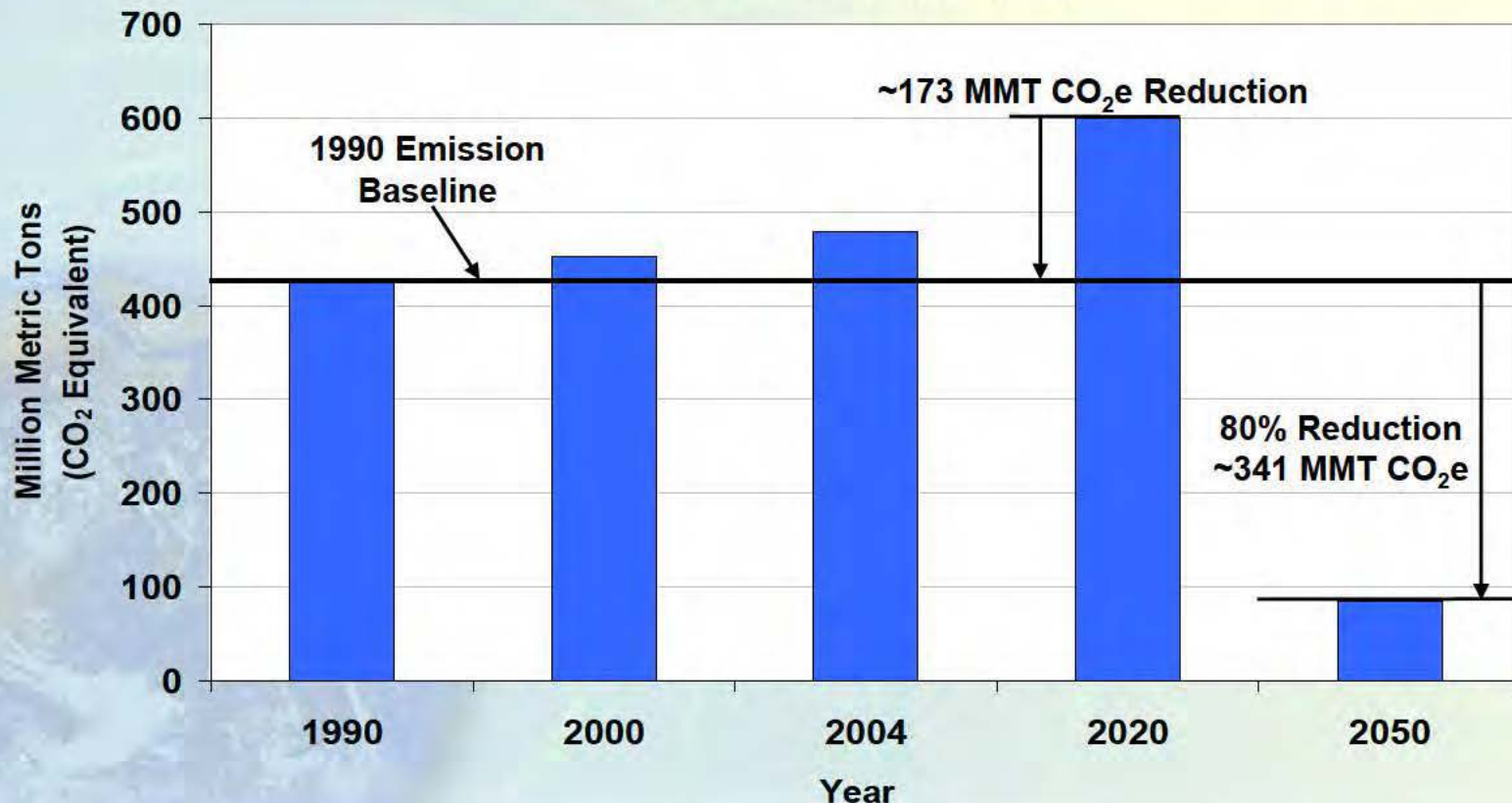
# History of AB 32

- Signed on September 27, 2006
- Goal: reduce GHG emissions to 1990 levels by 2020
- Key requirements: establish 1990 level, Mandatory Reporting, Early Actions, Scoping Plan and regulations
- May use market mechanisms
- Stakeholders & partners: EJAC, ETAAC, Air Districts, Public Health Community, Local Governments

# Magnitude of the Challenge

AB 32 required California's return to 1990 greenhouse gas (GHG) emissions by 2020

ARB Emissions Inventory





# Scoping Plan

- AB 32 required ARB adopt a Scoping Plan by December 2008.
- Scoping Plan recommends 70+ measures to reduce GHG emissions
  - Cap-and-Trade by January 2012
  - Complementary regulations and policies
  - Voluntary measures
  - Energy efficiency
  - Fees

# **AB 32 and California's Leadership**

- Scoping Plan adopted Dec. 12<sup>th</sup> 2008
- Work has shifted to measure development and implementation

# Early Action Measures

- To obtain reduction of emissions before December 2012
- Board has adopted 15 Early Actions
- Scheduled to consider nine other Early Actions in 2009



# 2009 Activities

- SB 375 Process
- Low Carbon Fuel Standard
- Federal interaction
- Administration Fee

# Senate Bill 375

- Greenhouse gas reductions through:
  - Transportation and land use planning
  - Housing planning
  - CEQA relief
- Public process
  - Webcasts and summaries of public meetings
  - Email updates
  - Posting comments
  - Coordination with others

## **Senate Bill 375 Basics**

- Regional Targets Advisory Committee (RTAC) to provide ARB technical recommendations
- ARB sets regional passenger vehicle GHG emission reduction targets
- Regional plans
- ARB review of plans
- Some projects may gain CEQA benefits



# Low Carbon Fuel Standard

- Achieves significant GHG reductions
- Creates durable framework for near and long term transition to low carbon fuels
- Encourages technology innovation
- Establishes stable investment environment
- Establishes framework that can be used for regional and national standards

# **Regulatory Analyses Required by AB 32**

- Parallel to rule development
- Analyses include:
  - Environmental, including criteria pollutants and air toxics
  - Economic
  - Energy diversification
  - Public health
  - Localized impacts
  - Small business



# AB 32 Administration Fee

- Authorized by AB 32, HSC section 38597
- Included in the Scoping Plan and approved by Board
- Required by 08/09 Budget
- Collected revenues shall be used to administer and implement AB 32 programs
  - ARB and other State agencies
  - Support Scoping Plan
  - Funding to be secured beginning with 09/10 Budget
  - Repay start-up program loans



# Federal Interaction

- US EPA reconsideration of waiver to enforce Clean Car Standards (AB 1493, Pavley)
  - Hearing March 5<sup>th</sup> in Washington, D.C.
  - EPA's decision expected in Spring/Summer 2009
- Federal stimulus package

# The Next Chapters

