

Madame Chair and Members of the Committee it's an honor to be here today to speak to you about the work of the Climate Action Team and related climate activities underway in the State. My name is Andrew Altevogt and I am the Climate Change Program Manager in the Office of the Secretary at Cal/EPA.

Secretary Adams, apologizes that she was not able to be here in person to testify today.

Today, I'd like to cover two items:

1. Update on the current and planned future work of the Climate Action Team
2. Brief description of the protocol development work of the Climate Action Reserve

The Secretary of Cal/EPA is tasked, under state law, with coordinating climate change activities in state government. As a part of this coordination role, the Secretary chairs the Climate Action Team.

As Chairman Nichols mentioned other members of Climate Action Team have been very involved implementing important aspects of AB32.

- As mentioned earlier the CEC, PUC and ARB have been coordinating on energy issues including both renewable energy and energy efficiency measures. There has also been coordinated work on green building efforts between these three and others such as HCD, DGS and CIWMB.
- The State Water Board and DWR have been working together along with the CEC, PUC and ARB on several water related measures.
- The Department of Public Health has been coordinating with ARB, the Office of Environmental Health Hazard Assessment and other on health impact analysis associated with the Scoping Plan
- The ARB has been coordinating with Caltrans, HCD, OPR on issues associated with implementation of SB375
 - This includes working with all agencies represented on the Strategic Growth Council on linking SGC and SB375 sustainable planning work

In addition to the greenhouse gas mitigation efforts, the state has formally launched its climate change adaptation efforts. You will hear more about the details of this work in the Resources Agency testimony.

Over the next year, the Climate Action Team will focus on bringing together mitigation and adaptation efforts into a set of cohesive efforts that will address all aspects of climate change.

- The working groups of the Climate Action Team will be responsible for much of the work on the CAT over the next year
 - The working groups are: Agriculture, Biodiversity, Energy, Forestry, Land Use, Oceans and Coastal Resources, Research, State Government, Public Health, Water, WCI
- There will be several deliverables that will be the focus of the Climate Action Team efforts
 - The first will be completing work required to adopt the regulations necessary to implement the Scoping Plan.
 - The second will be a coordinated effort to bring together mitigation and adaptation efforts in each sector working group. This will include:
 - A prioritized list of measures which will be focused on in the near term, including a description of areas of overlap between adaptation and mitigation priorities. This will involve each sector prioritizing the adaptation strategies described in the state Climate Adaptation Strategy
 - For each of the priority measures, a measure analysis describing how the measure will be implemented in the near term. This will be especially important for measures that were not included in the Scoping Plan, including all adaptation work
 - A coordinated research plan which is being directed by the CEC and which will build off the work described in the current Climate Action Team Report
 - A 2010 Climate Action Team Report which will provide a consolidation of climate change mitigation, adaptation and research efforts. It will also describe coordination of regional and international climate change efforts.

I would now like to briefly touch on the greenhouse gas reduction protocols that have been developed by the Climate Action Reserve.

The Climate Action Reserve, formerly known as the California Climate Action Registry has become a global leader because of the stringency and integrity of its greenhouse gas accounting and protocol development work. Secretary Adams serve as the Chair of the Board of Directors of the Reserve.

- The Reserve focuses on creating compliance-grade standards, or protocols for quantifying GHG emission reductions from GHG offset projects to ensure integrity and credibility of offset claims.
- The Reserve writes offset protocols, oversees independent third-party verification, and operates a secure registry system that tracks offset transactions over time.

- The protocols that are adopted by the Reserve are stringent requirements for ensuring emission reductions are: real, additional, permanent, verifiable, and enforceable.
- The protocols which have been adopted thus far, by the Reserve, include forestry, urban forestry, livestock waste management, landfill methane capture and combustion, organic waste diversion, coal mine methane capture and combustion, and nitric acid production.
- The Reserve is now working on protocols for composting and ozone depleting substances, and will be evaluating agriculture and soil projects types next year.
- It is important to note that the protocols are drafted through a public process using workgroups comprised of government, business, environmental, and academic experts, and by soliciting public comments.
- The ARB has typically served on all workgroups and has chosen to endorse many of the protocols.
- Other state agencies, for example CalFire, have been very involved in development of specific protocols.

California, through the Reserve, is leading the national voluntary carbon market, with Reserve certified offsets commanding the highest prices (approximately \$7/ton) and occupying the majority of the voluntary market (approximately 70% of transactions).

- The Reserve's standards are widely seen as the most likely to qualify for early action credits issued under proposed federal legislation (Waxman-Markey).
- The Reserve has also expanded internationally with two protocols, livestock and landfill adopted for use in Mexico and has begun work on a reforestation protocol for Mexican forests.
- The Reserve intends to adapt all of its protocols to Mexico and to also take its program to Canada. It has also been participating in discussions with the Governor's Climate and Forest Task Force to support state actions in Brazil, Indonesia, and other countries to address deforestation.

As with AB32, the success of these protocols, developed here in California, is another demonstration of how efforts to address climate change that were begun here are having far reaching influence nationally and internationally.

Through these coordinated efforts, California's leadership on climate change policies will position the state to both benefit economically from upcoming national and global efforts and to reduce our vulnerability to the impacts of global warming.

Thank you, and I would be happy to answer any questions.