

**Joint Hearing  
Assembly Natural Resources and  
Senate Subcommittee on Alternative Energy**

**Monday, March 3, 2008  
2:00 pm, Room 4202**

**Implementation of AB 32  
California Global Warming Solutions Act Of 2006**

**Testimony  
Mary D. Nichols, Chairman  
California Air Resources Board**

**When the California Legislature passed the Global Warming Solutions Act of 2006, it recognized the very real impacts that global warming would have on our economy, our environment, and our society. The Legislature also recognized that we must mitigate those impacts by taking action now.**

**The goal of the new law was, in a sense, beguilingly simple and could be stated in eleven words: to reduce our greenhouse gas emissions to 1990 levels by 2020.**

**By taking this important step – capping our greenhouse gas emissions by law – we also established California as a world leader in the fight against global warming.**

**By limiting our emissions we set ourselves against on a par with the most advanced countries in the world and are effectively benchmarking ourselves against the European Union, Great Britain and Japan.**

**As we move forward in our efforts to achieve those reductions, it is also clear that rest of the world is watching California.**

**We knew going in that we would have to develop a mix of programs and measures to reduce greenhouse gases that fit the unique needs and requirements of every sector of the California economy.**

**ARB was proud to be chosen as the lead agency in this exciting, and necessary, initiative. We have a history of tackling daunting challenges and succeeding. We are winning the war against smog. We got lead out of gasoline. We drastically lowered soot particles in the air. But we knew that lowering greenhouse gases would be something quite different.**

**People, especially in government circles, often bandy about the term 'unprecedented' in executive summaries, and in press releases. But it is fair to say that implementing AB 32 is absolutely and undeniably an unprecedented challenge in terms of its scope, complexity, and impact.**

**So, how are we doing some 17 months – or about 500 days – after the bill was signed by the Governor?**

**I'm proud to say, we believe we are doing well. We have met every benchmark and milestone the law established for us in its highly accelerated timeline -- and we have done so with an effort to keep the dozens of different processes and initiatives transparent and open at every juncture.**

**We established an Office of Climate Change in January, 2007, and since then have staffed up with more than a 100 new hires focused on AB 32 implementation. We established new managers within our existing divisions and tasked our researchers and analysts within those divisions with pressing AB 32 tasks and deadlines.**

**Saying we must limit our emissions to 1990 levels is one thing; within a year of the bill's signing and within AB 32's timeline, we had determined what those emissions were – based on a meticulous and thorough examination of every sources of greenhouse gas emissions in the state. We also established the 2020 projected emissions and the size of the reduction we need to achieve: 174 million metric tons of carbon dioxide.**

**By December, as required under the law, we had identified, and developed emission reporting requirements for the 800 largest stationary sources of greenhouse gas emissions. We are now the first state in the nation to require reporting of these emissions, and by 2011 we will have monitoring and verification programs in place to give those regulations the same power of enforcement as other airborne pollutants.**

**We immediately set up a task force to develop Early Actions as required by the law, again drawing on the expertise of ARB, advisory groups and the public. The ARB governing board adopted a wide range of programs that effectively give us a substantial 'down payment' -- about 66 of those 174 million metric tons, and several of those are fast-tracked for rule-making in keeping with the law's timetable.**

**One important Early Action Measure that has received a lot of attention lately is the Low Carbon Fuel Standard. The standard will require fuel sold in California to achieve a reduction in greenhouse gas intensity compared to the fuels sold today, taking into account the full fuel cycle. Recent studies have highlighted concerns about the land use impacts of**

conventional biofuels. The ARB is fully aware of these concerns and is developing the regulations in consultation with the top national and international experts on the issue. By accounting for all emissions relating to feedstock production, extraction, production, refining and transport, the policy is designed to ensure that only those fuels with real benefits get credit under the program.

The good news is that we see many promising options for reduced-carbon fuels in California, including advanced biofuels grown from sustainably grown energy crops or agricultural wastes, natural gas, and hydrogen and electricity produced from low carbon energy sources. With honest accounting and good policy design, we are confident that these alternatives can make a substantial improvement over the petroleum fuels we use today.

In addition to moving forward on regulatory approaches, we established, as required, an Environmental Justice Advisory Committee, (you will hear from the co-chair of that committee later in today's agenda). The EJ committee has had several meetings so far and continues to meet on a regular basis. And we established, as required, the Economic and Technological Advancement Advisory Committee (the ETAAC) comprised of 20 members representing California's diverse economy. They met nine times, and just last week presented the board with a 300-page report with 55 recommendations to help support California's Cleantech sector, provide green collar jobs, and accelerate the state's reduction of greenhouse gases.

We set up dozens of stakeholder groups within the different sectors, as part of our effort to disassemble the challenge and focus deeply on each separate aspect of the emissions sources: from landfill methane capture, to forestry or local government protocols. And, of course, we are working closely with the members of the Climate Action Team to identify emission reductions that can be achieved from their jurisdictions. On any day there are likely to be meetings, workshops, workgroups, or presentations going on in the Cal/EPA building and across the State. These meetings provide crucial input for what is our current most pressing challenge: developing the Scoping Plan to address the tons that aren't accounted for by the Early Actions.

The Scoping Plan is the roadmap for the state's future and achieving the required reductions by 2020, and beyond. We are currently planning on having a draft Scoping Plan by late June. That draft scoping plan will be based on the input from the public workshops that we have held, advisory groups, and the Climate Action Team. The draft plan will be the subject of

**public workshops over the summer, and it will be ready for submission to the Board by the end of the year, as required by AB 32.**

**I want to put the task before us into perspective. This year, California will produce about 480 million metric tons of carbon dioxide from all sources: industry, cars, and agriculture.**

**That number doesn't really mean anything to me, or most of you, I should imagine. It's a statistic. But it translates into a carbon footprint of about 14 tons of carbon dioxide every year, for each man, woman and child in the state.**

**AB 32 requires us to reduce that to 10 tons a person by 2020.**

**We are on track, and on time. But the challenge remains daunting.**

**And, while we continue to move forward implementing the Early Action Measures and developing the Scoping Plan, we are encouraging action to reduce GHG emissions as soon as possible.**

**Voluntary emission reductions and sequestration are needed now. We adopted the world's first forestry management protocols enabling the identification of real and verifiable tons of carbon dioxide that can be stored in California's forests. This will help ensure voluntary efforts to offset carbon impacts are encouraged now – even before AB 32 is fully implemented.**

**In addition, we are encouraging the public to act now to become aware of their own carbon foot print and identify the actions individuals can take to reduce GHG emissions. Information is available on ARB's web site, and the Carbon Calculator can be found at [www.coolcalifornia.org](http://www.coolcalifornia.org)**

**In closing, while ARB has certainly hit all of the benchmarks in AB 32, we – all of us in this room and those beyond it – are facing a challenge that will continue beyond 2020 and into a new energy future and a low carbon world for our children, and their children.**

**That is our ultimate goal, and I am confident that working together we shall reach it. I would be happy to answer any questions the committee may have.**

**Thank you.**