ETAAC Legislative Update

Rob Oglesby
Legislative Director

April 29, 2009
Climate change remains a major issue
- 145 of 2300 bills are climate change-related

New select committee
- Senate Committee on Climate Change and AB 32 Implementation

Numerous special hearings
2009 Special Hearings

- February 23rd: Renewable Portfolio Standard
- February 24th: Reducing Congestion & GHG Emissions - Parking Policies
- March 9th: Status of AB 32 Implementation
- March 9th: ARB Major Program Overview
- March 16th: Overview of Proposed LCFS
- May 19th: Implementation of AB 32 Scoping Plan
Key Climate Change Issues:

- Economy/AB 32 economic analysis
- Fees and market mechanisms
- Roles and priorities
- Land use and energy policies
Economy-Related Challenges

- SB 295 (Dutton)
- ACR 14 (Niello)
- AB 118 (Logue)
SB 295 (Dutton)

- Delays AB 32 work subject to reanalysis of Scoping Plan economic impacts and State economic revival
  - No new regulation development until new analysis submitted
  - No implementation until unemployment drops below 5.8% for 3 months

- Amended to require economic analysis and peer review only
Other Challenges to AB 32

- ACR 14 (Niello)
  - Requires measure by measure economic analyses
  - Calls on Governor to delay rulemaking

- AB 118 (Logue)
  - Repeals AB 32 in its entirety
AB 32 Fee Bills

- SB 31 (Pavley)
- AB 231 (Huffman)
- AB 1405 (De Leon)
SB 31 (Pavley)

- Requires ARB to develop “compliance mechanism fees” to be used for specified purposes:
  - Administration
  - Renewable energy
  - Technology investments
  - Green jobs
AB 231 (Huffman)

- Creates the Climate Protection Trust Fund
- Repository for fees from emissions and compliance/enforcement
- Companion bill to SB 31 (Pavley)
AB 1405 (De Leon)

- Establishes Community Benefits Fund
- Unspecified appropriation from AB 32 fees
- Disburses grants to disadvantaged communities: green jobs, job training, transit, energy efficiency investments in public facilities and low-income housing
Market Mechanism Bills

- AB 1404 (De Leon)
- AB 376 (Nava)
- SB 722 (Steinberg)
AB 1404 (De Leon)

- Limits compliance offsets (out-of-sector GHG reduction) to 10% of market-based reductions
- Preferences for disadvantaged community, localized and in-state co-benefits from criteria pollutant reductions and other health benefits
- Requires 3rd party verification and tracking
- Assesses fees for administration
AB 376 (Nava)

- Defines how voluntary GHG offsets are created and registered for sale in CA
- Prohibits fraudulent offset claims, with civil penalties up to $10,000 per violation, enforceable by DA’s or AG
- Amended April 27th to direct ARB to establish validation and registry protocols
SB 722 (Steinberg)

- Establishes criteria for voluntary GHG offset claims
- Sets penalties up to $2,500 for fraudulent claims
Roles and Authorities

- SB 721 (Steinberg)
- AB 1530 (Skinner)
- AB 128 (Padilla)
- AB 283, 478, 479 (Chesbro)
SB 721 (Steinberg)

- Expands role of Climate Action Team (CAT)
  - Research coordination and oversight
  - Annual research plan to Legislature
  - Biennial climate adaptation study and report
  - More emphasis on mitigation and adaptation
  - Adds Consumer Affairs and Labor Departments to CAT

- Similar to SB 1762 (Perata) vetoed last year
  - Unnecessary and premature
AB 1530 (Skinner)

- Requires ARB to adopt electric efficiency protocols and verification requirements suitable for evaluating any GHG offset claiming an electrical energy efficiency benefit.

- Consult with CEC and CPUC
AB 128 (Padilla)

- Creates Climate Change Institute
- Coordinates research, curriculum development and grants statewide
CIWMB Bills

- AB 283, AB 478, AB 479 (Chesbro)

- Codifies roles and tasks from Scoping Plan
  - Extended product responsibility
  - Solid waste consultant to ARB
  - Raises statewide waste reduction mandate from 50% to 75% by 2015
Energy Policy Bills

- SB 14 (Simitian)
- AB 64 (Krekorian)
SB 14 (Simitian)

- Would require all IOUs and POUs to acquire at least 33% renewables at a rate of at least 1% per year by 2020, provided just and reasonable rates
- Enforcement – CPUC for IOUs, CEC for POUs
- CPUC – approve certificates of convenience (transmission permits) within one year
- CAISO must adjust market structure to facilitate renewables
AB 64 (Krekorian)

- Would require all IOUs and POUs to achieve 25% by 2015 and 33% by 2020
- Attempts to address generation and transmission issues, renewable energy credits, and benchmark pricing
- Creates Renewable Infrastructure Authority (RIA)
Land Use Planning Bills

- SB 575 (Steinberg)
- SB 406 (De Saulnier)
- SB 391 (Liu)
SB 575 (Steinberg)

- Doubles ARB local plan review time to 120 days
- A “work in progress”
SB 406 (De Saulnier)

- SB 375 funding mechanism for local MPOs and COGs
- Authorizes a $2 motor vehicle surcharge to develop and implement regional blueprint /sustainable communities strategy
SB 391 (Liu)

- Requires Caltrans to prepare statewide transportation plans every 5 years
- Adds requirement to address air pollution and climate change impacts of State mobility system
- Interim report, due 2012, must enumerate local agencies’ sustainable communities strategies
- First major report due 2015
NEW PROGRAM BILLS

- AB 1373 (Skinner)
- AB 1452 (Skinner)
- AB 19 (Ruskin)
- SB 104 (Oropeza)
AB 1373 (Skinner)

- Directs CEC to assess stationary refrigeration system GHG emissions
- Use existing resources, consult with ARB
- Reduce high global warming potential (HGWP) gases
- Publish report by January 1, 2012
AB 1452 (Skinner)

- Requires ARB to set GHG emission limits for cement sold in California, regardless of origin
- Regulations by 01/01/11
AB 19 (Ruskin)

- Voluntary carbon labeling program
- Consumer products used in California
- Based on life-cycle GHG emissions
- Feasibility research already in progress
SB 104 (Oropeza)

- Defines GHGs to include:
  - Nitrogen trifluoride (NF$_3$)
  - Other gases designated by UNFCC

- Provides that gases added are not subject to January 1, 2011 rulemaking deadline