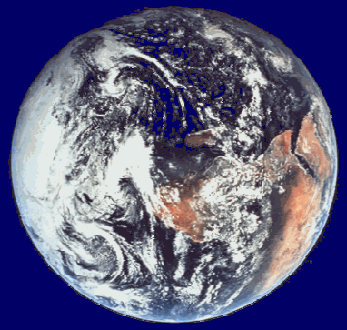


AB 32 Implementation:
Market Advisory Committee Report and Scoping Plan Development

Edie Chang
Office of Climate Change
July 27, 2007

Market Advisory Committee

- Created by Executive Order to advise the Board on the design of a market-based compliance program
- National and international experts
- Objective: advise ARB on how to best design a cap and trade program to achieve cost-effective emission reductions from all economic sectors

MAC Members

Dale Bryk
Natural Resources Defense Council

Dallas Burtraw
Resources for the Future

Daniel J. Dudek
Environmental Defense

Paul Ezekiel
Credit Suisse

Laurence Goulder, Vice Chair
Stanford University

Judi Greenwald
Pew Center on Global Climate Change

Winston Hickox, Chair
Former Cal/EPA Secretary

Steven E. Koonin
BP

Franz T. Litz
Formerly with NYDEC

Brian McLean
U.S. EPA (ex officio)

Joe Nation
Former Assemblymember

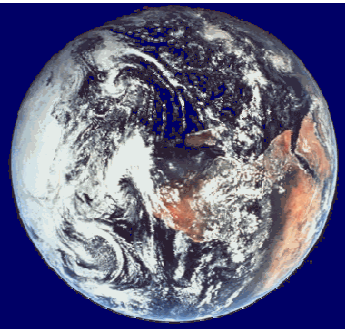
Martin Nesbit
UK Dept of Environment

Jonathan Pershing
World Resources Institute

Nancy Sutley
City of Los Angeles

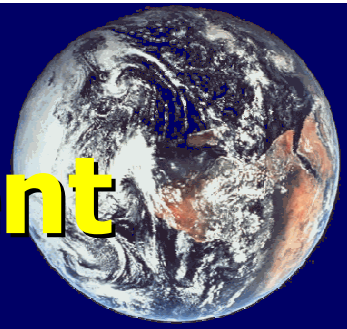
Peter Zapfel
European Commission

Scoping Plan



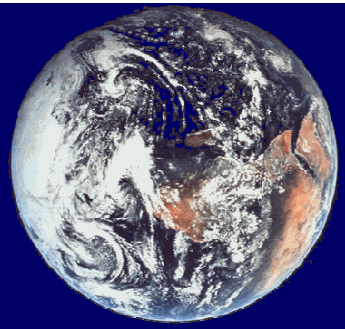
- Goal: Reduce greenhouse gas emissions to 1990 levels by 2020
- Coordinate with Climate Action Team and consult with other state agencies
- Consider other greenhouse gas programs
- Evaluate costs and benefits to economy, environment and public health
- ARB must approve Scoping Plan by January 1, 2009

Scoping Plan Development



- Compile possible reduction measures and tools
- Build and analyze emission reduction scenarios
- Develop recommended staff proposal

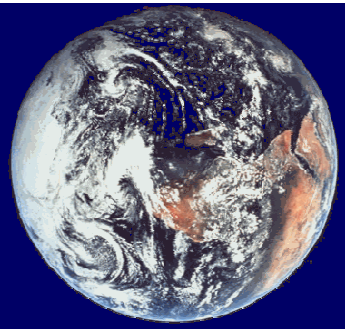
Scoping Plan Measures



- Consider "direct emission reduction measures, alternative compliance mechanisms, market-based compliance mechanisms, and potential monetary and nonmonetary incentives..."
- Evaluate all possible measures and tools
- MAC report is valuable resource for evaluation of one such tool--cap and trade
- Solicit public input: Summer 2007
- Workshops: November/December 2007

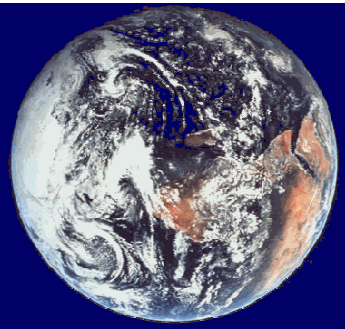
Potential Measures

Example: Electricity Generation



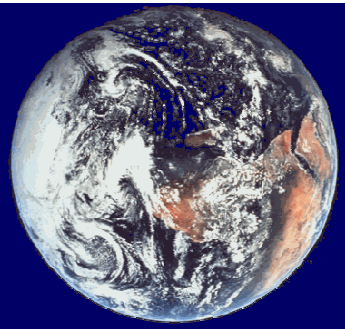
- Performance standards
  - Utility boilers and heaters; combined heat and power
- Energy Efficiency
  - Appliance standards
  - Demand-side management
  - Energy conservation
- Renewable Portfolio Standards
- Cap and trade program

Scoping Plan Scenarios



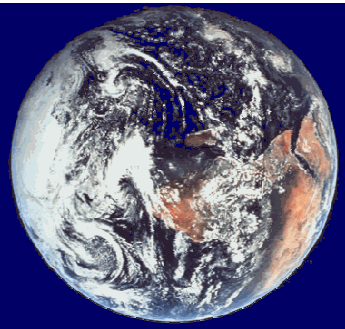
- Develop illustrative scenarios to compare different mixes of measures and tools
  - Timing
  - Economic impacts
  - Differential costs and benefits
  - Criteria pollutant and air toxic impacts
- Workshop: March 2008

Scoping Plan Draft



- Develop draft Scoping Plan
  - Evaluate public comment from workshops
  - Consider mechanics of implementation
  - Multiple tools possible for each sector
- Workshops: June/July 2008
- Final Staff Proposal: October 2008
- Board Hearing: November 2008

AB 32 Implementation
Schedule



Oct 2007	Board Hearing - Early Action Measures
Nov/Dec 2007	Sector-based workshops on measures and tools
Dec 2007	Board Hearing - 1990 Baseline
	Board Hearing - Mandatory Reporting Regulation
Mar 2008	Workshop on scenarios
June 2008	Draft Scoping Plan released
June/July 2008	Workshops
Oct 2008	Final Staff Proposal released
Nov 2008	Board Hearing - Scoping Plan