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# **Climate Change Scoping Plan Implementation Update**

February 26, 2009  
California Air Resources Board

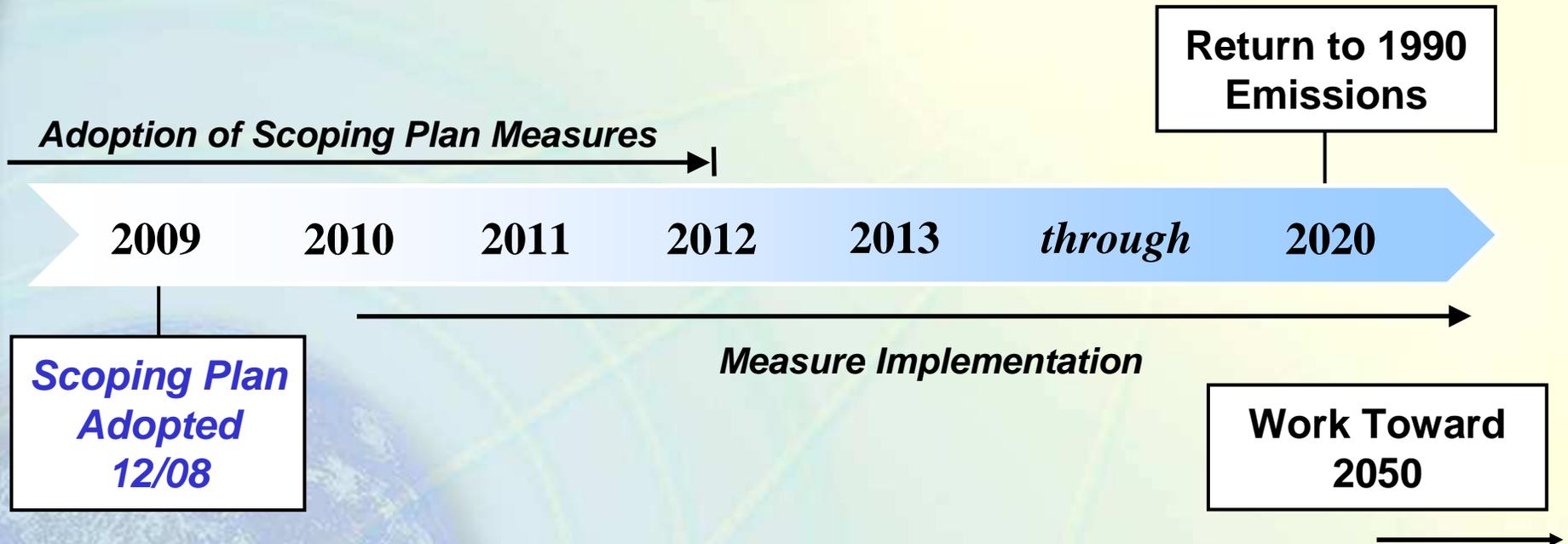
# California's Leadership

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

# 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.
  - Close of written comment period April 6
- Federal stimulus package

# The Next Chapters



# Interagency Coordination

- Climate Action Team
  - Reorganization to focus on implementation
  - Climate Adaptation Strategy to be released April 2009
- Coordination with CEC/CPUC on energy efficiency, RPS, CHP, and cap and trade
- Forestry working group
- Public health working group
- CAPCOA workplan

# Hitting the Ground Running

- SB 375 Process
  - Appointment of SB 375 Regional Targets Advisory Committee in Jan. 2009
- Low Carbon Fuel Standard
- Cap-and-Trade rulemaking initiated
- Early Action Measures on today's agenda
  - Reduce GHG Emissions from Semiconductor Operations
  - Reduce SF<sub>6</sub> Emissions in Non-Semiconductor and Non-Utility Applications

# Early Action Measures

- Board approved a list of 44 early actions in October 2007
- 9 Discrete Early Actions
  - Meets the AB 32 legal definition
  - Regulatory items to be adopted by ARB and enforceable by January 1, 2010
- 35 Early Actions
  - Regulatory or non-regulatory items to be pursued between 2007 and 2012

# Early Action Measures in the Scoping Plan

- Scoping Plan
  - Incorporates all discrete early actions, most early actions, and identifies additional measures
  - After further analysis, some early actions do not provide GHG reductions, but are being pursued for other air quality reasons
- Board has adopted 13 Early Actions, including 4 Discrete Early Actions
- Plan to bring 11 Early Actions to the Board in remainder of 2009

# LCFS Objectives

- 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

# Role of CEQA

- **Senate Bill 97**
  - Requires assessment of greenhouse gas impacts as part of the California Environmental Quality Act (CEQA)
- **Governor's Office of Planning and Research**
  - Drafting CEQA guidelines for greenhouse gases by early 2009
  - Asked ARB to recommend a method for setting thresholds of significance

# Cap-and-Trade Rulemaking

- Broad-based California cap-and-trade program to provide a fixed limit on emissions
- Link to other Western Climate Initiative Partner programs
- Complement health-based air quality programs and EJ policies
- Consider effects of the program on the California economy and public health
- Seek input from experts on public health, allowance distribution and use, revenue distribution, and economic analysis

# Principles Guiding Cap-and-Trade Regulation

- Minimize costs and maximize total benefits
- Minimize leakage and administrative burden
- Complement existing air programs to reduce emissions, exposure and risk
- Consider direct, indirect, and cumulative emissions, including localized impacts
- Do not disproportionately impact low-income communities

# Cap-and-Trade Rulemaking Timeline

- Technical working groups
- Expert input on broad policy issues
- Public workshops
- WCI stakeholder meetings
- Semi-annual Board updates to seek guidance from the Board

2009	Regular public meetings on specific issues
Mid-2010	Preliminary draft regulation released
November 2010	ARB hearing on cap-and-trade regulation
January 1, 2012	California/WCI cap-and-trade programs launch

# Impact Analyses

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

# Economic Analysis

- Updated analysis of the Scoping Plan by December 2009
- Ongoing development of individual measures and assessment of their associated costs and savings
- Solicit expert input on Board and stakeholder concerns
  - Consult with experts on modeling tools, approach, and opportunities for additional analyses
- Periodic public participation meetings and workshops

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# **Appointment of New Members to the Economic and Technology Advancement Advisory Committee (ETAAC)**

# ETAAC Background

- Established in AB 32 to advise ARB on opportunities to facilitate implementation of technological research and development
- Original members appointed by Board in January 2007
  - Consists of 20 seats
- Cooperated closely with Environmental Justice Advisory Committee and Market Advisory Committee
- Presented report of recommendations to Board in February 2008
- Developed and provided comments on Scoping Plan

# Recommended Candidates

- Five vacated seats. Recommended replacements:
  - Mr. Dan Adler, California Clean Energy Fund
  - Dr. Chris Busch, Center for Resource Solutions
  - Mr. Roland Hwang, Natural Resources Defense Council
  - Mr. Ralph Moran, BP America
  - Mr. Hank Ryan, Small Business California
- Staff recommends the creation of a new seat for the labor sector, and recommends:
  - Mr. Jim Beno, California Labor Federation

# Staff Recommendation

- There are five open seats on the Committee and the need for the addition of a labor sector seat
- Staff recommends that the Board:
  - Create a position for the labor sector; and
  - Appoint the identified persons to fill all open seats