

August 25, 2009 Workshop  
Proposed AB 32 Fee Regulation

## AB32 Cost of Implementation Fee Regulation

**For Reference Only**

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## Fee Calculation

$$CCC = \frac{\text{Total Required Revenue for current fiscal year}}{\text{Total Emissions from specified calendar year}}$$

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## Fee Calculation

### Common Carbon Cost (CCC)

- Annual cost of the program (current fiscal year)
  - Total Revenue Requirement = current program costs plus Debt repayment +/- annual adjustments
- Annual emissions (latest reported calendar year)
  - First year data 2008
  - Quantities of reported fuels, electricity, and emissions
  - Use specific emissions factors based on carbon content of each fuel

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## Total Required Revenue

### Total Required Revenue (TRR)

**Sum of:**

- 1) Required Revenue (RR)
  - AB 32 expenditures budgeted for a fiscal year for all state agencies based on the approved state budget
  - Debt repayment

Fiscal years 09/10, 10/11, 11/12, 12/13, and/or 13/14
- And
- 2) Annual adjustments for excess or under collection

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## Specific Fee Calculations

### Fee Rate

- Fuel/Electricity/Coal  

$$\text{Fee Rate} = CCC \times EF_i$$
- Emissions  
 CCC serves as the Fee Rate

### Fee

- Fuel/Electricity/Coal  

$$\text{Fee} = \text{Fee Rate} \times \text{Quantity of fuel/electricity/coal supplied, consumed or produced}$$
- Emissions  

$$\text{Fee} = CCC \times \text{Quantity of Emissions}$$

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## Timing/Eligible Costs

Limited to state agencies' activities and program costs directly related to AB 32 Implementation

- Formally approved staff positions
- Other costs directly related to administering AB 32

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### Non-Eligible Costs

- AB 32 compliance costs
- Non-state agency costs
- GHG reductions achieved as co-benefit to principal agency activities
- Pre-existing GHG reduction programs
- Activities related to adaptation or CEQA analysis for projects

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