



January 30, 2007

Linda Adams
Secretary for Environmental Protection
California Environmental Protection Agency
1001 I St
Sacramento, CA 95812

Dr. Robert J. Sawyer
Chairman
California Air Resources Board
1001 I St
Sacramento, CA 95812

Re: Suggestions for Early Action Measures and Criteria

Dear Secretary Adams and Chairman Sawyer,

As you embark on the process of implementing Assembly Bill 32, we reiterate our commitment to work constructively with you to realize the vision laid out by the Legislature and the Governor to reduce the state's emissions back to 1990 levels by 2020 while providing additional economic and environmental benefits for the state.

The California Air Resources Board's (CARB) workshop on January 22nd appropriately focused on development of "early action measures" as the first activity to begin implementation of AB 32. These measures will be essential to begin emission reductions as quickly as possible, while the state works toward developing the broader 2009 scoping plan.

AB 32 recognizes both the central role that CARB will have in meeting the state's 2020 pollution limit, as well as the crucial role that the other agencies in the Climate Action Team will have in reducing emissions. Although AB 32 only requires that CARB adopt early action measures that can be enforced by 2010, we urge CARB and the Climate Action Team to work together to coordinate development of a list of early action measures that *each* of the Climate Action Team agencies can commit to adopt and enforce in a comparable time frame. Involving all of these agencies in the pursuit of early action measures will be essential to begin reducing greenhouse gas (GHG) emissions as soon as possible and to ensure that a diverse set of sectors contribute to meeting the state's goals.

Criteria for Early Action Measures

We suggest that CARB and the Climate Action Team agencies use the following criteria in identifying early action measures:

1. Prioritize measures that will deliver the most significant emission reductions;

2. Focus on measures that are administratively feasible to analyze and adopt on the accelerated timeframe necessary to become enforceable by 2010;
3. Prioritize measures that can simultaneously reduce greenhouse gas emissions and improve air quality;
4. Prioritize measures that will complement existing policies and programs to broaden the sectors that are contributing to meeting the state's emission limits; and
5. Prioritize measures that will encourage other states and countries to follow California's lead and thereby magnify the emission reductions.

We encourage CARB and the other agencies to pursue early action measures aggressively, while at the same time identifying and securing sufficient staff resources to pursue policies that may take somewhat longer to develop (for the 2009 scoping plan), but that will ultimately provide more substantial emission reductions.

Suggested Early Action Measures

NRDC urges CARB and the other Climate Action Team agencies to consider adoption of the following early action measures; our suggestions are organized by sector.

Transportation Fuels and Light Duty Vehicles

As described in more detail in a letter submitted by a group of environmental organizations¹ on January 22nd, we support:

- ◆ CARB adoption of a low carbon fuel standard that requires that the mix of fuel sold in California by each fuel provider meet a declining standard in global warming pollution per unit of fuel energy sold;
- ◆ CARB adoption of requirements for low carbon fuel vehicle sales and low carbon fuel infrastructure;
- ◆ CARB adoption of measures to reduce HFC emissions; and
- ◆ CEC adoption of minimum tire efficiency standards pursuant to AB 844.

Medium and Heavy Duty Trucks/Goods Movement Measures

As described in more detail in a letter submitted by a group of environmental organizations² on January 23rd, we support CARB adoption of additional regulatory and incentive programs that can reduce GHG and diesel pollution emissions, including:

- ◆ Adopt requirements and incentives for truck owners and operators to adopt "SmartWay" technology that combine greenhouse gas emission reductions with criteria pollutant emission controls;

¹ American Lung Association of California, Bluewater Network/Friends of the Earth, Center for Energy Efficiency and Renewable Technologies, Natural Resources Defense Council, Planning and Conservation League, Sierra Club California, and Union of Concerned Scientists.

² American Lung Association of California, Bluewater Network, Center for Energy Efficiency and Renewable Technologies, Coalition for Clean Air, Environmental Defense, Natural Resources Defense Council, Planning and Conservation League, Sierra Club California, and Union of Concerned Scientists.

- ◆ Anti-idling requirement for cargo handling equipment at ports, as well as increased enforcement of existing anti-idling regulations;
- ◆ Require that large truck stops provide electric infrastructure, and provide incentives for truck operators to use zero emitting technologies;
- ◆ Require the electrification of transportation refrigeration units, airport ground support equipment, and construction equipment at urban sites; and
- ◆ Adopt a regulation and/or incentive program to take advantage of emerging hybrid-electric technology for medium duty delivery trucks.

Cement Industry Greenhouse Gas and Toxic Emission Reductions

As described in more detail in a letter submitted by a group of environmental organizations³ on January 22nd, we urge CARB to explore early action measures to significantly reduce the emission of both greenhouse gases and mercury and other toxins by California's eleven cement kilns, consistent with AB 32's direction to pursue complementary greenhouse gas GHG and toxic air contaminant reduction efforts. In particular, we urge CARB to explore energy efficiency opportunities, as well as a greenhouse gas and mercury emission performance standard for cement facilities equivalent to the level achievable through conversion from coal to natural gas.

In addition, we urge the Business, Transportation, and Housing Agency to update specifications for the state's use of cement to encourage the use of cleaner blends of cement that are less carbon-intensive.

Electricity and Natural Gas Utility Sector Measures

NRDC recommends that the following utility measures be adopted within the early action measure timeframe. These measures are essential to continue and increase emissions reductions in the electricity and natural gas sectors.

- ◆ CEC adoption of regulations to implement Senate Bill 1368's greenhouse gas emissions performance standard for new long-term commitments to baseload generation;
- ◆ CEC adoption of statewide ten-year electricity and natural gas savings targets, and review of publicly-owned utilities' targets pursuant to Assembly Bill 2021;
- ◆ CPUC adoption of updated electricity and natural gas ten-year energy savings targets for each investor-owned utility; and
- ◆ CEC adoption of upgraded building and appliance efficiency standards.

Water Sector Emission Reductions

The California Energy Commission (CEC) estimates that 20% of the state's electricity and over 30% of the state's natural gas consumption is associated with water use.⁴ In the 2005 *Integrated Energy Policy Report* to the legislature, the CEC recommended that "the CPUC, Department of Water Resources, the Energy Commission, local water agencies and other stakeholders should assess efficiency improvements in hot and

³ Center for Energy Efficiency and Renewable Technologies, Environment California, Natural Resources Defense Council, Planning and Conservation League, and Sierra Club California.

⁴ California Energy Commission. *Integrated Energy Policy Report*, November 2005, CEC-100-2005-007-CMF, p. 139.

cold water use in homes and businesses and include these improvements in 2006-2008 programs.”⁵ We therefore urge the inclusion of water use efficiency programs into the suite of early action measures that are adopted to implement AB 32. In particular, these measures should include the following:

- ◆ Embedded Energy - The CPUC should allow investor-owned energy utilities to invest in water use efficiency measures as a way to reduce the associated energy use. We believe this should include water efficiency measures and water management techniques that are not currently considered as energy efficiency measures, but which in fact save significant amounts of embedded energy. We recommend that the Commission assess the full potential of water embedded energy savings in the next round of energy efficiency potential studies and goals, and subsequently should fully incorporate water embedded energy savings into the next three-year energy efficiency program cycle, which begins in 2009.
- ◆ Urban Certification - The Department of Water Resources (DWR) should establish an Urban Certification Program to assure compliance with Urban Water Conservation Best Management Practices (BMPs) contained in the Memorandum of Understanding Regarding Urban Water Conservation in California (MOU). The CALFED Comprehensive Evaluation clearly found that the current voluntary process is not working.⁶ We strongly believe that a certification program is necessary to ensure compliance with the MOU and implementation of the BMPs. The establishment of a certification program was specified in the federal Record of Decision on the CALFED Bay-Delta Program.
- ◆ Water Measurement - Water resource management in California is handicapped by inadequate, incomplete and potentially inaccurate information about water use. Particularly in agriculture, the State does not know to any accurate degree how much water is being used and where. The Department of Water Resources should address those shortcomings by creating a water use database and a system for reporting water deliveries and diversions. DWR should implement administrative actions identified by the CALFED staff proposal on water measurement and by the AB 2717 Landscape Taskforce, including measuring crop water use consumption via remote sensing, better assessment of net groundwater usage, and upgrading the California Irrigation Management Information System (CIMIS).
- ◆ Efficiency Standards – Efficiency standards account for most of the water efficiency savings projected to be achieved in California.⁷ The state should therefore expand the scope of these standards. The CEC should adopt water efficiency standards for irrigation equipment and for new residential and non-residential construction. Consistent with the recommendations of the AB 2717 Landscape Task Force, the CEC should require that by 2010, all irrigation controllers sold in California meet the Irrigation Association's protocol for "smart controllers."

⁵ California Energy Commission. *Integrated Energy Policy Report*, November 2005, CEC-100-2005-007-CMF, p. E-6.

⁶ CALFED Bay-Delta Program, *Water Use Efficiency Comprehensive Evaluation, Public Review Draft*, April 2006, p.16.

⁷ *Ibid.* p.15

Solid Waste Sector Emission Reduction Measures

NRDC supports the measures proposed by Californians Against Waste to reduce GHG emissions from the solid waste sector, including Integrated Waste Management Board adoption of:

- ◆ A goal to bring curbside recycling to every household (single and multi-family) by 2010;
- ◆ A goal to require commercial enterprises to obtain recycling services by 2010; and
- ◆ Material specific disposal limits to require all Californians to limit their disposal of recyclable materials such as cardboard, paper, or construction and demolition debris, regardless of whether it is collected by a refuse company or self hauled to the landfill.

Vessel Emission Measures

NRDC supports CARB adoption of the following measures proposed by Friends of the Earth to reduce emissions from ocean-going vessels:

- ◆ Mandatory ship speed reductions in all California coastal waters; and
- ◆ Requirement for use of marine distillate fuels in ship main engines.

Thank you for the opportunity to provide input as you begin to identify early action measures to quickly achieve emission reductions to contribute to meeting AB 32's statewide pollution limit. We appreciate your consideration of our suggestions, and look forward to working with you and other stakeholders to identify the final list of early action measures.

Sincerely,



Devra Wang
Director, California Energy Program

cc: Brian Prusnek, Deputy Cabinet Secretary
Catherine Witherspoon, Executive Officer, CARB
Chuck Shulock, Program Manager for GHG Reduction, CARB
Dan Skopec, Undersecretary, California Environmental Protection Agency
Anne Baker, Deputy Secretary for External Affairs, California Environmental Protection Agency
Eileen Tutt, Assistant Secretary for Climate Change Initiative, California Environmental Protection Agency