

## **AB 32 - California Global Warming Solutions Act Scoping Plan Background Information**

### **Recommended Approach to Analyze the Environmental, Public Health, and Equity Implications of Different ARB Policies to Reduce Greenhouse Gases**

The ARB staff is collecting information and preparing analyses that will provide the information needed to support Board consideration of the environmental, public health, and equity implications of different policy approaches to reduce greenhouse gases. The following steps outline our recommended approach.

1. ARB and other state agency staff are developing greenhouse gas reduction measures for consideration in the Scoping Plan. For each measure, the staff are assessing, to the extent feasible, the additional benefits expected from the measure, including increases or decreases in emissions of criteria and toxic air pollutants and any other benefits or disbenefits that may be realized from the measure. In addition, staff is assessing the broad range of potential CEQA impacts from each measure. To the extent feasible, staff is providing quantitative estimates of potential impacts. By necessity, the information will not be as detailed as that presented during the individual rulemakings for the specific measures, but should be robust enough to provide the Board with a policy perspective and understanding of potential impacts.
2. In certain sectors, a more detailed impacts analysis will be performed in recognition of the potential environmental justice impacts. This includes refineries and electricity production. As an example, for the refinery sector, staff is evaluating the potential impacts of the low-carbon fuel standard on both the co-pollutant emissions at the refinery, as well as potential co-pollutant impacts from “indirect” sources such as the trucks that travel to and from the refinery, trains that provide low carbon fuels or blendstocks, and the cumulative impacts of new facilities that may be built to support the standard. This includes the siting of new ethanol or other biorefineries needed to meet low carbon fuel standard requirements. Staff is coordinating with staff from the California Energy Commission on the evaluation of the electricity sector, and is exploring with the CEC the potential to use the CEC’s electricity dispatch model to provide more detailed estimation of co-benefits.
3. Many of the approaches under consideration for the Scoping Plan allow for compliance flexibility. Where flexibility or market-oriented options are examined, the evaluation will identify the potential for reduced co-benefits from facilities that use flexibility options or offsets rather than instituting measures to achieve GHG reductions onsite. Thus, the sector-based analysis will address the potential for foregone emission reductions if a market-oriented approach were to be implemented instead of a direct regulation on every source in a sector.

4. Staff will estimate the total statewide reduction in fuel consumption that will result from the proposed measures and will use that information to estimate statewide air pollution co-benefits. This will be used as a cross check against the measure by measure co-benefits analysis.
5. Staff will discuss the public health impacts of various policy approaches. Due to data limitations, staff expects that this will be a qualitative discussion. To the extent possible with the available data, staff will develop a quantitative evaluation at the statewide or regional level consistent with similar estimates that have been provided for past measures (e.g. diesel risk reduction measures).
6. The EDRAM macroeconomic model of the state economy, along with other economic data and tools, will be used to assess the distributional impact of the compliance costs of the plan on various income levels. This will help address the potential for disproportionate economic impact on low income communities.

These analyses are not yet complete. The current status will be reported in the draft Scoping Plan to be released in late June. Staff will continue to refine the analyses over the summer, and expects to release an update of the evaluation for public review and comment in late July or early August prior to the release of the final Scoping Plan recommendations in October. Staff will consult with the Environmental Justice Advisory Committee regarding the evaluation as work proceeds. For regulatory items to implement the Scoping Plan, staff will complete the necessary evaluations as part of the regulatory development process.