



*California Environmental Protection Agency*

**AIR RESOURCES BOARD**

# **ETAAC Legislative Update**

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## 2009 Legislative Landscape

- **Climate change remains a major issue**
  - 145 of 2300 bills are climate change-related
- **New select committee**
  - Senate Committee on Climate Change and AB 32 Implementation
- **Numerous special hearings**



## 2009 Special Hearings

- **February 23<sup>rd</sup> :** **Renewable Portfolio Standard**
- **February 24<sup>th</sup> :** **Reducing Congestion & GHG Emissions - Parking Policies**
- **March 9<sup>th</sup> :** **Status of AB 32 Implementation**
- **March 9<sup>th</sup> :** **ARB Major Program Overview**
- **March 16<sup>th</sup> :** **Overview of Proposed LCFS**
- **May 19<sup>th</sup> :** **Implementation of AB 32 Scoping Plan**



## Key Climate Change Issues:

- **Economy/AB 32 economic analysis**
- **Fees and market mechanisms**
- **Roles and priorities**
- **Land use and energy policies**

# Economy-Related Challenges

- **SB 295 (Dutton)**
- **ACR 14 (Niello)**
- **AB 118 (Logue)**



## **SB 295 (Dutton)**

- **Delays AB 32 work subject to reanalysis of Scoping Plan economic impacts and State economic revival**
  - No new regulation development until new analysis submitted
  - No implementation until unemployment drops below 5.8% for 3 months
- **Amended to require economic analysis and peer review only**



## Other Challenges to AB 32

- **ACR 14 (Niello)**
  - Requires measure by measure economic analyses
  - Calls on Governor to delay rulemaking
- **AB 118 (Logue)**
  - Repeals AB 32 in its entirety



## AB 32 Fee Bills

- **SB 31 (Pavley)**
- **AB 231 (Huffman)**
- **AB 1405 (De Leon)**



## SB 31 (Pavley)

- **Requires ARB to develop “compliance mechanism fees” to be used for specified purposes:**
  - **Administration**
  - **Renewable energy**
  - **Technology investments**
  - **Green jobs**



## **AB 231 (Huffman)**

- **Creates the Climate Protection Trust Fund**
- **Repository for fees from emissions and compliance/enforcement**
- **Companion bill to SB 31 (Pavley)**



## AB 1405 (De Leon)

- **Establishes Community Benefits Fund**
- **Unspecified appropriation from AB 32 fees**
- **Disburses grants to disadvantaged communities: green jobs, job training, transit, energy efficiency investments in public facilities and low-income housing**

# Market Mechanism Bills

- **AB 1404 (De Leon)**
- **AB 376 (Nava)**
- **SB 722 (Steinberg)**



## AB 1404 (De Leon)

- **Limits compliance offsets (out-of-sector GHG reduction) to 10% of market-based reductions**
- **Preferences for disadvantaged community, localized and in-state co-benefits from criteria pollutant reductions and other health benefits**
- **Requires 3<sup>rd</sup> party verification and tracking**
- **Assesses fees for administration**



## AB 376 (Nava)

- **Defines how voluntary GHG offsets are created and registered for sale in CA**
- **Prohibits fraudulent offset claims, with civil penalties up to \$10,000 per violation, enforceable by DA's or AG**
- **Amended April 27<sup>th</sup> to direct ARB to establish validation and registry protocols**



## **SB 722 (Steinberg)**

- **Establishes criteria for voluntary GHG offset claims**
- **Sets penalties up to \$2,500 for fraudulent claims**

# Roles and Authorities

- **SB 721 (Steinberg)**
- **AB 1530 (Skinner)**
- **AB 128 (Padilla)**
- **AB 283, 478, 479 (Chesbro)**



## SB 721 (Steinberg)

- **Expands role of Climate Action Team (CAT)**
  - Research coordination and oversight
  - Annual research plan to Legislature
  - Biennial climate adaptation study and report
  - More emphasis on mitigation and adaptation
  - Adds Consumer Affairs and Labor Departments to CAT
- **Similar to SB 1762 (Perata) vetoed last year**
  - Unnecessary and premature

## **AB 1530 (Skinner)**

- **Requires ARB to adopt electric efficiency protocols and verification requirements suitable for evaluating any GHG offset claiming an electrical energy efficiency benefit.**
- **Consult with CEC and CPUC**



## **AB 128 (Padilla)**

- **Creates Climate Change Institute**
- **Coordinates research, curriculum development and grants statewide**



## CIWMB Bills

- **AB 283, AB 478, AB 479 (Chesbro)**
- **Codifies roles and tasks from Scoping Plan**
  - **Extended product responsibility**
  - **Solid waste consultant to ARB**
  - **Raises statewide waste reduction mandate from 50% to 75% by 2015**



## Energy Policy Bills

- **SB 14 (Simitian)**
- **AB 64 (Krekorian)**

# SB 14 (Simitian)

- Would require all IOUs and POUs to acquire at least 33% renewables at a rate of at least 1 % per year by 2020, provided just and reasonable rates
- Enforcement – CPUC for IOUs, CEC for POUs
- CPUC – approve certificates of convenience (transmission permits) within one year
- CAISO must adjust market structure to facilitate renewables

# AB 64 (Krekorian)

- Would require all IOUs and POUs to achieve 25% by 2015 and 33% by 2020
- Attempts to address generation and transmission issues, renewable energy credits, and benchmark pricing
- Creates Renewable Infrastructure Authority (RIA)



## Land Use Planning Bills

- **SB 575 (Steinberg)**
- **SB 406 (De Saulnier)**
- **SB 391 (Liu)**



## **SB 575 (Steinberg)**

- **Doubles ARB local plan review time to 120 days**
- **A “work in progress”**



## **SB 406 (De Saulnier)**

- **SB 375 funding mechanism for local MPOs and COGs**
- **Authorizes a \$2 motor vehicle surcharge to develop and implement regional blueprint /sustainable communities strategy**



## **SB 391 (Liu)**

- **Requires Caltrans to prepare statewide transportation plans every 5 years**
- **Adds requirement to address air pollution and climate change impacts of State mobility system**
- **Interim report, due 2012, must enumerate local agencies' sustainable communities strategies**
- **First major report due 2015**

# NEW PROGRAM BILLS

- **AB 1373 (Skinner)**
- **AB 1452 (Skinner)**
- **AB 19 (Ruskin)**
- **SB 104 (Oropeza)**



## **AB 1373 (Skinner)**

- **Directs CEC to assess stationary refrigeration system GHG emissions**
- **Use existing resources, consult with ARB**
- **Reduce high global warming potential (HGWP) gases**
- **Publish report by January 1, 2012**



## **AB 1452 (Skinner)**

- **Requires ARB to set GHG emission limits for cement sold in California, regardless of origin**
- **Regulations by 01/01/11**



## AB 19 (Ruskin)

- **Voluntary carbon labeling program**
- **Consumer products used in California**
- **Based on life-cycle GHG emissions**
- **Feasibility research already in progress**



## SB 104 (Oropeza)

- **Defines GHGs to include:**
  - Nitrogen trifluoride (NF<sub>3</sub>)
  - Other gases designated by UNFCCC
- **Provides that gases added are not subject to January 1, 2011 rulemaking deadline**