



Edie Chang, Chief  
Planning and Management Branch, Office of Climate Change  
California Air Resources Board  
1001 "I" Street  
Sacramento, CA 95812

October 1, 2007

**Re: NRDC Recommendations for Policies to Reduce Global Warming  
Pollution for the AB 32 Scoping Plan**

Dear Ms. Chang,

On behalf of the Natural Resources Defense Council (NRDC), we offer the enclosed recommendations for policies to reduce global warming pollution to contribute to the California Air Resources Board's (CARB) "scoping plan" pursuant to Assembly Bill (AB) 32. We appreciate CARB's invitation for all stakeholders to provide input as you begin the process of developing the scoping plan.

As you know, AB 32 establishes a limit on statewide greenhouse gas (GHG) emissions in 2020. Since every major sector contributes to the problem of global warming, we believe that every sector must be part of the solution. The vast majority of California's global warming pollution comes from burning fossil fuels in the transportation, electricity, natural gas, and industrial sectors. As a result, we believe that a large portion of the GHG emission reductions to meet AB 32 should come from these sectors.

NRDC supports the use of a *package* of policy tools, including first early action measures, and then both regulatory and market-based approaches, to meet AB 32's emissions limit. While the state will need to implement dozens of policies to meet the 2020 limit, we believe that most of these strategies will fall into the following broad categories:

- **energy efficiency, renewable energy, and cleaner power plants** to reduce emissions from the electricity and natural gas sectors;
- **cleaner cars, low-carbon fuels, and smart growth** to reduce emissions from the transportation sector;
- **water efficiency and recycling;** and
- **afforestation, conservation,** and limited forest conservation management practices on private lands.

Thanks to decades of leadership by the Legislature and numerous state agencies, California has a solid foundation of policies that provide significant GHG emission reductions to build on, including energy efficiency programs, building and appliance efficiency standards, a renewable portfolio standard, a generation emissions performance standard, and vehicle emissions standards. Ongoing attention to fully implement these policies is essential.

In addition, the Climate Action Team's (CAT) 2006 report provides a good start that CARB can build from in developing the scoping plan. The CAT report presents dozens of strategies to reduce GHG emissions. NRDC supports many of those strategies, as well as the early action measures (EAM) that CARB has proposed; our enclosed recommendations seek to avoid duplicating those recommendations. (Of course, full implementation of those CAT and EAM strategies remains critical.) Instead, NRDC's recommendations seek to both strengthen some of the CAT's recommendations and to provide new ideas to reduce GHG emissions that CARB and other agencies can pursue.

Our enclosed recommendations are summarized in Table 1. These strategies yield approximately 39 MMTCO<sub>2e</sub> by 2020, although we have yet to quantify emission reductions from some of the most significant strategies, particularly in the transportation sector. We commit to working with CARB to determine the emission reductions from all of these strategies. While time constraints prevented us from full coordination with our colleagues at other environmental organizations, we expect to support many of the additional recommendations they will be submitting on strategies including renewable energy and recycling.

In addition, we understand that CARB plans to consider through a parallel process whether the scoping plan should include a "cap and trade" (or "cap and auction") program. We believe that a well-designed program can provide a useful supplement to the other policies discussed here and in the CAT and EAM reports, to provide an enforceable limit on polluters and to push emissions lower than can be achieved by the other programs alone, and we plan to participate in CARB's process to evaluate that policy tool.

Thank you for considering NRDC's input as you begin development of the AB 32 scoping plan. We look forward to working with you to develop a comprehensive plan that will meet or beat AB 32's emissions limit, provide economic and air quality benefits to California, and position the state to achieve the Governor's goal for deeper pollution cuts by 2050.

Sincerely,



Devra Wang  
Director, California Energy Program

**Table 1: Summary of NRDC Recommendations for Additional Policies to Reduce GHG Emissions**

(October 26, 2007 update)

Strategy	Emission Reduction in 2020 (MMTCO <sub>2</sub> e)	Cost-effectiveness (\$/metric ton CO <sub>2</sub> e)	Air Quality and Toxic Pollutant Benefits?	Sectors	Agencies
Low-carbon Cement Standard	3.5	\$78	Air & toxic pollution reductions	Cement	California Air Resources Board
Forest sector public goods charge and incentive-based regulatory framework	13.9	\$33	Small	Forest (Sequestration)	California Air Resources Board, California Department of Fire and Forestry, California Integrated Waste Management Board
Renewable Fuel (i.e. Biomethane) in the Natural Gas Sector	7.2	\$4 to \$17	Air pollution reductions	Natural gas, Agriculture	California Public Utilities Commission, California Energy Commission
Energy Efficiency Standards for Buildings at Time-of-Sale	3.1	\$0	Air pollution reductions	Electricity, Natural gas	California Energy Commission, California Air Resources Board, Department of Real Estate
Urban Water Use Efficiency	Up to 4.8	-\$145	Air pollution reductions	Electricity, Water	State Water Resources Control Board, Department of Water Resources, California Energy Commission, California Public Utilities Commission
Low Impact Development	TBD	<\$0	Air pollution reductions	Electricity, Water	State Water Resources Control Board, Regional Water Quality Control Boards, local governments
Water Recycling	TBD	TBD	Air pollution reductions	Electricity, Water	State Water Resources Control Board
Electrification and Efficiency Improvements of Freight Transport	6.2	TBD	Air and toxic pollution reductions	Transportation	California Air Resources Board, California Transportation Commission, Business, Transportation and Housing Agency
Land Use and Smart Growth Policies	TBD	TBD	Air and toxic pollution reductions	Transportation	Office of Planning and Research, local governments, California Air Resources Board, California Transportation Commission, Business, Transportation and Housing Agency, Department of Housing and Community Development
Transit and Related Transportation Measures	TBD	TBD	Air and toxic pollution reductions	Transportation	California Transportation Commission, Legislature, Caltrans, Office of Planning and Research, Business, Transportation and Housing Agency
Improving Transportation System Equity	TBD	TBD	Air and toxic pollution reductions	Transportation	California Air Resources Board, Caltrans, Department of Insurance,
Local Sourcing of Government Purchases	TBD	TBD	Air and toxic pollution reductions	Transportation	Legislature, California Department of Education, California Department of Corrections and Rehabilitation