

This policy statement was approved by the Air Resources Board at its February 28, 2008 meeting.

Policy Statement on Voluntary Early Actions to Reduce Greenhouse Gas Emissions

With the passage of the Global Warming Solutions Act of 2006 (AB 32), California is committed to reducing emissions to 1990 levels by 2020. Emission reduction actions taken on a voluntary basis, while the program to implement AB 32 is being developed, will aid the State in meeting this goal. However, full implementation of the AB 32 program will not be complete until after 2012. Therefore, the Air Resources Board believes it is critical to establish a process that encourages as much early action as possible between now and the time the full program is implemented. One way to do this is to ensure that entities that take action now to reduce GHG emissions will be given appropriate credit for their early action when the full program is in place. The Board is directed to do this under AB 32.

Provisions in AB 32 encourage early action and direct the Board to give credit to entities that reduce GHG emissions before the full program is in place:

- Health and Safety Code Section 38562(b)(1) directs the Board, to the extent feasible, to: “Design the regulations, including distribution of emissions allowances where appropriate, in a manner that ... encourages early action to reduce greenhouse gas emissions.”
- Health and Safety Code Section 38562(b)(3) directs the Board, to the extent feasible, to: “Ensure that entities that have voluntarily reduced their greenhouse gas emissions prior to the implementation of this section receive appropriate credit for early voluntary reductions.”

The uncertainty about how AB 32 will be implemented has made some entities reluctant to take voluntary early actions to reduce their emissions. The staff and the Board recognize the importance of this issue and are fully committed to providing assistance to entities contemplating voluntary early action. To that end, to the extent feasible, ARB will develop the AB 32 Scoping Plan and implementing regulations to:

- Encourage and reward voluntary early reductions of greenhouse gas emissions,
- Ensure the recognition of actions taken to reduce greenhouse gas emissions after the enactment of AB 32, and
- Ensure that any credits provided for voluntary early actions are based on emission reductions that are real, permanent, additional, quantifiable, verifiable, and enforceable.

ARB will take the following actions to promote this policy:

- Work in partnership with the California Climate Action Registry to establish a process that will allow entities taking voluntary early actions to document those actions so that the reductions can be considered for credit against AB 32 obligations once the full program is in place. The Board will later determine the appropriate credit to be given for voluntary early actions and the conditions under which voluntary reductions may be used to comply with mandatory requirements,
- Work with interested parties to review proposed emission quantification methodologies for voluntary GHG reductions. Where appropriate, staff will issue an Executive Order to confirm the technical soundness of the methodologies, and
- Work with the South Coast Air Quality Management District and other local air districts to promote expedited development of quantification methodologies and protocols.