APPENDIX C EXECUTIVE ORDERS RELATING TO THE REDUCTION OF GREENHOUSE GAS EMISSIONS IN CALIFORNIA

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EXECUTIVE ORDER S-06-08

by the Governor of the State of California

WHEREAS, California is particularly vulnerable to the impacts of climate change; and

WHEREAS, increased temperatures threaten to greatly reduce the Sierra snowpack, one of the State's primary sources of water; and

WHEREAS, increased temperatures also threaten to further exacerbate California's air quality problems and adversely impact human health by increasing heat stress and related deaths, the incidence of infectious disease, and the risk of asthma, respiratory and other health problems; and

WHEREAS, rising sea levels threaten California's 1,100 miles of valuable coastal real estate and natural habitats; and

WHEREAS, the combined effects of an increase in temperatures and diminished water supply and quality threaten to alter micro-climates within the state, affect the abundance and distribution of pests and pathogens, and result in variations in crop quality and yield; and

WHEREAS, mitigation efforts will be necessary to reduce greenhouse gas emissions and adaptation efforts will be necessary to prepare Californians for the consequences of global warming; and

WHEREAS, California has taken a leadership role in reducing greenhouse gas emissions by: implementing the California Air Resources Board motor vehicle greenhouse gas emission reduction regulations; implementing the Renewable Portfolio Standard that the Governor accelerated; and implementing the most effective building and appliance efficiency standards in the world; and

WHEREAS, California-based companies and companies with significant activities in California have taken leadership roles by reducing greenhouse gas (GHG) emissions, including carbon dioxide, methane, nitrous oxide and hydrofluorocarbons, related to their operations and developing products that will reduce GHG emissions: and

WHEREAS, companies that have reduced GHG emissions by 25 percent to 70 percent have lowered operating costs and increased profits by billions of dollars; and

WHEREAS, technologies that reduce greenhouse gas emissions are increasingly in demand in the worldwide marketplace, and California companies investing in these technologies are well-positioned to profit from this demand, thereby boosting California's economy, creating more jobs and providing increased tax revenue; and

WHEREAS, many of the technologies that reduce greenhouse gas emissions also generate operating cost savings to consumers who spend a portion of the savings across a variety of sectors of the economy; this increased spending creates jobs and an overall benefit to the statewide economy.

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, by virtue of the power invested in me by the Constitution and statutes of the State of California, do hereby order effective immediately:

- 1. That the following greenhouse gas emission reduction targets are hereby established for California: by 2010, reduce GHG emissions to 2000 levels; by 2020, reduce GHG emissions to 1990 levels; by 2050, reduce GHG emissions to 80 percent below 1990 levels; and
- 2. That the Secretary of the California Environmental Protection Agency ("Secretary") shall coordinate oversight of the efforts made to meet the targets with: the Secretary of the Business, Transportation and Housing Agency, Secretary of the Department of Food and Agriculture, Secretary of the Resources Agency, Chairperson of the Air Resources Board, Chairperson of the Energy Commission, and the President of the Public Utilities Commission; and
- 3. That the Secretary shall report to the Governor and the State Legislature by January 2006 and biannually thereafter on progress made toward meeting the greenhouse gas emission targets established herein; and
- 4. That the Secretary shall also report to the Governor and the State Legislature by January 2006 and biannually thereafter on the impacts to California of global warming, including impacts to water supply, public health, agriculture, the coastline, and forestry, and

shall prepare and report on mitigation and adaptation plans to combat these impacts; and

5. That as soon as hereafter possible, this Order shall be filed with the Office of the Secretary of State and that widespread publicity and notice be given to this Order.

IN WITNESS WHEREOF I have here unto set my hand and caused the Great Seal of the State of California to be affixed this the first day of June 2005.

/s/ Arnold Schwarzenegger Governor of California

EXECUTIVE ORDER S-20-06 by the Governor of the State of California

WHEREAS Statewide rainfall has been below normal in 2007 and 2008, with many Southern California communities receiving only 20 percent of normal rainfall in 2007, and Northern California this year experiencing the driest spring on record with most communities receiving less than 20 percent of normal rainfall from March through May; and

WHEREAS California is experiencing critically dry water conditions in the Sacramento and San Joaquin River basins and the statewide runoff forecast for 2008 is estimated to be 41 percent below average; and

WHEREAS water storage in many of the state's major reservoirs is far below normal including Lake Oroville, which supplies the State Water Project, at 50 percent of capacity, Lake Shasta at 61 percent of capacity and Folsom Lake at 63 percent of capacity; and

WHEREAS the Colorado River Basin has just experienced a record eight-year drought resulting in current reservoir storage throughout the river system reduced to just over 50 percent of total storage capacity; and

WHEREAS climate change will increasingly impact California's hydrology and is expected to reduce snowpack, alter the timing of runoff and increase the intensity and frequency of droughts in the western United States; and

WHEREAS diversions from the Sacramento-San Joaquin River Delta for the State Water Project (SWP) and federal Central Valley Project (CVP) are being greatly restricted due to various factors including federal court actions to protect fish species, resulting in estimated SWP deliveries of only 35 percent, and CVP deliveries of only 40 percent, of local agencies' requested amounts for 2008; and

WHEREAS dry conditions have created a situation of extreme fire danger in California, and these conditions resulted in devastating fires last year, resulting in proclamations of emergency for the counties of El Dorado, Los Angeles, Orange, Ventura, Santa Barbara, Riverside, San Bernardino, Santa Clara, Santa Cruz and San Diego, with wildfires there causing millions of dollars in damages; and

WHEREAS on May 9, 2008, I signed an Executive Order directing various agencies and departments within my administration to respond to these dry conditions and prepare for another potentially severe wildfire season; and

WHEREAS the current drought conditions are harming urban and rural economies, and the state's overall economic prosperity; and

WHEREAS some communities are restricting new development and mandating water conservation and rationing, and some farmers have idled permanent crops and are not planting seasonal crops this year, because of unreliable or uncertain water supplies; and

WHEREAS recent supply reductions have jeopardized agricultural production in the San Joaquin Valley; an

WHEREAS it is not possible to predict the duration of present drought conditions; and

WHEREAS while communities throughout the state have worked to significantly improve their drought preparedness, the readiness to cope with current and future drought conditions varies widely; and

WHEREAS immediate water conservation measures are needed this year to address current conditions and prepare for a dry 2009; and

WHEREAS the State of California is committed to enhancing drought response and drought preparedness and to protecting the state's economy and its environment

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, do hereby proclaim a condition of statewide drought, and in accordance with the authority vested in me by the Constitution and statutes of the State of California, do hereby issue the following orders to become effective immediately

IT IS HEREBY ORDERED that the Department of Water Resources (DWR) shall take immediate action to address the serious drought conditions and water delivery limitations that currently exist in California, and that are anticipated in the future, by taking the following actions:

- 1. Expedite existing grant programs for local water districts and agencies for new or ongoing water conservation and water use reduction programs and projects that are capable of timely implementation to ease drought conditions in 2008 or 2009.
- 2. Facilitate water transfers in 2008 to timely respond to potential emergency water shortages and water quality degradation, and prepare to operate a dry year water purchasing program in 2009.
- 3. In cooperation with local water agencies and other water-related organizations, conduct an aggressive water conservation and outreach campaign.
- 4. Immediately convene the Climate Variability Advisory Committee to prioritize and expedite drought-related climate research that will assist in responding to current drought conditions and help prepare for a potentially dry 2009.
- Provide technical assistance for drought response to local water agencies and districts for improving landscape and agricultural irrigation efficiencies, leak detection and other measures as appropriate.
- Review the water shortage contingency elements of Urban Water Management Plans and work cooperatively with water suppliers to implement improvements.
- Coordinate and implement State Water Project operations and water exchanges to alleviate critical impacts to San Joaquin Valley agriculture.
- Implement additional actions to facilitate drought response, preparedness and promote water conservation in 2008 and 2009, and which will contribute to achieving long term reductions in water use.

IT IS FURTHER ORDERED that DWR and the Department of Public Health (DPH) prioritize processing of loan and grant contracts for water suppliers and public water systems demonstrating drought-related hardships.

IT IS FURTHER ORDERED that DWR and DPH coordinate with the State Office of Emergency Services and local offices of emergency services to identify public water systems at risk of experiencing health and safety impacts due to drought conditions and water delivery limitations, and to mitigate such impacts.

IT IS FURTHER ORDERED that DWR and DPH work with local water districts to evaluate system interconnections among the state's large water purveyors, review the status or availability of mutual aid agreements among those large water purveyors, and work with the parties to those mutual aid agreements to correct any deficiencies that restrict the movement of water in an emergency

situation

IT IS FURTHER ORDERED that DWR coordinate with the California Public Utilities Commission to identify investor-owned water utility systems at risk of experiencing health and safety impacts due to drought conditions and water delivery limitations, and to mitigate such impacts.

IT IS FURTHER ORDERED that DWR work with the Department of Food and Agriculture (CDFA), the United States Department of Agriculture and the United States Bureau of Reclamation to identify potential federal funding for local water agencies and farmers to facilitate the rapid installation of best available irrigation management and conservation systems.

IT IS FURTHER ORDERED that the CDFA work with county Agricultural Commissioners and others as necessary to identify and gather data on crop losses and other adverse economic impacts caused by the drought and, when necessary, transmit that information to the appropriate federal and state agencies.

IT IS FURTHER STRONGLY ENCOURAGED that local water agencies and districts work cooperatively on the regional and state level to take aggressive, immediate action to reduce water consumption locally and regionally for the remainder of 2008 and prepare for potential worsening water conditions in 2009.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this Executive Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given to this Executive Order.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 4th day of June 2008.

/s/ Arnold Schwarzenegger Governor of California

EXECUTIVE ORDER S-01-07 by the Governor of the State of California

WHEREAS greenhouse gas ("GHG") emissions pose a serious threat to the health of California's citizens and the quality of the environment; and

WHEREAS California's transportation sector is the leading source of GHG emissions in the state, contributing over 40 percent of the state's annual GHG emissions; and

WHEREAS Assembly Bill 32 (Chapter 488, Statutes of 2006) requires a cap on GHG emissions by 2020, mandatory emissions reporting, identification of discrete early action measures, achievement of the maximum technologically feasible and cost-effective emission reductions from sources, and authorizes the development of a market-based compliance program; and

WHEREAS California is almost entirely dependent on one energy source for its transportation economy, relying on petroleum-based fuels to meet 96 percent of its transportation needs; and

WHEREAS there were more than 24 million motor vehicles registered in California in 2005 which is more than one per licensed driver; statewide gasoline consumption was almost 16 billion gallons in 2005 which is second only to the United States and slightly more than that of Japan (a country with four times the population); and there are only 80,000 hybrids and 240,000 flexfuel vehicles on our roads today, together composing only 1.3% of all cars in California; and

WHEREAS California's dependence on a single type of transportation fuel whose price is highly volatile imperils our economic security, endangers our jobs, and jeopardizes our industries; and

WHEREAS diversification of the sources of transportation fuel will help protect our jobs and economy from the consequences of oil price shocks; and

WHEREAS alternative fuels can provide economic development opportunities and reduce emissions of greenhouse gases, criteria pollutants, and toxic air contaminants.

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, by virtue of the power invested in me by the Constitution and statutes of the State of California, do hereby order effective immediately:

- 1. That a statewide goal be established to reduce the carbon intensity of California's transportation fuels by at least 10 percent by 2020 ("2020 Target").
- 2. That a Low Carbon Fuel Standard ("LCFS") for transportation fuels be established for California.
- 3. The Air Resources Board ("ARB") shall determine if an LCFS can be adopted as a discrete early action measure pursuant to AB 32, and, if so, shall consider the adoption of a LCFS on the list of early action measures required to be identified by June 30, 2007, pursuant to Heath and Safety Code section 38560.5.
- 4. The LCFS shall apply to all refiners, blenders, producers or importers ("Providers") of transportation fuels in California, shall be measured on a full fuels cycle basis, and may be met through market-based methods by which Providers exceeding the performance required by a LCFS shall receive credits that may be applied to future obligations or traded to Providers not meeting the LCFS.
- 5. The process for meeting the 2020 Target shall be as follows:
- A. The Secretary of the California Environmental Protection Agency ("Secretary") shall coordinate activities between the University of California, the California Energy Commission ("CEC"), and other agencies as required to develop and propose by June 30, 2007, a draft compliance schedule to meet the 2020 Target.
- B. The CEC shall incorporate as appropriate the LCFS draft compliance schedule into the State Alternative Fuels Plan ("SAFP") per AB 1007 (Chapter 371, Statutes of 2005), and upon adoption shall submit the SAFP to the ARB for consideration.
- C. Upon submission of the SAFP, the ARB shall consider initiating a regulatory proceeding to establish and implement the LCFS.
- 6. The Public Utilities Commission, in the implementation of the GHG emissions cap adopted by Decision 06-02-032, is

requested to examine and address how the investor-owned utilities can contribute to reductions in GHGs in the transportation sector.

7. The Secretary for Environmental Protection shall report to the Governor and the State Legislature by January 2008 and biannually thereafter on progress made toward meeting the 2020 Target.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its departments, agencies, or other entities, its officers or employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this Order shall be filed with the Office of the Secretary of State and that widespread publicity and notice be given to this Order.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 18th day of January 2007.

/s/ Arnold Schwarzenegger Governor of California