

State of California  
Environment Protection Agency  
AIR RESOURCES BOARD

**Notice of Decision**

Project Title: **CALIFORNIA CAP ON GREEN HOUSE GAS EMISSIONS AND MARKET-BASED COMPLIANCE MECHANISMS REGULATION, INCLUDING COMPLIANCE OFFSET PROTOCOLS (SCH #2010102056)**

Project Location: Statewide

Public Meeting Dates: December 16, 2010; Agenda Item No. 10-11-1  
October 20, 2011; Agenda Item No. 11-8-1

Project Description: The regulation is one of the strategies California will employ to reduce the greenhouse gas (GHG) emissions that cause climate change. This program will help California on the path to meet its goal of reducing GHG emissions to 1990 levels by the year 2020, and ultimately achieving an 80 percent reduction from 1990 levels by 2050. The regulation applies to operators of industrial facilities, electricity deliverers, and fuel deliverers responsible for GHG emissions greater than 25,000 metric tons of CO<sub>2</sub> equivalent. This action also includes provisions for compliance offset protocols that could be used to develop GHG offset projects.

Approved By: Air Resources Board  
Resolution 11-32

This notice is to advise that ARB, as the lead agency, has approved the above described regulatory action on October 20, 2011, and has determined that this regulatory action may have a significant adverse effect on the environment (see attached Resolution 11-32).

In accordance with CEQA and ARB's certified regulatory program, ARB prepared an environmental analysis entitled *Functional Equivalent Document (FED)* that was included as Appendix O to the Staff Report: Initial Statement of Reasons prepared for this regulatory action. The FED provided a programmatic level of analysis of the potential environmental impacts associated with the reasonably foreseeable compliance responses of entities covered by the Regulation and potential projects developed under the four offset protocols.

ARB staff prepared a summary of written comments received on the FED that raise significant environmental issues and written responses in the *Response to Comments on the Functional Equivalent Document Prepared for the California Cap on GHG Emissions and Market-Based Compliance Mechanisms* released on October 10, 2011. The Board, as the final decision-maker for this project, reviewed and approved these written responses to comments.

Findings and a statement of overriding consideration were adopted for this regulatory action.

The environmental analysis in the FED included in the Staff Report Initial Statement of Reason as Appendix O is available at the ARB rulemaking webpage at: <http://www.arb.ca.gov/regact/2010/2010capandtrade10.htm>. Written responses to FED comments are available at <http://www.arb.ca.gov/cc/capandtrade/capandtrade.htm> and will also be included in the Final Statement of Reasons prepared for this regulation. These rulemaking documents may also be examined at:

California Air Resources Board  
Attn: Board Administration and Regulatory Coordination Unit  
1001 I Street  
Sacramento, CA 95814

Certified: \_\_\_\_\_

*Jeanette A. Blakeslee*

Date: \_\_\_\_\_

*10/26/11*

Attachments:

- Resolution 11-32
- *Response to Comments on the Functional Equivalent Document Prepared for the California Cap on GHG Emissions and Market-Based Compliance Mechanisms*

**FILED**

OCT 27 2011

Resources Agency of California