Presentation Outline

• AB 32 Overview
• 2008 Scoping Plan
• 2013 Update to the Scoping Plan
• Cap-and-Trade Auction Proceeds
• Questions
AB 32 Overview: Objectives

- Pioneer a balanced approach to address climate change
- Improve air quality and public health
- Provide a consistent policy approach to drive investment in clean technology
- Provide a model for future national and international climate change efforts
AB 32 Overview: Requirements

- 1990 emissions level by 2020
- Adopt greenhouse gas (GHG) emission reporting regulation
- Adopt discrete early action measures
- Develop Scoping Plan and update it every five years
AB 32 Overview: Other ARB Climate Activities

• AB 32 Cost of Implementation Fee Regulation

• Collaborate with local, state and federal agencies, Western Climate Initiative, various advisory committees, and stakeholders
2008 Scoping Plan: GHG Emissions and Reductions

Emissions to be Reduced: 80 MMT

Remaining Emissions: 427 MMT

Source of GHG Reductions | MMT
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Cap & Trade | 18
Low Carbon Fuel Standard | 15
Advanced Clean Cars | 4
SB 375 Sustainable Communities | 3
Renewables Portfolio Standard | 11
Energy Efficiency | 12
High Global Warming Potential Gases | 6
All Other Measures | 11

Note: MMT = Million Metric Tons
2008 Scoping Plan: Key ARB Measures

- **Low Carbon Fuel Standard**
  - Requires a 10% reduction in carbon intensity of transportation fuels by 2020.

- **Advanced Clean Cars**
  - Light-duty vehicles sold in 2025 will emit 75% less smog-forming pollution and 34% less GHG emissions.

- **Cap-and-Trade Regulation**
  - Market-based regulatory program that reduces GHG emissions through a declining limit.

- **SB 375**
  - Integrated approach to regional transportation and land-use planning.
2008 Scoping Plan: Additional ARB Measures

- Shore Power*
- High Global Warming Potential Consumer Products*
- Heavy-Duty Trucks*
- Mobile Air Conditioners (“do-it-yourself” cans)*
- Semiconductor Manufacturing*
- SF6 Reductions from Non-Electrical sources*
- Tire Pressure Regulation*
- Landfill Methane Capture*
- Energy Efficiency Audits for Industrial Sources
- SF6 Leak Reduction in Electrical Appliances
- Refrigerant Management Program

* = Discrete Early Action Measure
2008 Scoping Plan: Other State Agency Measures

• 33% Renewable Portfolio Standard.
• Building and appliance energy efficiency standards.
• California Solar Initiative.
  • Solar hot water heaters
  • Million Solar Roofs
• Water Efficiency.
• Mandatory Commercial Recycling.
• High Speed Rail.
2013 Scoping Plan Update: Objectives

- Define climate priorities for next five years
- Highlight progress towards 2020 goal
- Begin transition to post-2020 goals
- Provide high-level view of long-term strategy
2013 Scoping Plan Update: 2020 Element

- Status of measures and projected 2020 emissions
- Co-benefits: air quality, jobs, green technology, & renewables
- Local and regional initiatives
- Update on latest climate science
2013 Scoping Plan Update: Other Plans and Policies

- Governor’s Environmental Goals and Policies
- 2013 ZEV Plan
- State Implementation Plan
- Vision 2050
- Sustainable Communities Strategies
- Sustainable Freight Strategy
- Integrated Energy Policy
- Climate Adaptation Strategies
- DWR Climate Action Plan
- Caltrans Blueprint
2013 Scoping Plan Update: Critical Focus Areas

- Transportation fuels and infrastructure
- Energy generation, transmission, and efficiency
- Waste
- Water
- Agriculture
- Natural Resources
2013 Scoping Plan Update: Regional Overlay

- Local Land-Use Authority and Development to Reduce GHG Emissions
- Public forums with regional co-hosts in Northern, central, and southern California
- Opportunities for leadership
2013 Scoping Plan Update: Schedule

• Initial public workshops – Spring 2013
• Regional forums – Spring 2013
• Preliminary draft report – Summer 2013
• Board meeting – Fall 2013
Cap-and-Trade Auction Proceeds: Overview

- Cap-and-Trade limits statewide GHG emissions from covered sectors.
- Covered entities submit compliance instruments equal to their emissions.
- A portion of allowances required for compliance are auctioned.
- State’s portion of auction proceeds will be used to further the goals of AB 32.
Cap-and-Trade Auction Proceeds: Framework

• Priorities in January Budget proposal
  – Clean transportation, commercial/residential energy efficiency, water-related energy efficiency
  – Evaluate sustainable agricultural practices, forestry, and waste diversion

• Use of Proceeds
  – AB 1532, SB 535, SB 1018 establish framework
  – CalEPA identified disadvantaged communities
Cap-and-Trade Auction Proceeds: Investment Plan

- Department of Finance (DOF) must submit investment plan to Legislature
- DOF coordinating with ARB, CalEPA, the Climate Action Team and other State agencies on development of the plan
- Three public workshops were held in March
- The draft plan was presented at the ARB Board hearing on April 25, 2013
- DOF submitted the plan as part of May budget revision