AB 32 and the Scoping Plan

California Environmental Protection Agency
Tribal Advisory Committee

May 15th, 2013 Cal/EPA Headquarters Building

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

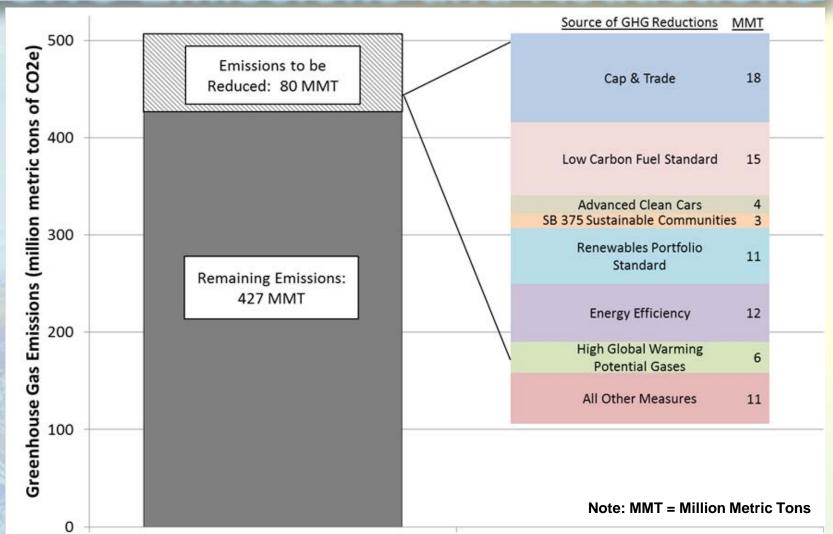
AB 32 Overview: Requirements

- 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



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

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May 15th, 2013 AB 32 Scoping Plan