



AB 32 California Global Warming Solutions Act of 2006: Implementation Update

October 25, 2007

Overview

- Implementation Update
 - Staffing
 - 1990 Baseline and Mandatory Reporting
 - Scoping Plan Development
- Voluntary Early Emission Reductions

Staffing

- 2007-2008 Governor's Budget includes 125 positions to implement AB 32
- Authority to hire phased in
- ~60 positions filled to date
 - Existing ARB staff
 - Staff from other state agencies
 - New to state service

1990 Baseline / Mandatory Reporting

- Extensive workshops and stakeholder consultation
- Mandatory Reporting staff report released
- 1990 Baseline staff report to be released shortly
- Scheduled for Board consideration at December meeting

Scoping Plan Development

- Public solicitation of GHG measures for Scoping Plan
- ARB and other state agency staff reviewing potential GHG reduction ideas
- ETAAC and EJAC will be providing input

Scoping Plan Milestones

<u>Milestone</u>	<u>Date</u>
Draft Scoping Plan	June 2008
Scoping Plan Staff Report	October 2008
Board Consideration	November 2008

Scoping Plan Workshop Schedule

- Nov 30 Scoping Plan Kick-Off Workshop
- Dec 14 Sector Profile Workshop
- Jan 16 Alternative Mechanisms Workshop
- March 08 Scenario Workshop
- July 08 Workshops on Draft Scoping Plan

Voluntary Early Emission Reductions

- AB 32 requires that the Board:
 - Identify opportunities for emission reductions measures from all verifiable and enforceable early actions
 - Provide appropriate credit for early voluntary reductions
 - Adopt methodologies for quantification of voluntary reductions
 - Adopt regulations for verification and enforcement

Voluntary Early Emission Reductions

- Voluntary emission reductions are beneficial and should be encouraged
- Uncertainty is inhibiting action
 - Will businesses that take voluntary action somehow be disadvantaged later?
 - How will reduction measures be quantified?
 - How will voluntary actions be used in emerging program?

Staff Proposal

- Develop policy statement for Board consideration regarding treatment of voluntary early reductions
- Solicit proposals for quantification methods
 - In addition to other protocol development activities
 - Interim step--does not address how reductions will be used
- Target date early 2008

Open Solicitation

- Solicit projects and associated quantification methods
 - High standard for submittals
 - Prioritize review to obtain greatest benefit
- Propose quantification methods for Board adoption
 - Would not guarantee future “credit” in Scoping Plan
- Proceed on pilot basis (learn by doing)

Open Solicitation

- Possible evaluation criteria
 - Magnitude of potential reductions
 - Broad applicability
 - Solid scientific basis, proven technologies
 - Ease of implementation
 - Co-benefits
 - Complete quantification methods
 - Method for registering/tracking reductions
 - Project proponents ready to implement
- Staff seeks comment on criteria

Staff Recommendation

- Direct ARB staff to return to the Board with a policy statement to encourage voluntary early reductions
- Direct ARB staff to solicit proposals for projects and associated quantification methods