

The background of the slide features a stylized globe on the left side, showing continents and oceans. A prominent blue horizontal bar with a slight gradient and a drop shadow is positioned at the top. The overall color scheme is light blue and yellow, with a subtle grid pattern.

Climate Change Scoping Plan Implementation Update

February 26, 2009
California Air Resources Board

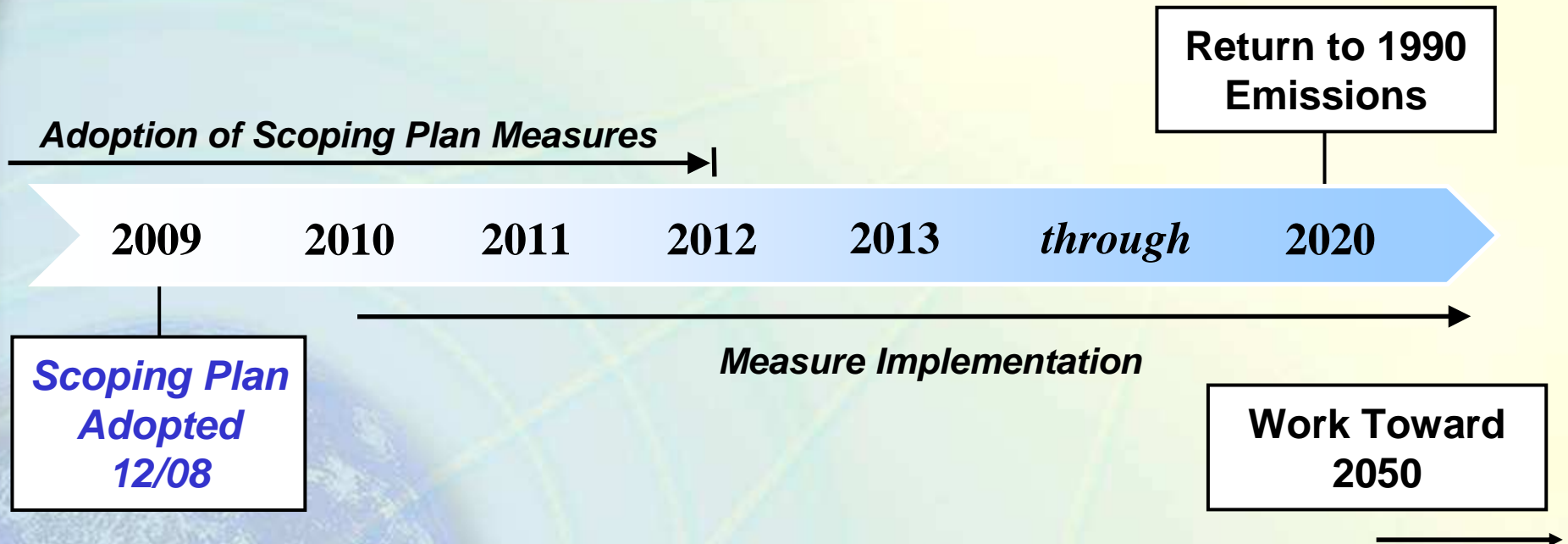
California's Leadership

- Scoping Plan adopted Dec. 12th
- Work has shifted to measure development and implementation

Federal Interaction

- US EPA reconsideration of waiver to enforce Clean Car Standards (AB 1493, Pavley)
 - Hearing March 5th in Washington, D.C.
 - Close of written comment period April 6
- Federal stimulus package

The Next Chapters



Interagency Coordination

- Climate Action Team
 - Reorganization to focus on implementation
 - Climate Adaptation Strategy to be released April 2009
- Coordination with CEC/CPUC on energy efficiency, RPS, CHP, and cap and trade
- Forestry working group
- Public health working group
- CAPCOA workplan

Hitting the Ground Running

- SB 375 Process
 - Appointment of SB 375 Regional Targets Advisory Committee in Jan. 2009
- Low Carbon Fuel Standard
- Cap-and-Trade rulemaking initiated
- Early Action Measures on today's agenda
 - Reduce GHG Emissions from Semiconductor Operations
 - Reduce SF₆ Emissions in Non-Semiconductor and Non-Utility Applications

Early Action Measures

- Board approved a list of 44 early actions in October 2007
- 9 Discrete Early Actions
 - Meets the AB 32 legal definition
 - Regulatory items to be adopted by ARB and enforceable by January 1, 2010
- 35 Early Actions
 - Regulatory or non-regulatory items to be pursued between 2007 and 2012

Early Action Measures in the Scoping Plan

- Scoping Plan
 - Incorporates all discrete early actions, most early actions, and identifies additional measures
 - After further analysis, some early actions do not provide GHG reductions, but are being pursued for other air quality reasons
- Board has adopted 13 Early Actions, including 4 Discrete Early Actions
- Plan to bring 11 Early Actions to the Board in remainder of 2009

LCFS Objectives

- Achieves significant GHG reductions
- Creates durable framework for near and long term transition to low carbon fuels
- Encourages technology innovation
- Establishes stable investment environment
- Establishes framework that can be used for regional and national standards

Role of CEQA

- **Senate Bill 97**
 - Requires assessment of greenhouse gas impacts as part of the California Environmental Quality Act (CEQA)
- **Governor's Office of Planning and Research**
 - Drafting CEQA guidelines for greenhouse gases by early 2009
 - Asked ARB to recommend a method for setting thresholds of significance

Cap-and-Trade Rulemaking

- Broad-based California cap-and-trade program to provide a fixed limit on emissions
- Link to other Western Climate Initiative Partner programs
- Complement health-based air quality programs and EJ policies
- Consider effects of the program on the California economy and public health
- Seek input from experts on public health, allowance distribution and use, revenue distribution, and economic analysis

Principles Guiding Cap-and-Trade Regulation

- Minimize costs and maximize total benefits
- Minimize leakage and administrative burden
- Complement existing air programs to reduce emissions, exposure and risk
- Consider direct, indirect, and cumulative emissions, including localized impacts
- Do not disproportionately impact low-income communities

Cap-and-Trade Rulemaking Timeline

- Technical working groups
- Expert input on broad policy issues
- Public workshops
- WCI stakeholder meetings
- Semi-annual Board updates to seek guidance from the Board

2009	Regular public meetings on specific issues
Mid-2010	Preliminary draft regulation released
November 2010	ARB hearing on cap-and-trade regulation
January 1, 2012	California/WCI cap-and-trade programs launch

Impact Analyses

- Parallel to rule development
- Analyses include:
 - Environmental, including criteria pollutants and air toxics
 - Economic
 - Energy diversification
 - Public health
 - Localized impacts
 - Small business

Economic Analysis

- Updated analysis of the Scoping Plan by December 2009
- Ongoing development of individual measures and assessment of their associated costs and savings
- Solicit expert input on Board and stakeholder concerns
 - Consult with experts on modeling tools, approach, and opportunities for additional analyses
- Periodic public participation meetings and workshops

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Appointment of New Members to the Economic and Technology Advancement Advisory Committee (ETAAC)

ETAAC Background

- Established in AB 32 to advise ARB on opportunities to facilitate implementation of technological research and development
- Original members appointed by Board in January 2007
 - Consists of 20 seats
- Cooperated closely with Environmental Justice Advisory Committee and Market Advisory Committee
- Presented report of recommendations to Board in February 2008
- Developed and provided comments on Scoping Plan

Recommended Candidates

- Five vacated seats. Recommended replacements:
 - Mr. Dan Adler, California Clean Energy Fund
 - Dr. Chris Busch, Center for Resource Solutions
 - Mr. Roland Hwang, Natural Resources Defense Council
 - Mr. Ralph Moran, BP America
 - Mr. Hank Ryan, Small Business California
- Staff recommends the creation of a new seat for the labor sector, and recommends:
 - Mr. Jim Beno, California Labor Federation

Staff Recommendation

- There are five open seats on the Committee and the need for the addition of a labor sector seat
- Staff recommends that the Board:
 - Create a position for the labor sector; and
 - Appoint the identified persons to fill all open seats