

State of California
AIR RESOURCES BOARD

Resolution 07-43

October 25, 2007

Agenda Item No.: 07-10-2

WHEREAS, the Legislature has enacted the Global Warming Solutions Act of 2006 (AB 32); which Declares that global warming poses a serious threat to the environment of California, and creates a comprehensive, multi-year program to reduce greenhouse gas (GHG) emissions that cause global warming;

WHEREAS, AB 32 designates the Air Resources Board (ARB or Board) as the State agency charged with monitoring and regulating sources of GHG emissions in California in order to reduce these emissions;

WHEREAS, AB 32 added section 38560.5 to the Health and Safety Code, which requires the Board to identify a list of discrete early action GHG emission reduction measures (discrete early action measures) by June 30, 2007;

WHEREAS, section 38560.5 of the Health and Safety Code also requires the Board to adopt regulations to implement the discrete early action measures identified on the list, and specifies that these regulations shall be enforceable no later than January 1, 2010;

WHEREAS, on June 21, 2007, the Board approved 37 early actions that staff had proposed in the draft report entitled "Proposed Early Actions to Mitigate Climate Change in California." Three of the 37 measures are discrete early action measures that meet the legal criteria specified in section 38560.5; these measures are:

- 1) a low carbon fuel standard;
- 2) restrictions on high global warming potential motor vehicle refrigerants; and
- 3) landfill methane capture;

WHEREAS, at the June 21, 2007 Board hearing, the Board directed staff to pursue the 37 early actions for reducing GHG emissions, to further evaluate the early action recommendations made by the AB 32 Environmental Justice Advisory Committee, the California Air Pollution Control Officers Association, and the South Coast Air Quality Management District, and to report back to the Board within six months;

WHEREAS, in September 2007, ARB staff released for public review a draft report entitled "Expanded List of Early Action Measures to Reduce Greenhouse Gas Emissions in California Recommended for Board Consideration" (staff report), which set forth staff's proposed expanded list of early actions; the staff report was released in final form in October 2007 for public review prior to the Board hearing;

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WHEREAS, AB 32

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WHEREAS, in developing the staff report ARB staff examined numerous potential near-term GHG emission reduction measures and considered many sources of information, including: the Climate Action Team Report, comments provided during three public workshops, strategies identified at ARB's International Symposium on Near-Term Solutions for Climate Change Mitigation held in March 2007, ideas developed by ARB staff, and various others sources of information such as the Carbon Disclosure Project, the California Climate Action Registry, projects certified by the United Nations Clean Development Mechanism, and compilations of cost-effective mitigation strategies identified by international sources;

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WHEREAS, in the staff report, ARB staff is recommending that six additional measures be identified as discrete early action measures pursuant to section 38560.5 of the Health and Safety Code; these measures are:

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1. Sulfur Hexafluoride (SF₆) Reduction in the Non-Electric Sector: Involves the potential ban of SF₆ in non-utility, non-semiconductor applications where safe, cost-effective alternatives are available;
2. Reduction of High Global Warming Potential (GWP) GHGs in Consumer Products: Reduction of high-GWP GHGs used as propellants in aerosol products, tire inflators, electronics cleaning, dust removal, hand held sirens, hobby guns (compressed gas), party products (foam string), and other formulated consumer products when viable alternatives are available;
3. SmartWay Truck Efficiency: Requires existing trucks/trailers to be retrofitted with the best available "SmartWay Transport" and/or ARB approved technology to reduce aerodynamic drag and rolling resistance;
4. Tire Inflation Program: Pursue actions to ensure that vehicle tire pressure is maintained to manufacturer specifications;
5. Reduce Perfluorocarbons (PFCs) in the Semiconductor Industry: Establish a PFC emissions reduction goal and determine measures to achieve that goal;
6. Green Ports: Provide an alternative source of power for ships while they are docked. Strategy will also result in reduced emissions of nitric oxides (NO_x) and particulate matter (PM);

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WHEREAS, staff estimates that the proposed six new discrete early action measures, together with the three previously approved early action measures, would reduce GHG emissions by approximately 16 million metric tons of carbon dioxide equivalents (MMTCO₂E) annually by 2020 relative to projected levels;

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WHEREAS, if approved by the Board, each of the nine discrete early action measures would be developed into regulations after the opportunity for stakeholder participation and public comment during the development process;

WHEREAS, AB 32 requires that all GHG emission reduction measures must be technologically feasible and cost-effective; staff expects that the proposed discrete early action measures can be developed into regulations that meet these criteria;

WHEREAS, in addition to the proposed list of discrete early action measures, the staff report also contains staff's recommendations to develop an additional 35 early actions that do not meet the legal criteria for "discrete early action measures" because they cannot feasibly be adopted as regulations and made enforceable by January 1, 2010;

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WHEREAS, staff estimates that the proposed 35 early actions will reduce GHG emissions by approximately 26 million metric tons of MMTCO₂E annually by 2020 relative to projected levels; in total the 44 early action measures identified in the staff report are expected to yield GHG reductions of approximately 42 million metric tons of MMTCO₂E annually by 2020 relative to projected levels;

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WHEREAS, section 38561(f) of the Health and Safety Code requires ARB to identify opportunities for GHG emission reductions measures from all verifiable and enforceable voluntary actions;

WHEREAS, section 38562(b)(3) of the Health and Safety Code requires ARB to ensure that entities that have voluntarily reduced their greenhouse gas emissions prior to ARB's adoption of regulations receive appropriate credit for early voluntary reductions;

WHEREAS, section 38571 of the Health and Safety Code requires the ARB to adopt methodologies for the quantification of voluntary greenhouse gas emission reductions;

WHEREAS, technically sound, well-documented voluntary GHG emission reduction projects can provide environmental and economic benefits, can serve as an examples for others to follow, and should be encouraged;

WHEREAS, providing greater certainty regarding the treatment of voluntary actions will facilitate the adoption of such measures by California businesses;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the list of nine discrete early action identified in Attachment A hereto and approves the additional 35 early action strategies in the staff report.

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BE IT FURTHER RESOLVED that the Board directs ARB staff to work with stakeholders to develop proposed regulations to implement the discrete early action measures identified in Attachment A.

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BE IT FURTHER RESOLVED, that the Board directs the Executive Officer to work with stakeholders to develop the additional 35 early action strategies and to bring to the Board for consideration technologically feasible and cost-effective regulations or non-regulatory measures, as appropriate, in accordance with the timeline specified in the staff report.

BE IT FURTHER RESOLVED that the descriptions of the early actions identified in the staff report and Attachment A represent ARB's current understanding of how the measures would be designed; the design and features of the measures may change based on additional information gathered during the development of the measures through stakeholder input, workshops, and public comment.

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BE IT FURTHER RESOLVED that if staff learns during the regulatory development process that one or more of the discrete early action measures identified in Attachment A cannot be developed into regulations that would be cost-effective or technologically feasible, or cannot meet other legal requirements, the Board directs staff to return to the Board for consideration of whether the measure should be removed from the list of discrete early action measures.

BE IT FURTHER RESOLVED, that the Board directs ARB staff to provide status updates to the Board approximately every six months on staff's progress in developing the early action measures.

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BE IT FURTHER RESOLVED, that the Board directs ARB staff to pursue the development of regulatory and non-regulatory strategies of the remaining early action measures, meeting all legal and technical requirements, and bring those measures to the Board in the period from 2007 to 2012 for consideration as appropriate. ¶

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BE IT FURTHER RESOLVED, that the Board directs ARB staff to develop a plan for quantifying and recognizing the emission reductions associated with voluntary actions in a manner consistent with the reporting and verification mechanisms developed as mandated by AB 32 so that voluntary actions yield real, quantifiable, permanent, and surplus GHG emission reductions. ¶

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to work with stakeholders to encourage voluntary GHG emission reductions.

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BE IT FURTHER RESOLVED that the Board directs the Executive Officer to solicit proposals for voluntary GHG reduction projects and associated quantification methods, to prioritize the review of such projects and methods, and to bring quantification methods to the Board for adoption.

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BE IT FURTHER RESOLVED that the Board directs the Executive Officer to develop for the Board's consideration a policy statement to encourage voluntary early reductions.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to report to the Board by February 2009 on the status of the public solicitation process and the policy statement to encourage voluntary early reductions.

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I hereby certify that the above is a true and correct copy of Resolution 07-43, as adopted by the Air Resources Board.

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/s/¶

Lori Andreoni, Clerk of the Board

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5. Reduce Perfluorocarbons (PFCs) in the Semiconductor Industry: Establish a PFC emissions reduction goal and determine measures to achieve that goal.
6. Green Ports: Provide an alternative source of power for ships while they are docked. Strategy will also result in reduced emissions of nitric oxides (NO_x) and particulate matter (PM).

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