

August 25, 2009 Workshop
Proposed AB 32 Fee Regulation

AB32 Cost of Implementation Fee Regulation

For Reference Only

Fee Calculation

CCC= Total Required Revenue for current fiscal year
Total Emissions from specified calendar year

Fee Calculation

Common Carbon Cost (CCC)

- Annual cost of the program (current fiscal year)
 - Total Revenue Requirement = current program costs plus Debt repayment +/- annual adjustments
- Annual emissions (latest reported calendar year)
 - First year data 2008
 - Quantities of reported fuels, electricity, and emissions
 - Use specific emissions factors based on carbon content of each fuel

Total Required Revenue

Total Required Revenue (TRR)

Sum of:

1) Required Revenue (RR)

- AB 32 expenditures budgeted for a fiscal year for all state agencies based on the approved state budget
- Debt repayment
Fiscal years 09/10, 10/11, 11/12, 12/13, and/or 13/14

And

2) Annual adjustments for excess or under collection

Specific Fee Calculations

Fee Rate

- Fuel/Electricity/Coal

$$\text{Fee Rate} = \text{CCC} \times \text{EF}_i$$

- Emissions

CCC serves as the Fee Rate

Fee

- Fuel/Electricity/Coal

Fee = Fee Rate x Quantity of fuel/electricity/coal
supplied, consumed or produced

- Emissions

Fee = CCC x Quantity of Emissions

Timing/Eligible Costs

Limited to state agencies' activities and program costs directly related to AB 32 Implementation

- Formally approved staff positions
- Other costs directly related to administering AB 32

Non-Eligible Costs

- AB 32 compliance costs
- Non-state agency costs
- GHG reductions achieved as co-benefit to principal agency activities
- Pre-existing GHG reduction programs
- Activities related to adaptation or CEQA analysis for projects