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 5\textsuperscript{th} in Washington, D.C.
  – Close of written comment period April 6

• Federal stimulus package
The Next Chapters

Adoption of Scoping Plan Measures

Scoping Plan Adopted 12/08

Measure Implementation

Return to 1990 Emissions

2009 2010 2011 2012 2013 through 2020

Work Toward 2050
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tr>
<td>2009</td>
<td>Regular public meetings on specific issues</td>
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<tr>
<td>Mid-2010</td>
<td>Preliminary draft regulation released</td>
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<tr>
<td>November 2010</td>
<td>ARB hearing on cap-and-trade regulation</td>
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<tr>
<td>January 1, 2012</td>
<td>California/WCI cap-and-trade programs launch</td>
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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
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
• 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