

**Assembly Bill No. 1493**

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Passed the Assembly July 1, 2002

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*Chief Clerk of the Assembly*

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Passed the Senate June 29, 2002

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day of \_\_\_\_\_, 2002, at \_\_\_\_\_ o'clock \_\_M.

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*Private Secretary of the Governor*



## CHAPTER \_\_\_\_\_

An act to amend Section 42823 of, and to add Section 43018.5 to, the Health and Safety Code, relating to air quality.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1493, Pavley. Vehicular emissions: greenhouse gases.

(1) Existing law establishes the California Climate Action Registry, and requires the registry to perform various functions relating to the provision of technical assistance for emissions reductions, including maintaining a record of certified greenhouse gas emission baselines and emission results. Existing law requires these records to be available to the public, except for any portion deemed confidential by a participant in the registry. Existing law, the California Public Records Act, provides that all public records, as defined, are open to inspection at all times during the office hours of a state or local agency and any person has a right to inspect any public record, except as specifically provided in the act.

This bill would revise the exception applicable to records maintained by the registry to make those records available to the public, except that portion of the data or information exempt from disclosure pursuant to the act. The bill would require the registry, in consultation with the State Air Resources Board, to adopt procedures and protocols for the reporting and certification of reductions in greenhouse gas emissions from mobile sources for use by the state board in granting the emission reduction credits.

(2) Existing law requires the state board to endeavor to achieve the maximum degree of emission reductions possible from vehicular and other mobile sources in order to accomplish the attainment of the state standards at the earliest practicable date.

This bill would require the state board to develop and adopt, by January 1, 2005, regulations that achieve the maximum feasible reduction of greenhouse gases emitted by passenger vehicles and light-duty trucks and any other vehicles determined by the state board to be vehicles whose primary use is noncommercial personal transportation in the state. The bill would prohibit those regulations from taking effect prior to January 1, 2006, in order to give the Legislature time to review the regulations and determine whether further legislation should be enacted prior to the effective



date of the regulations. Under the bill, the regulations would apply only to a motor vehicle manufactured in the 2009 model year, or any model year thereafter.

The bill would require the regulations to provide flexibility, to the maximum extent feasible, in the means by which a person may comply with those regulations, including, but not limited to, authorization for a person to use alternative methods of compliance with the regulations. The bill would prohibit the state board from imposing a mandatory trip reduction measure or land use restriction in providing that compliance flexibility. The bill would prohibit the state board, in adopting the regulations, from requiring the imposition of additional fees and taxes on any motor vehicle, fuel, or vehicle miles traveled; a ban on the sale of any vehicle category, a reduction in vehicle weight; a limitation on, or reduction of, the speed limit on any street or highway in the state; or a limitation on, or reduction of, vehicle miles traveled. The bill would declare that the provisions of the bill prohibiting the state board from imposing additional fees or taxes on any motor vehicle, fuel, or vehicle miles traveled, or to limit or reduce the speed limit on any street or highway in the state to be declaratory of existing law. The bill would require the state board to ensure that any alternative methods of compliance achieve equivalent or greater reductions in emissions of greenhouse gases as the regulations. The bill would also require the state board to conduct public workshops regarding the regulations in specified communities with the most significant exposure to air contaminants. The bill would also require the state board to grant emission reduction credits for reductions of greenhouse gas emissions achieved prior to the operative date of the regulations, utilizing the 2000 model year as the baseline for calculating those reductions. The bill would require the state board to include an exemption in those regulations for vehicles subject to specified exhaust emission standards. The bill would authorize the state board to elect not to adopt a standard for a greenhouse gas, if the state board determines that the federal government has adopted a standard regulating that greenhouse gas, and the state board makes specified findings related to the similarity of the federal standard. The bill would also require the state board, by January 1, 2005, to provide a report to the Legislature on the contents of those regulations.



*The people of the State of California do enact as follows:*

SECTION 1. The Legislature hereby finds and declares all of the following:

(a) Global warming is a matter of increasing concern for public health and the environment in the state.

(b) California is the fifth largest economy in the world.

(c) The control and reduction of emissions of greenhouse gases are critical to slow the effects of global warming.

(d) Global warming would impose on California, in particular, compelling and extraordinary impacts including:

(1) Potential reductions in the state's water supply due to changes in the snowpack levels in the Sierra Nevada Mountains and the timing of spring runoff.

(2) Adverse health impacts from increases in air pollution that would be caused by higher temperatures.

(3) Adverse impacts upon agriculture and food production caused by projected changes in the amount and consistency of water supplies and significant increases in pestilence outbreaks.

(4) Projected doubling of catastrophic wildfires due to faster and more intense burning associated with drying vegetation.

(5) Potential damage to the state's extensive coastline and ocean ecosystems due to the increase in storms and significant rise in sea level.

(6) Significant impacts to consumers, businesses, and the economy of the state due to increased costs of food and water, energy, insurance, and additional environmental losses and demands upon the public health infrastructure.

(e) Passenger vehicles and light-duty trucks are responsible for approximately 40 percent of the total greenhouse gas pollution in the state.

(f) California has a long history of being the first in the nation to take action to protect public health and the environment, and the federal government has permitted the state to take those actions.

(g) Technological solutions to reduce greenhouse gas emissions will stimulate the California economy and provide enhanced job opportunities. This will continue the California automobile worker tradition of building cars that use cutting edge technology.



(h) It is the intent of the Legislature to require the State Air Resources Board to adopt regulations that ensure reductions in emissions of greenhouse gases in furtherance of Division 26 (commencing with Section 39000) of the Health and Safety Code. It is the further intent of the Legislature that the greenhouse gas regulations take effect in accordance with any limitations that may be imposed pursuant to the federal Clean Air Act (42 U.S.C. Section 7401 et seq., as amended by the federal Clean Air Act Amendments of 1990 (Pub. L. 101-549)) and the waiver provisions of the federal act.

SEC. 2. Section 42823 of the Health and Safety Code is amended to read:

42823. The registry shall perform all of the following functions:

(a) Provide participants with referrals to approved providers for technical assistance and advice, upon the request of a participant, on any or all of the following:

(1) Designing programs to establish greenhouse gas emissions baselines and to monitor, estimate, calculate, report, and certify greenhouse gas emissions.

(2) Establishing emissions reduction goals based on international or federal best practices for specific industries and economic sectors.

(3) Designing and implementing organization-specific plans that improve energy efficiency or utilize renewable energy, or both, and that are capable of achieving emission reduction targets.

(b) In coordination with the State Energy Resources Conservation and Development Commission, the registry shall adopt and periodically update a list of organizations recognized by the state as qualified to provide the detailed technical assistance and advice in subdivision (a) and assist participants in identifying and selecting providers that have expertise applicable to each participant's circumstances.

(c) Adopt procedures and protocols for certification of reported baseline emissions and emissions results. When adopting procedures and protocols for the certification, the registry shall consider the availability and suitability of simplified techniques and tools.

(d) Qualify third-party organizations that have the capability to certify reported baseline emissions and emissions results, and that



are capable of certifying the participant-reported results as provided in this chapter.

(e) Adopt procedures and protocols, including a uniform format for reporting emissions baselines and emissions results to facilitate their recognition in any future regulatory regime.

(f) Maintain a record of all certified greenhouse gas emissions baselines and emissions results. Separate records shall be kept for direct and indirect emissions results. The public shall have access to this record, except for any portion of the data or information that is exempt from disclosure pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(g) Encourage organizations from various sectors of the state's economy, and those from various geographic regions of the state, to report emissions, establish baselines and reduction targets, and implement efficiency improvement and renewable energy programs to achieve those targets.

(h) Recognize, publicize, and promote participants.

(i) In coordination with the State Energy Resources Conservation and Development Commission and the state board, adopt industry-specific reporting metrics at one or more public meetings.

(j) In consultation with the state board, adopt procedures and protocols for the reporting and certification of reductions in emissions of greenhouse gases, to the extent permitted by state and federal law, for those reductions achieved prior to the operative date of the regulations described in subdivision (a) of Section 43018.5.

SEC. 3. Section 43018.5 is added to the Health and Safety Code, to read:

43018.5. (a) No later than January 1, 2005, the state board shall develop and adopt regulations that achieve the maximum feasible and cost-effective reduction of greenhouse gas emissions from motor vehicles.

(b) (1) The regulations adopted pursuant to subdivision (a) may not take effect prior to January 1, 2006, in order to give the Legislature time to review the regulations and determine whether further legislation should be enacted prior to the effective date of the regulations, and shall apply only to a motor vehicle



manufactured in the 2009 model year, or any model year thereafter.

(2) (A) Within 10 days of adopting the regulations pursuant to subdivision (a), the state board shall transmit the regulations to the appropriate policy and fiscal committees of the Legislature for review.

(B) The Legislature shall hold at least one public hearing to review the regulations. If the Legislature determines that the regulations should be modified, it may adopt legislation to modify the regulations.

(c) In developing the regulations described in subdivision (a), the state board shall do all of the following:

(1) Consider the technological feasibility of the regulations.

(2) Consider the impact the regulations may have on the economy of the state, including, but not limited to, all of the following areas:

(A) The creation of jobs within the state.

(B) The creation of new businesses or the elimination of existing businesses within the state.

(C) The expansion of businesses currently doing business within the state.

(D) The ability of businesses in the state to compete with businesses in other states.

(E) The ability of the state to maintain and attract businesses in communities with the most significant exposure to air contaminants, localized air contaminants, or both, including, but not limited to, communities with minority populations or low-income populations, or both.

(F) The automobile workers and affiliated businesses in the state.

(3) Provide flexibility, to the maximum extent feasible consistent with this section, in the means by which a person subject to the regulations adopted pursuant to subdivision (a) may comply with the regulations. That flexibility shall include, but is not limited to, authorization for a person to use alternative methods of compliance with the regulations. In complying with this paragraph, the state board shall ensure that any alternative methods for compliance achieve the equivalent, or greater, reduction in emissions of greenhouse gases as the emission standards contained in the regulations. In providing compliance



flexibility pursuant to this paragraph, the state board may not impose any mandatory trip reduction measure or land use restriction.

(4) Conduct public workshops in the state, including, but not limited to, public workshops in three of the communities in the state with the most significant exposure to air contaminants or localized air contaminants, or both, including, but not limited to, communities with minority populations or low-income populations, or both.

(5) (A) Grant emissions reductions credits for any reductions in greenhouse gas emissions from motor vehicles that were achieved prior to the operative date of the regulations adopted pursuant to subdivision (a), to the extent permitted by state and federal law governing emissions reductions credits, by utilizing the procedures and protocols adopted by the California Climate Action Registry pursuant to subdivision (j) of Section 42823.

(B) For the purposes of this section, the state board shall utilize the 2000 model year as the baseline for calculating emission reduction credits.

(6) Coordinate with the State Energy Resources Conservation and Development Commission, the California Climate Action Registry, and the interagency task force, convened pursuant to subdivision (e) of Section 25730 of the Public Resources Code, in implementing this section.

(d) The regulations adopted by the state board pursuant to subdivision (a) shall not require any of the following:

(1) The imposition of additional fees and taxes on any motor vehicle, fuel, or vehicle miles traveled, pursuant to this section or any other provision of law.

(2) A ban on the sale of any vehicle category in the state, specifically including, but not limited to, sport utility vehicles and light-duty trucks.

(3) A reduction in vehicle weight.

(4) A limitation on, or reduction of, the speed limit on any street or highway in the state.

(5) A limitation on, or reduction of, vehicle miles traveled.

(e) The regulations adopted by the state board pursuant to subdivision (a) shall provide an exemption for those vehicles subject to the optional low-emission vehicle standard for oxides of nitrogen (NO<sub>x</sub>) for exhaust emission standards described in



paragraph (9) of subdivision (a) of Section 1961 of Title 13 of the California Code of Regulations.

(f) Not later than July 1, 2003, the California Climate Action Registry, in consultation with the state board, shall adopt procedures for the reporting of reductions in greenhouse gas emissions from mobile sources to the registry.

(g) By January 1, 2005, the state board shall report to the Legislature and the Governor on the content of the regulations developed and adopted pursuant to this section, including, but not limited to, the specific actions taken by the state board to comply with paragraphs (1) to (6), inclusive, of subdivision (c), and with subdivision (f). The report shall include, but shall not be limited to, an analysis of both of the following:

(1) The impact of the regulations on communities in the state with the most significant exposure to air contaminants or toxic air contaminants, or both, including, but not limited to, communities with minority populations or low-income populations, or both.

(2) The economic and public health impacts of those actions on the state.

(h) If the federal government adopts a standard regulating a greenhouse gas from new motor vehicles that the state board determines is in a substantially similar timeframe, and of equivalent or greater effectiveness as the regulations that would be adopted pursuant to this section, the state board may elect not to adopt a standard on any greenhouse gas included in the federal standard.

(i) For the purposes of this section, the following terms have the following meanings:

(1) “Greenhouse gases” means those gases listed in subdivision (g) of Section 42801.1.

(2) “Maximum feasible and cost-effective reduction of greenhouse gas emissions” means the greenhouse gas emission reductions that the state board determines meet both of the following criteria:

(A) Capable of being successfully accomplished within the time provided by this section, taking into account environmental, economic, social, and technological factors.

(B) Economical to an owner or operator of a vehicle, taking into account the full life-cycle costs of a vehicle.



(3) “Motor vehicle” means a passenger vehicle, light-duty truck, or any other vehicle determined by the state board to be a vehicle whose primary use is noncommercial personal transportation.

SEC. 4. Paragraphs (3) and (4) of subdivision (d) of Section 43018.5 of the Health and Safety Code, as added by this act, do not constitute a change in, but are declaratory of, the existing law.



Approved \_\_\_\_\_, 2002

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*Governor*

