

CALIFORNIA COASTAL COMMISSION

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Wed-23

July 12, 2006

TO: Coastal Commissioners and Interested Public

FROM: Peter M. Douglas, Executive Director
 Sarah Christie, Legislative Coordinator

SUBJECT: LEGISLATIVE REPORT FOR JULY 2006

CONTENTS: This report provides summaries and status of bills that affect the Coastal Commission and California's Coastal Program as well as bills that staff has identified as coastal-related legislation.

Note: Information contained in this report is accurate as of 6/27/06. Changes in the status of some bills may have occurred between the date this report was prepared and the presentation date. Current status of any bill may be checked by visiting the California Senate Homepage at www.sen.ca.gov. This report can also be accessed through the Commission's World Wide Web Homepage at www.coastal.ca.gov

Legislative Calendar

*Some deadlines may be waived by a majority vote of the Rules Committee

Jan. 1	Statutes take effect
Jan. 4	Legislature reconvenes
Jan. 10	Budget must be submitted by Governor
Jan. 13	Last day for policy committees to hear and report to Fiscal Committees
Jan. 20	Last day for any committee to hear and report 2005 bills introduced in their house
Jan. 27	Last day to submit bill requests to Office of Legislative Counsel
Jan. 31	Last day for each house to pass 2005 bills introduced in their house
Feb. 24	Last day for bills to be introduced
Apr. 6	Spring Recess begins
Apr. 17	Legislature reconvenes
May 19	Last day for policy committees to meet prior to June 5
May 26	Last day for Fiscal Committees to hear and report 2005 bills introduced in their house
May 26	Last day for Fiscal Committees to meet prior to June 5
May 30	Through June 2—Floor Session only. No committees may meet
June 2	Last day for bills to be passed out of house of origin
June 5	Committee meetings may resume
June 15	Budget must be passed by midnight
June 29	Last day for a legislative measure to qualify for the general election ballot
June 30	Last day for policy committees to meet and report bills
July 7	Summer Recess begins at the end of session if Budget Bill has been enacted
Aug. 7	Legislature reconvenes
Aug. 18	Last day for Fiscal Committees to meet and report bills to the Floor
Aug. 25	Last day to amend bills on the Floor
Aug. 31	Last day for each house to pass bills. Final Recess begins at end of session
Sept. 30	Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1

PRIORITY LEGISLATION

AB 32 (Nuñez) Air Pollution: greenhouse gases: California Global Warming Solutions Act of 2006

This bill would require the California Air Resources Board (ARB) to adopt procedures and protocols by 2008 to reduce greenhouse gas emission to 1990 levels. The bill would require the ARB to provide an annual report to the Governor and the Legislature on the progress of greenhouse gas emissions, develop compliance and enforcement procedures, and coordinate with state agencies to implement green house gas reduction standards.

Introduced 12/06/04
Last Amended 06/22/06
Status Senate Environmental Quality Committee
Commission Position: Recommend Support (analysis attached)

AB 782 (Mullin) Redevelopment: project area

This bill would amend the Health and Safety Code to eliminate antiquated subdivisions as a criterion for declaring “blight” in a redevelopment area.

Introduced 02/18/05
Last Amended 01/04/06
Status Passed Senate Local Government Committee

AB 1165 (Bogh) Energy Resources: energy agency reorganization

This bill would abolish the State Energy Resources and Conservation Commission, the California Consumer Power and Conservation Financing Authority, and the Electricity Oversight Board. It would create the Department of Energy, headed by a Secretary of Energy, and would create the California Energy Commission and the Office of Energy Market Oversight within the department. The secretary would be appointed by, and hold office at the pleasure of, the Governor, subject to confirmation by the Senate. The bill would authorize the Governor to appoint members as proscribed by the bill.

Introduced 02/18/05
Last Amended 08/31/05
Status Senate Energy, Utility and Commerce Committee

AB 1204 (Laird) Parks: Monterey Peninsula Regional Park District: transfer

This bill would authorize the Department of Parks and Recreation to transfer 130 acres of land near Carmel-By-The-Sea formerly known as the Hatton Canyon Bypass, to the Monterey Regional Park District for use as a public park.

Introduced 02/22/05
Last Amended 08/15/05
Status In Assembly. Concurrence with Senate amendments pending.

AB 1679 (Mullin) Department of Transportation: property transfer

This bill would have required Caltrans to transfer approximately 30 acres of land in San Mateo County, originally purchased as a future alignment for the Devil’s Slide Bypass, to the Department of Parks and Recreation with an option to lease the property to the Montara Water and Sanitary District for groundwater resources and passive public recreation. *The bill was amended on June 21 and now would transfer the Scott Creek watershed within Santa Cruz County from the jurisdiction of the Central Coast Regional Water Quality Control Board to the San Francisco Bay Regional Water Quality Control Board.*

Introduced 05/09/06
Last Amended 06/21/06
Status Senate Transportation and Housing Committee
Commission Position: Support

AB 1940 (Koretz) Environment: marine debris

This bill would add Section 30327 to the Public Resources Code, directing the Coastal Commission to take additional steps, within its existing resources, to address marine debris. These additional steps include but are not limited to the following: Increase public outreach and educations; Coordinate with public agencies, including local governments, to reduce marine debris; Convene a multi-agency task force for the purpose of implementing a statewide effort to reduce marine debris. *As amended on June 14, the bill would require the state and regional water boards to implement best management practices for the control of plastic pellets, powder pellets, and fragments into waters of the state.*

Introduced 02/01/06
Last Amended 06/14/06
Status Senate Appropriations Committee
Position Support if Amended

AB 2134 (Harman) Funding: coastal wetlands maintenance

This bill would create the Coastal Wetlands Account in the State Treasury, and require the State Lands Commission to deposit \$5 million annually into that account, to be administered by the State Treasurer. Interest from the account would be continuously appropriated to the Department of Fish and Game for wetland maintenance projects. **The substance of this bill has been amended into SB 1125.**

Introduced 03/27/06
Last Amended 03/27/06
Status Assembly Natural Resources Committee

AB 2299 (Harman) California Coastal Act: Aquaculture

This bill would amend Section 30411 of the Coastal Act relating to the requirement for the Department of Fish and Game to prepare a programmatic EIR for existing and potential aquaculture operations. The bill would specify that any private industry funds expended for preparation of the report prior to 2007, including in-kind contributions and materials, would count as matching funds, and would appropriate \$300,000 from the general fund to complete the EIR. Note: This section has been repealed by SB 201 (Simitian).

Introduced 02/22/06
Last Amended 04/27/06
Status Assembly Appropriations Committee. Held under submission.

AB 2348 (Laird) Flood control: Pajaro River

This bill would authorize the state to provide funding to the counties of Monterey and Santa Cruz for a flood control project on the Pajaro River.

Introduced 02/23/06
Last Amended 05/26/06
Status Senate Appropriations Committee

AB 2485 (Jones) Fish and Game: sea otters

This bill would state the Legislature's intent to establishment a research program focusing on how to reduce sea otter mortality from point and nonpoint pollution sources; develop treatment technologies for dealing with pathogen related and other diseases in sea otters; increase the fine for the illegal take of a sea otter to \$25,000; impose civil penalties for the discharge of any material into state waters that harm marine mammals; require any cat litter products sold in the state to contain packaging information directing users to dispose of cat litter responsibly; establish within the State Treasury a Sea Otter Protection Fund, and direct the Franchise Tax Board to provide for a voluntary contribution check-off for taxpayers to allocate a portion of their tax returns to the Fund.

Introduced 02/24/06
Last Amended 06/19/06
Status Senate Revenue and Taxation Committee

AB 2641 (Coto) Indian burial grounds

This bill would require landowners whose property contains Native American burial sites as defined in the bill, to consult with the "most likely descendents" when a burial site is discovered, and ensure that no further disturbance of the site take place until consultation is complete. The consultation shall include recommendations to the landowners from the most likely descendents on culturally appropriate methods to protect the site and the remains. The bill would also require that the Native American Heritage Commission make the final determination in the case of disputes regarding the determination of the existence of a burial ground.

Introduced 02/24/06
Last Amended 04/20/06
Status Senate Appropriations Committee

AB 2852 (Nava) Tsunami hazard mitigation

This bill would direct establish the California Tsunami Steering Committee, within the Office of Emergency Services. The steering Committee would include representatives of several state agencies, including the California Coastal Commission, as well as representatives from coastal counties and ports. The steering committee would guide statewide tsunami planning, mitigation and preparedness activities as prescribed by the bill.

Introduced 02/24/06
Last Amended 04/27/06
Status Assembly Appropriations Committee

AB 2930 (Laird) Property dedications: agricultural and open space easements

This bill would require the State Coastal Conservancy to accept any Offer to Dedicate a conservation or open space easement within 90 days of its expiration date, if no other accepting entity can be found. This bill would also exempt the SCC acceptance process from General Services review.

Introduced 02/24/06
Last Amended 06/22/06
Status Senate Appropriations

Commission Position Support

AB 2972 (Nava) Oil and gas leases

This bill would require the State Lands Commission to declare an application for an oil or gas lease on state lands to be considered to be withdrawn if that application remains incomplete for a period of one year after the first incomplete notice has been sent to the applicant.

Introduced 02/24/06
Last Amended 04/25/06
Status Senate third reading

AB 3028 (Laird) California Coastal Trail

This bill would authorize any state agency issuing a grant or a permit to a public agency for a project near the California Coastal Trail (CCT) to condition the funding or the permit on the requirement to accommodate development of the CCT, or public access from the trail to the coast.

Introduced 02/24/06
Last Amended 06/14/06
Status Senate Appropriations Committee

AB 3031 (Houston) Seismic retrofit projects

This bill would exempt Caltrans seismic retrofit projects from certain provisions of CEQA for seismic retrofit and replacement activities on two Oakland bridge projects.

Introduced 02/24/06
Last Amended 04/19/06
Status Assembly Appropriations Committee

SR 20 (Florez) Relative to tribal gaming

This resolution would require the Senate to adopt a new rule prohibiting the ratification of Indian gaming compacts that authorize Indian casinos on non-tribal lands. The rule would have exempted any compacts that have been negotiated and executed by the Governor prior to September 30, 2005, thus allowing the relocation of the Big Lagoon Rancheria in Humboldt County to the City of Barstow. Committee amendments on 2/28 removed the exemption for Big Lagoon, but the resolution failed passage.

Introduced 01/04/06
Last Amended 02/28/06
Status Senate Governmental Organization Committee

SB 53 (Kehoe) Redevelopment agencies

This bill would require redevelopment agencies to prepare a redevelopment plan to include a description of the agencies plan to acquire real property, including any prohibitions on the use of eminent domain.

Introduced 01/10/05
Last Amended 08/15/05
Status Assembly Local Government Committee

SB 153 (Chesbro) California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2006

This bill would authorize \$3,945,000,000 in General Obligation bonds for the purpose of financing the acquisition, development and preservation of parks, coastal, recreational, cultural and agricultural lands, and other clean air and water projects as specified. The Senate Natural Resources Committee report to the Conference Committee includes \$10 million for grants to local governments for LCP updates, \$250 million for the State Coastal Conservancy for coastal projects and acquisitions, \$100 million for the Ocean Protection Council for grants, \$350 million for the Wildlife Conservation Board for habitat acquisitions, and \$100 million for easements for “working landscapes.” No specific projects or acquisitions are enumerated.

Introduced 02/15/05
Last Amended 06/19/06
Status Assembly Appropriations Committee.

SB 168 (Chesbro) Tribal gaming: compact ratification

This bill would ratify a tribal gaming compact between the State of California, the Big Lagoon Rancheria and the Los Coyotes Band of Cahuilla and Cupena Indians to allow the transfer of rights to develop a casino at Big Lagoon in Humboldt County, to an urban site in the City of Barstow.

Introduced 02/08/05
Last Amended 04/25/06
Status In Assembly Governmental Organization Committee

Commission Position Support

SB 201 (Simitian) Marine finfish aquaculture: Sustainable Oceans Act

This bill would prohibit any person from engaging in finfish aquaculture without a permit from the Fish and Game Commission. It would also require that and final programmatic EIR prepared for a coastal marine finfish aquaculture project and approved by the Fish and Game Commission includes an analysis of specific impacts, and that it ensures that marine finfish aquaculture is managed in an environmentally sustainable manner. The bill would set specific standards for finfish aquaculture leases, including monitoring requirements and management practices. The bill limits finfish aquaculture to species native to California. This bill deletes Section 30411 (c) from the Coastal Act, which requires the Department of Fish and Game to prepare a programmatic EIR for existing and potential commercial aquaculture operations, and incorporates that requirement into the new standards.

Introduced 02/22/05
Last Amended 04/17/06
Status **Chaptered** (Chapter 36, Statutes of 2006)

SB 426 (Simitian) Renewable energy

This bill would require the California Energy Commission to conduct a statewide needs assessment that analyzes the state's projected need for natural gas, including Liquefied Natural Gas, as part of a public process. This bill would also require the Energy Commission, in consultation with the Coastal Commission and other state agencies, to conduct a comparative analysis of the currently proposed sites to assess their relative merits as they relate to public health, environmental constraints and other impacts. Recent amendments clarify that the Federal Energy Bill of 2005 does not abrogate the State's property rights with respect to LNG facilities, and sets specific findings that must be made in furtherance of the Federal Deepwater Port Act of 1974 that would apply to the Governor's decision to disapprove a license to construct an LNG application.

Introduced 02/17/05
Last Amended 08/31/05
Status Assembly. Held at Desk.
Commission Position Support

SB 1003 (Escutia)

This bill would designate the California Energy Commission as the only state agency with permitting authority over Liquefied Natural Gas (LNG) terminals in California. This bill is double-joined with SB 426 (Simitian).

Introduced 02/15/05
Last Amended 07/13/05
Status Assembly Appropriations Committee.
Commission Position Neutral

SB 1024 (Perata) Public works and improvements: bond measure

This bill would enact the Safe Facilities, Improved Mobility, and Clean Air Bond Act of 2005 to authorize an unspecified amount in state general obligation bonds for specified purposes, including the state transportation improvement program, passenger rail improvements, levee improvements, flood control, port infrastructure and security projects, trade corridors of significance, emissions reduction projects, environmental enhancement projects, transit-oriented development, transportation needs in cities, counties, and housing, regional growth, and infill development purposes, subject to voter approval. This bill would require the Secretary of State to submit the proposed bond measure to the voters at the November 7, 2006 election.

Introduced 02/22/05
Last Amended 01/26/06
Status In Assembly

SB 1125 (Chesbro) Natural resources: funding

This bill would repeal the sunset date of July 1, 2006, in PRC Section 6217 relating to allocation of state tideland funds from the State Lands Commission. The bill would specify the amount of funds allocated to each of the several accounts in the following priority: \$10 million to the Salmon and Steelhead Restoration Account, \$5 million to the new Coastal Wetlands Account, \$10 million to the Marine Life and Marine Reserve Management Account, \$10 million to the Nongame fish and Wildlife Account, \$10 million to the State Parks Deferred Maintenance Account, and \$5 million to the new Wetlands and Riparian Habitat Conservation Account. *Proposed amendments would add \$1 million for the Coastal Commission.*

Introduced 01/09/06
Last Amended 05/01/06
Status Passed Assm. Natural Resources Committee. Referred to Assm. WP&W Committee
Commission Position: Recommend Support

SB 1434 (Kuehl) Ocean Protection

This bill would authorize the Ocean Protection Council to hire a science advisor and an executive policy officer.

Introduced 02/22/05
Last Amended 03/27/06
Status Senate Appropriations Committee

SB 1494 (McClintock) Transportation

This bill would authorize the commission to designate transportation projects of statewide significance as top priority projects. The bill would exempt these projects from the California Environmental Quality Act, and would authorize the Department of Transportation or other implementing agency to use design-build and design-sequencing procedures for the project, notwithstanding any other provision of law.

Introduced 02/23/06
Status Senate Transportation and Housing Committee. Held in Committee.

SB 1650 (Kehoe) Eminent Domain

This bill would require that any public agency exercising eminent domain authority may only use such property for the use stated in its original resolution of necessity and approved by a vote of 2/3 of the body. This bill would also require that any real property acquired through eminent domain that has not been used for its stated purpose within a period of 10 years must be sold to the owner from whom it was acquired unless authorized for another use or reauthorized for its original use by a 2/3 vote of the agency.

Introduced 02/24/05
Last Amended 06/12/06
Status Assembly Housing and Community Development Committee

SB 1800 (Duchenev) General Plan: housing plans

This bill would require local governments, when updating their housing element, to also prepare a “housing opportunity plan” as defined by the bill. Among other requirements, Housing Opportunity Plans must contain zoning to accommodate projected housing needs for low and very low-income residents for a period of 10 years. The bill also establishes the Housing Planning Trust Fund to offer loans to local governments for plan preparation, to be administered by the Department of Housing and Community Development. The program would be funded by an unspecified fee increase on local building permits.

Introduced 02/24/06
Last Amended 05/23/06
Status Senate Transportation and Housing Committee

SB 1843 (Committee on Natural Resources) California Coastal Act

This bill would make technical, non-substantive changes to the Coastal Act, delete obsolete sections, and make other conforming changes to the statute. This bill would also authorize the Commission to process a consolidated permit application for projects which span two jurisdictions split between the Coastal Commission and a local government, when requested to do so by both the local government and the applicant, and approved by the Commission's Executive Director.

Introduced	02/07/06
Last Amended	04/17/06
Status	Senate Natural Resources Committee
Commission Position:	Support

Please contact Sarah Christie, Legislative Coordinator, at (916) 445-6067 with any questions on material contained in this report.

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**BILL ANALYSIS
AB 32 (Nuñez)****SUMMARY**

This bill would set caps on greenhouse gas emissions in California at 1990 levels by the year 2025: essentially 25% below projected levels. It would direct the California Air Resources Board (ARB) to develop a system for tracking and reporting emissions levels, and to develop a variety of compliance and enforcement options. AB 32 also requires the ARB submit an annual report to the Governor and the Legislature on the state's progress to reduce greenhouse gas emissions, and to coordinate with other state agencies to coordinate climate change programmatic activities.

PURPOSE OF THE BILL

The purpose of this bill is to:

- Reduce greenhouse gas emissions in California.
- Slow the rate of global warming.
- Protect California's economy and environment by forestalling or reversing the devastating impacts of global warming and sea level rise.

ANALYSIS

Global warming, its human-based causes and its potentially devastating impacts on the environment, human communities and global, regional and local economies is no longer a matter of serious scientific debate. The most recently released report, authored by nine climate change scientists and published on 6/26/06 in the Proceedings of the National Academy of Sciences, indicates that the "climate system has exceeded a critical threshold" which has sent glaciers into full retreat and will melt them completely "in the near future." (Washington Post, 6/27/06, "Earth's climate warming abruptly, scientist says.")

Global warming has been identified as a primary cause of significantly increased storm severity, accelerated rate of species extinction, disrupted migration behaviors, species redistribution, sea level rise, and has the potential to significantly change the patterns of world ocean currents.

In the wake of the Bush administration's decision not to sign the Kyoto Protocol, a multi-lateral treaty that would have committed the United States to greenhouse gas reductions as a matter of national policy, a growing number of states, counties and cities have undertaken their own initiatives to reduce emissions and slow global warming within their jurisdictions. Compared with other countries, California is the 12th largest emitter of greenhouse gas emissions in the world.

The effects of global warming are already beginning to be felt on the California coast, and under current projections, these impacts and others will continue to increase. Some examples of how global warming is affecting coastal resources include:

- Sea level rise: In areas of coastal bluffs, the most dramatic effect of sea level rise may be an increase in bluff retreat rates simply because with higher high tides, storm surges etc., bluffs will be exposed to wave action for longer time periods than in the past. For example, a bluff that in 2006 was subject to wave attack for 1000 hours might be exposed to wave attack for 1500 hours in 2106 (numbers for illustrative purposes only).
- Water quality and availability: As storms become more intense, the rate of runoff may increase, increasing non-point source pollution and reducing opportunities for aquifer recharge even in areas with normal to above normal rainfall. Global warming increases the rate of snow melt in the Sierras, which leads to higher than normal flows in the Spring, and reduced flows in the summer and fall in the state's that depend on Sierra snow pack for year-round flows.
- Public access: Increased storm intensity, combined with sea level rise and potential shifts in ocean and coastal currents may lead to loss of sandy beaches in some areas, and/or increases in the deposition of sand in other areas. This could diminish or eliminate public access in some cases. Eroding bluffs that retreat more rapidly than previously estimated could threaten public access along bluff top trails, and lead to an increase in the demand for shoreline protection, which can also have impacts on public access.
- Sensitive habitat: Changing precipitation patterns, water temperatures and global warming will have direct and indirect impacts on sensitive habitats. Changing climate conditions can lead to an increase in invasive species, vector born disease (such pine pitch canker borne by bark beetles) and elimination of species that can't adapt to a rapidly changing environment.
- Hazards: Flood hazards associated with global warming could affect all coastal communities. If current projections hold, the tsunami footprint will come further inland as well, resulting in a cumulative increase in hazards to coastal residents and visitors.

EXISTING LAW

Existing Coastal Act policies relating to land use and transportation patterns, which are major factors contributing to greenhouse gas emissions, give the Commission authority to indirectly address certain aspects of global warming. For example, 30253(4) requires new development to minimize energy consumption and vehicle miles traveled; 30252 focuses primarily on encouraging alternatives to automobile-dependent patterns of development; 30250 expressly calls for the concentration of development in already developed areas; and many other policies, by protecting resources that tend to be located outside urbanized areas (e.g. wetlands, ESHA, agricultural resources), support concentration of development.

Greenhouse gasses are directly and indirectly regulated through the following:

- The California Climate Action Registry and the voluntary reporting of greenhouse gas emissions (GHGs) to establish baselines against which future GHG emission reduction requirements may be applied. Chapter 1018, Statutes of 2000 (SB 1771, Sher) and Chapter 769, Statutes of 2001 (SB 527, Sher).
- Requires the California Air Resources Board (ARB) to regulate GHGs emitted by passenger vehicles and light-duty trucks to achieve maximum feasible reductions (Chapter 200, Statutes of 2002, AB 1493, Pavley)
- Requires ARB to develop regulations to prevent diesel truck engine idling at ports pursuant to Chapter 1129, Statutes of 2002 (AB 2650, Lowenthal).
- Requires the state's retail sellers of electricity to achieve at least 20 percent of energy sales from renewable sources, pursuant to Chapter 516, Statutes of 2002 (SB 1078, Sher).
- Requires the California Energy Commission (CEC) to develop and adopt by June 30, 2007, a state plan to increase the use of alternative transportation fuels to achieve multiple objectives, including the reduction of GHG emissions, pursuant to Chapter 371, Statutes of 2005 (AB 1007, Pavley).

LEGISLATIVE HISTORY

Over the last several years, California has enacted several laws aimed at climate change. See above.

FISCAL IMPACT

Independent economic and agency reports have concluded that reducing California's greenhouse gas emissions to 1990 levels is technologically feasible, and would save California billions of dollars and generate tens of thousands of new jobs.

RECOMMENDATION

Staff recommends that the Commission **SUPPORT AB 32**

AMENDED IN SENATE JUNE 22, 2006

AMENDED IN SENATE APRIL 18, 2006

AMENDED IN SENATE AUGUST 15, 2005

AMENDED IN ASSEMBLY MARCH 31, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 32

Introduced by Assembly Members Nunez and Pavley

(Principal coauthor: Assembly Member Nation)

(Coauthors: Assembly Members *Bass, Berg, Chan, ~~Cohn~~, Chu, Cohn, Dymally, Evans, Frommer, Goldberg, Hancock, Jones, Karnette, Klehs, Koretz, Laird, Leno, Lieber, Levine, Lieber, Lieu, Montanez, Mullin, Nava, ~~Ridley-Thomas~~, Oropeza, Ridley-Thomas, Ruskin, Saldana, Wolk, and Yee*)

**(Coauthors: Senators Bowen, Escutia, Kehoe, Kuehl, and ~~Simitian~~
Lowenthal, Romero, Simitian, and Speier)**

December 6, 2004

An act to amend Section 39003 of, and to add Chapter 7 (commencing with Section 42875) to Part 4 of Division 26 of, the Health and Safety Code, and to amend Section 25730 of the Public Resources Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 32, as amended, Nunez. Air pollution: *greenhouse gases*: California Global Warming Solutions Act of 2006: ~~greenhouse gases~~.

(1) Under existing law, the State Air Resources Board, the State Energy Resources Conservation and Development Commission (Energy Commission), and the California Climate Action Registry all

have responsibilities with respect to the control of emissions of greenhouse gases, as defined, and the Secretary for Environmental Protection is required to coordinate emission reductions of greenhouse gases and climate change activity in state government.

This bill would enact the California Global Warming Solutions Act of 2006, to require the state board to adopt regulations on or before January 1, 2008, establishing a program to ~~monitor and report on existing emissions and changes in emissions of greenhouse gases from sources identified by the state board, and to monitor compliance with emission limits on greenhouse gases, as specified~~ *require the reporting and verification of statewide greenhouse gas emissions, as defined. The bill would require the state board to develop an emissions baseline and monitor and enforce compliance, as specified.* The bill would provide that the state board is the state agency charged with monitoring, ~~tracking,~~ and regulating the sources and reducing emissions of gases ~~known to~~ *that* cause global warming. The bill would require the state board to adopt ~~regulations,~~ on or before January 1, 2008, ~~to reduce a statewide greenhouse gas emissions to 1990 emission levels by~~ *limit to become effective in 2020,* as specified. The bill would require the Governor to establish an interagency task force to coordinate investments of state moneys and state programs that reduce emissions of greenhouse gases, promote economic growth, make information publicly available to assist sources of greenhouse gases to meet the ~~emissions requirements of the bill,~~ ensure that existing state programs support the ~~emissions requirements of the bill,~~ and *emissions limits established by the state board,* monitor conditions and coordinate planning and the state's response to changing climate conditions as they impact state water supplies, air quality, ~~and~~ environmental and public health conditions, *and the state's economy, and create and maintain an Internet Web site, as specified.*

Because the bill would require the state board to establish emissions limits and other requirements, the violation of which would be a crime, this bill would create a state-mandated local program.

(2) Under existing law the Energy Commission, in consultation with certain state agencies, departments, and boards with jurisdiction over matters affecting climate change, is required, by January 1, 2002, to update the inventory of greenhouse gas emissions from all sources located in the state, as identified in a specified report, to update its inventory every 5 years, and to report on the updated inventory to the

Governor and the Legislature. Existing law requires the Energy Commission to conduct at least one public workshop prior to finalizing each updated inventory and to post its report and inventory on the Internet. Existing law additionally requires the Energy Commission to convene an interagency task force consisting of state agencies with jurisdiction over matters affecting climate change to ensure policy coordination for those activities, and to establish a climate change advisory committee, as provided, to make recommendations to the Energy Commission on the most equitable and efficient ways to implement international and national climate change requirements, as provided.

This bill would delete the above-described requirements and instead require that the Energy Commission update its inventory of emissions of greenhouse gases to supplement the information collected by the state board and enable the state board to maintain a reasonably comprehensive inventory of the state’s emissions of greenhouse gases.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: ~~no~~yes.

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

1 SECTION 1. Section 39003 of the Health and Safety Code is
 2 amended to read:

3 39003. The State Air Resources Board is the state agency
 4 charged with coordinating efforts to attain and maintain ambient
 5 air quality standards, to conduct research into the causes of and
 6 solution to air pollution, to monitor, ~~track,~~ and regulate the
 7 sources and reduce emissions of gases ~~known to~~ *that* cause
 8 global warming, and to systematically attack the serious problem
 9 caused by motor vehicles, which is the major source of air
 10 pollution in many areas of the state.

11 SEC. 2. Chapter 7 (commencing with Section 42875) is
 12 added to Part 4 of Division 26 of the Health and Safety Code, to
 13 read:

1 CHAPTER 7. CALIFORNIA GLOBAL WARMING SOLUTIONS ACT
2 OF 2006

3
4 42875. (a) This chapter shall be known, and may be cited, as
5 the California Global Warming Solutions Act of 2006.

6 42875.5. *The Legislature finds and declares all of the*
7 *following:*

8 (a) *Global warming poses a serious threat to California's*
9 *economic well-being, public health, and environment. The*
10 *potential adverse consequences include the degradation of air*
11 *quality, the loss of mountain snowpack leading to serious water*
12 *supply problems and risk of catastrophic flooding, rising sea*
13 *levels displacing thousands of coastal businesses and residences,*
14 *and severe damage to California's marine ecosystems and the*
15 *natural environment.*

16 (b) *Global warming will directly affect some of California's*
17 *largest industries, including agriculture, wine, tourism, skiing,*
18 *recreational and commercial fishing, and forestry.*

19 (c) *Global warming will increase the strain on electricity*
20 *supplies necessary to meet demand for summer air conditioning*
21 *in the hottest parts of the state.*

22 (d) *California has a strong record of leadership on*
23 *environmental issues, including enacting some of the nation's*
24 *first air quality protections, energy efficiency requirements,*
25 *renewable energy standards, and landmark greenhouse gas*
26 *emission standards for passenger vehicles.*

27 (e) *California's leadership and actions to reduce global*
28 *warming will have a significant impact by encouraging other*
29 *states, the federal government, and other countries to act, all of*
30 *which will be necessary to fully address this issue. In addition, by*
31 *exercising early leadership, California will position its economy,*
32 *technology centers, and businesses to benefit from national and*
33 *international efforts to reduce greenhouse gas emissions now*
34 *and in the future.*

35 42876. *For the purposes of this chapter, the following terms*
36 *have the following meanings:*

37 (a) *"Allowance" means an authorization to emit, during a*
38 *specified year, up to one ton of carbon dioxide equivalence.*

39 (b) *"Carbon dioxide equivalence" means the amount of*
40 *carbon dioxide by weight that would produce the same global*

1 *warming impact as a given weight of another greenhouse gas,*
2 *based on the most recent information available from the*
3 *Intergovernmental Panel on Climate Change.*

4 (c) *“Cost-effectiveness” means the cost per unit of reduced*
5 *emissions of greenhouse gases from a particular source or*
6 *category of sources resulting from an emissions reduction*
7 *strategy compared to the cost of reduced emissions resulting*
8 *from other emissions reduction strategies for the same source or*
9 *categories of sources.*

10 (d) *“Displacement” means a reduction in greenhouse gas*
11 *emissions within the state that is offset by an increase in*
12 *greenhouse gas emissions outside the state.*

13 (e) *“Electricity provider” means an entity that provides*
14 *electricity to retail end-use customers, including an electrical*
15 *corporation, as defined in Section 218 of the Public Utilities*
16 *Code, local publicly owned electric utility, as defined in Section*
17 *9604 of the Public Utilities Code, electric service provider, as*
18 *defined in Section 218.3 of the Public Utilities Code, private*
19 *energy producer, as defined in Section 2802 of the Public*
20 *Utilities Code, a facility that uses cogeneration, as defined in*
21 *Section 218.5 of the Public Utilities Code, for the generation of*
22 *electricity, and a community aggregator operating pursuant to*
23 *Section 366.2 of the Public Utilities Code. “Electricity provider”*
24 *does not include the California Energy Resources Scheduling*
25 *division within the Department of Water Resources, when acting*
26 *pursuant to Division 27 (commencing with Section 80000) of the*
27 *Water Code.*

28 (f) *“Emissions reduction strategies” means programs,*
29 *measures, standards and flexible compliance mechanisms*
30 *pursuant to this chapter applicable to sources or categories of*
31 *sources.*

32 (g) *“Flexible compliance mechanisms” means mechanisms*
33 *including, but not limited to, banking, borrowing, and market*
34 *mechanisms that provide compliance flexibility to entities that*
35 *are required to ensure that their greenhouse gas emissions do*
36 *not exceed their emissions allowances.*

37 (h) *“Greenhouse gases” or “greenhouse gas” means*
38 *“greenhouse gases” as defined in Section 42801.1.*

1 (i) “Interim emissions limit” means a maximum annual
2 allowable level of greenhouse gas emissions established by the
3 state board for sources or categories of sources.

4 (j) “Significant sources” means sources or categories of
5 sources whose emissions are at a level that the state board
6 determines that their participation in the program established
7 pursuant to Section 42877 will further the objective of enabling
8 the state board to effectively monitor compliance with the
9 statewide emissions limit.

10 (k) “Statewide emissions” means the total annual emissions of
11 greenhouse gases from all sources in the state, including all
12 emissions of greenhouse gases from the generation of electricity
13 delivered by electricity providers and consumed in California,
14 accounting for transmission and distribution line losses, whether
15 the electricity is generated in-state or imported. Statewide
16 emissions shall be expressed in tons of carbon dioxide
17 equivalence.

18 (l) “Statewide emissions limit” means a maximum annual
19 allowable level of statewide emissions.

20 42876.5. All state agencies shall consider and implement
21 strategies to reduce greenhouse gas emissions. It is the intent of
22 the Legislature that the state board cooperate with other state
23 agencies to achieve the statewide emissions limits created
24 pursuant to Section 42878 and account for projected reductions
25 in greenhouse gas emissions from state agency programs not
26 subject to this chapter.

27 42877. (a) On or before January 1, 2008, the state board
28 shall adopt regulations establishing a program to require the
29 reporting and verification of statewide greenhouse gas
30 emissions. The state board shall develop an emissions baseline
31 and monitor and enforce compliance.

32 (1) The regulations shall require the monitoring and annual
33 reporting of greenhouse gas emissions from significant sources
34 identified by the state board, beginning with the sources or
35 categories of sources that contribute the most to statewide
36 emissions. The reporting program shall also account for all
37 electricity consumed in the state, including transmission and
38 distribution line losses from electricity generated within the state
39 or imported from outside the state.

1 (2) *The state board may add other significant sources to the*
2 *program no later than January 1, 2010.*

3 (b) *The regulations shall, where appropriate and feasible,*
4 *incorporate the standards and protocols developed by the*
5 *California Climate Action Registry, established pursuant to*
6 *Chapter 6 (commencing with Section 42800). Entities that*
7 *voluntarily participated in the California Climate Action Registry*
8 *prior to December 31, 2006, and have a fully developed*
9 *reporting program, shall not be required to significantly alter*
10 *their reporting or verification program except as necessary to*
11 *ensure that reporting is complete and verifiable for the purposes*
12 *of state regulation and tracking of greenhouse gas emissions.*

13 42877.5. *If the federal government enacts a law limiting*
14 *greenhouse gas emissions that the state board determines is of*
15 *equivalent or greater effectiveness in achieving the statewide*
16 *emissions limits and timeframes established pursuant to this*
17 *chapter, the state board may modify or elect not to adopt*
18 *emissions reduction strategies pursuant to this chapter for any*
19 *greenhouse gas or source included in the federal policy.*

20 42878. (a) (1) *It is the intent of the Legislature that the state*
21 *board design emissions reduction strategies to meet the statewide*
22 *emissions limits established pursuant to this section in a manner*
23 *that minimizes costs and maximizes benefits for California's*
24 *economy, improves and modernizes California's energy*
25 *infrastructure, maximizes additional environmental and*
26 *economic co-benefits for California, and complements state*
27 *efforts to improve air quality.*

28 (2) (A) *The state board shall consult broadly with*
29 *stakeholders in developing regulations to meet the purposes of*
30 *this chapter and to meet the statewide emissions limits in a*
31 *beneficial and cost-effective manner.*

32 (B) *By March 1, 2007, the state board shall convene a*
33 *stakeholder process to inform the development of regulations and*
34 *programs to reduce greenhouse gases in California. The state*
35 *board shall solicit information and input from regulated entities*
36 *on the most efficient, low-cost, and beneficial ways they can*
37 *reduce their greenhouse gas emissions, identify regulatory and*
38 *legal barriers to implementing emissions reduction strategies,*
39 *evaluate state investment strategies in research and development*
40 *and applied technologies, and work with regulated entities to*

1 *develop draft plans that may be used in conjunction with*
2 *regulatory process to reduce greenhouse gas emissions. The*
3 *purpose of these plans shall be to reduce regulatory costs and*
4 *obligations, where feasible, in achieving greenhouse gas*
5 *reductions called for in this chapter.*

6 *(3) It is the intent of the Legislature that the state board*
7 *coordinate and consult with other state agencies that regulate*
8 *significant emitters of greenhouse gases. It is the further intent of*
9 *the Legislature that the Public Utilities Commission and the state*
10 *board cooperate in the development of emissions reduction*
11 *strategies, including limits on greenhouse gas emissions applied*
12 *to electricity and natural gas providers regulated by the Public*
13 *Utilities Commission in order to ensure that electricity and*
14 *natural gas providers are not required to meet duplicative or*
15 *inconsistent requirements, and to ensure that all electricity*
16 *providers meet consistent requirements.*

17 *(b) On or before January 1, 2008, the state board shall*
18 *determine what the statewide greenhouse gas emissions levels*
19 *were in 1990, and adopt a statewide emissions limit that is*
20 *equivalent to that level to become effective in 2020. The state*
21 *board shall evaluate the best available scientific and economic*
22 *information on greenhouse gas emissions to determine the 1990*
23 *level. The state board shall not require individual entities to*
24 *provide information on their 1990 emissions levels.*

25 *(c) The state board shall establish an advisory committee*
26 *consisting of three representatives from communities in the state*
27 *with the most significant exposure to air contaminants or*
28 *localized air contaminants, or both, including, but not limited to,*
29 *communities with minority populations or low-income*
30 *populations, or both. The Governor, the President pro Tempore*
31 *of the Senate, and the Speaker of the Assembly shall each appoint*
32 *one of the members of the committee. This committee shall make*
33 *recommendations to the state board during the public process to*
34 *develop and adopt emissions reduction strategies.*

35 *(d) Beginning in January 1, 2009, the state board shall adopt*
36 *greenhouse gas emissions reduction strategies by regulation. In*
37 *adopting emissions reduction strategies, the state board shall do*
38 *all of the following:*

39 *(1) Design emissions reduction strategies, including*
40 *distribution of emissions allowances where appropriate, in a*

1 manner that is equitable, seeks to minimize costs and maximize
2 the total benefits to California, and encourages early action to
3 reduce greenhouse gas emissions.

4 (2) Ensure that emissions reduction strategies do not
5 disproportionately burden low- and moderate-income
6 households.

7 (3) Provide flexible compliance mechanisms including, but not
8 limited to, banking, borrowing, and market mechanisms which
9 provide compliance flexibility to entities that are required to
10 ensure that their greenhouse gas emissions do not exceed their
11 emissions allowances.

12 (A) Prior to considering market mechanisms to reduce
13 greenhouse gas emissions, the state board shall work with the
14 advisory committee established pursuant to subdivision (c), as
15 well as with other stakeholders, to identify circumstances under
16 which the operation of market-based programs to reduce
17 greenhouse gas emissions may worsen localized air pollution
18 problems, particularly in communities that are already
19 disproportionately impacted by pollution from power plants,
20 refineries, commercial trucking routes, ports, and other major
21 large industrial facilities. The state board shall consider the
22 potential for direct, indirect and cumulative impacts on air
23 quality from these programs.

24 (B) Prior to considering flexible compliance mechanisms
25 pursuant to this chapter, the state board shall evaluate and
26 report to the Legislature the types, need, and costs and benefits
27 of these mechanisms with the purpose of identifying which
28 mechanisms would be most beneficial in achieving reductions in
29 greenhouse gases. The report shall recommend which
30 mechanisms should be considered in regulations to reduce
31 greenhouse gases, and should prioritize and recommend
32 conditions for mechanisms to protect air quality, the
33 environment, and public health, and reduce the costs of
34 implementation. The state board shall work with the stakeholder
35 community and other appropriate parties and state agencies in
36 this study.

37 (4) Ensure that entities that have voluntarily reduced their
38 greenhouse gas emissions prior to the implementation of this
39 section receive appropriate consideration for early voluntary
40 reductions.

1 (5) Ensure that the implementation of this section
2 complements and does not interfere with efforts to achieve and
3 maintain federal and state health based ambient air quality
4 standards and to address toxic air contaminant emissions.

5 (6) Evaluate the long-term cost-effectiveness of emissions
6 reduction strategies.

7 (7) Evaluate the societal benefits of emissions reduction
8 strategies, including reductions in other air pollutants,
9 diversification of energy sources, and other benefits to the
10 economy, environment, and public health.

11 (8) Minimize the administrative burden of implementing and
12 complying with the emissions reduction strategies.

13 (9) Design emissions reduction strategies in a manner that
14 minimizes displacement of greenhouse gas emissions.

15 (10) Where feasible, coordinate with other states, the federal
16 government, and other countries in the design and
17 implementation of emissions reduction strategies in order to
18 minimize displacement of greenhouse gas emissions, maximize
19 the effectiveness of California's program, and facilitate the
20 development of effective regional, national, and global programs
21 for reducing emissions of greenhouse gasses.

22 (e) On or before January 1, 2010, the state board shall
23 establish a series of enforceable interim emissions limits
24 applicable to sources or categories of sources, or both, to
25 become effective beginning on January 1, 2012, that
26 progressively reduce emissions levels to contribute to meeting
27 the 2020 limit. In determining which sources and categories of
28 sources will be subject to the interim emissions limits, the state
29 board shall consider factors including, but not limited to, the
30 following for each source or category of sources:

31 (1) The significance of its contribution to statewide emissions.

32 (2) The effectiveness of existing emissions reduction strategies
33 in reducing greenhouse gas emissions.

34 (3) The ease of implementation and cost-effectiveness of
35 further greenhouse gas emission reductions from these sources.

36 (f) On or before January 1, 2015, the state board shall adopt
37 regulations that establish a statewide emissions limit, to become
38 effective on January 1, 2030, including a scheduled series of
39 limits that will progressively reduce emissions of greenhouse
40 gases from the 2020 emissions limit, until 2030. The state board

1 shall evaluate the best available economic and scientific
2 information and existing and projected technological capabilities
3 for the purpose of adopting these regulations.

4 42878.5. Any violation of any rule, regulation, order,
5 emission limitation or other emissions reduction strategy adopted
6 by the state board pursuant to Sections 42877 and 42878 shall be
7 subject to the penalty provisions of Article 3 (commencing with
8 Section 42400) of Chapter 4 of Part 4. The state board shall be
9 responsible for enforcing these penalty provisions.

10 42879. (a) Nothing in this chapter shall relieve any entity of
11 compliance with state air and water quality requirements, or
12 other requirements for protecting public health or the
13 environment.

14 (b) Nothing in this chapter shall limit or expand the existing
15 authority of any district. It is the intent of the Legislature that the
16 state board consult with the districts in the development of
17 measures for the reduction of emissions of greenhouse gases that
18 will affect emissions of criteria pollutants from stationary
19 sources.

20 (c) This chapter shall not be interpreted to preclude, prohibit,
21 or restrict the construction of any new facility or the expansion of
22 an existing facility subject to regulation under this chapter if all
23 applicable permitting requirements are met and the facility
24 obtains any required allowances under any allowance based
25 system implemented pursuant to this chapter.

26 42881. On or before January 1, 2009, and annually
27 thereafter, the state board, in consultation with the task force
28 established pursuant to Section 42883, shall report to the
29 Legislature on the current level of emissions of greenhouse gases
30 and progress made toward compliance with the statewide
31 emissions limits on greenhouse gases established by the state
32 board. The report shall include an inventory of current emissions
33 of greenhouse gases.

34 42883. (a) The Governor shall establish an interagency task
35 force, to be convened by the Secretary for Environmental
36 Protection which shall consist of the following:

37 (1) The Secretary of the Resources Agency or his or her
38 designee.

39 (2) The Secretary of the Business, Transportation and Housing
40 Agency or his or her designee.

1 (3) *The Secretary of the State and Consumer Services Agency*
2 *or his or her designee.*

3 (4) *The President of the Public Utilities Commission or his or*
4 *her designee.*

5 (5) *The chairperson of the state board or his or her designee.*

6 (6) *The Chairperson of the State Energy Resources*
7 *Conservation and Development Commission or his or her*
8 *designee.*

9 (7) *Representatives of other state agencies or departments that*
10 *the Governor determines have an important role in reducing*
11 *emissions of greenhouse gases.*

12 (b) *The interagency task force shall establish an advisory*
13 *committee consisting of stakeholders including representatives*
14 *from industry groups, environmental and environmental justice*
15 *groups, experts, and others, to inform its activities.*

16 (c) *The interagency task force, to the extent feasible, shall do*
17 *all of the following:*

18 (1) *Coordinate state investments and programs that reduce*
19 *emissions of greenhouse gases.*

20 (2) *Promote economic growth by encouraging California*
21 *industries to develop and deploy technologies and processes that*
22 *reduce greenhouse gas emissions for use both in California and*
23 *for export.*

24 (3) *Make education and outreach information publicly*
25 *available about state programs that provide assistance for*
26 *sources of greenhouse gases to meet the requirements of this*
27 *chapter.*

28 (4) *Ensure that existing state programs support the emissions*
29 *limits on greenhouse gases established by the state board*
30 *pursuant to this chapter.*

31 (5) *Monitor conditions and coordinate planning and the*
32 *state's response to changing climate conditions as they impact*
33 *state water supplies, air quality, environmental and public health*
34 *conditions, and the state's economy.*

35 (6) *Create and maintain an Internet Web site clearinghouse*
36 *for information on the state's policies and emissions reduction*
37 *strategies to reduce greenhouse gas emissions, the activities of*
38 *the interagency task force, and any other information on the*
39 *state's efforts to meet the purposes of this chapter.*

1 ~~—(b) For purposes of this chapter, the following terms have~~
2 ~~the following meanings:~~

3 ~~(1) “Carbon dioxide equivalents” means the amount of carbon~~
4 ~~dioxide by weight that would produce the same global warming~~
5 ~~impact as a given weight of another greenhouse gas, to be~~
6 ~~determined based on the most recent information available from~~
7 ~~the Intergovernmental Panel on Climate Change.~~

8 ~~(2) “Cost-effectiveness” means the net costs, or the costs less~~
9 ~~the benefits, per unit of reduced emissions of greenhouse gases.~~

10 ~~(3) “Direct,” “indirect,” and “cumulative” shall have the same~~
11 ~~meanings as those terms are defined in Sections 1508.7 and~~
12 ~~1508.8 of Title 40 of the Code of Federal Regulations.~~

13 ~~(4) “Greenhouse gases” means “greenhouse gases” as defined~~
14 ~~in Section 42801.1.~~

15 ~~(5) “Load-serving entity” means any entity, including an~~
16 ~~electrical corporation, as defined in Section 218 of the Public~~
17 ~~Utilities Code, local publicly owned electric utility, as defined in~~
18 ~~Section 9604 of the Public Utilities Code, electric service~~
19 ~~provider, as defined in Section 218.3 of the Public Utilities Code,~~
20 ~~private energy producer, as defined in Section 2802 of the Public~~
21 ~~Utilities Code, a facility that uses cogeneration, as defined in~~
22 ~~Section 218.5 of the Public Utilities Code, for the generation of~~
23 ~~electricity, and a community aggregator operating pursuant to~~
24 ~~Section 366.2 of the Public Utilities Code, that provides~~
25 ~~electricity to retail end-use customers. “Load-serving entity”~~
26 ~~does not include the California Energy Resources Scheduling~~
27 ~~division within the Department of Water Resources, when acting~~
28 ~~pursuant to Division 27 (commencing with Section 80000) of the~~
29 ~~Water Code.~~

30 ~~42875.1. It is the policy of the state that all state agencies~~
31 ~~consider and implement measures to reduce greenhouse gas~~
32 ~~emissions. This policy shall be incorporated into all state~~
33 ~~agencies’ decisionmaking activities.~~

34 ~~42876. (a) On or before January 1, 2008, the state board shall~~
35 ~~identify all significant sources of emissions of greenhouse gases~~
36 ~~and adopt regulations establishing a program to accomplish the~~
37 ~~following:~~

38 ~~(1) Monitor and report existing emissions and changes in~~
39 ~~emissions over time, from sources identified by the state board.~~

1 ~~(2) Monitor compliance with the emissions limits on~~
2 ~~greenhouse gases established by the state board pursuant to~~
3 ~~Section 42877.~~

4 ~~(b) The state board shall require reporting of the greenhouse~~
5 ~~gas emissions associated with fossil fuels used in California by~~
6 ~~entities that are the gateways for those fossil fuels, including oil~~
7 ~~refineries, oil storage facilities, and natural gas pipelines.~~

8 ~~(c) The state board shall require reporting of emissions of~~
9 ~~greenhouse gases by all load-serving entities, for all electricity~~
10 ~~consumed in the state, accounting for transmission line losses,~~
11 ~~whether the electricity is generated within the state or generated~~
12 ~~outside the state and imported into the state.~~

13 ~~(d) The state board shall require reporting of emissions of~~
14 ~~greenhouse gases from any additional entities that are significant~~
15 ~~emitters of greenhouse gases, as appropriate to enable the state~~
16 ~~board to monitor compliance with the emissions limits for~~
17 ~~greenhouse gases established pursuant to Section 42877.~~

18 ~~(e) The state board shall, to the extent feasible, incorporate the~~
19 ~~standards and protocols developed by the California Climate~~
20 ~~Action Registry, established pursuant to Chapter 6 (commencing~~
21 ~~with Section 42800), as the basis for the monitoring and~~
22 ~~reporting of emissions of greenhouse gases. Entities that~~
23 ~~voluntarily participated in the California Climate Action Registry~~
24 ~~prior to December 31, 2006, and have a fully developed reporting~~
25 ~~program, shall not be required to significantly alter their~~
26 ~~reporting or verification program except as necessary to ensure~~
27 ~~that reporting is complete and transparent for the purposes of~~
28 ~~state regulation and tracking of emissions of greenhouse gases.~~

29 ~~42877. (a) On or before January 1, 2008, the state board shall~~
30 ~~adopt regulations that will reduce statewide greenhouse gas~~
31 ~~emissions to 1990 emission levels by 2020, taking into account~~
32 ~~projected reductions in greenhouse gas emissions from state~~
33 ~~agency programs not subject to this chapter. The emission limits~~
34 ~~shall be expressed in total tons of allowable emissions of~~
35 ~~greenhouse gases, expressed in carbon dioxide equivalents, and~~
36 ~~shall include all emissions of greenhouse gases from the~~
37 ~~generation of electricity delivered by load-serving entities and~~
38 ~~consumed in California, whether generated in-state or imported.~~
39 ~~The state board shall consult with air pollution control districts~~
40 ~~and air quality management districts in the development of~~

1 ~~measures for the reduction of emissions of greenhouse gases that~~
2 ~~will affect emissions of criteria pollutants from stationary~~
3 ~~sources.~~

4 ~~(b) In order to achieve the statewide limit for 2020 greenhouse~~
5 ~~gas emissions established in subdivision (a), the state board shall~~
6 ~~establish a series of enforceable limits to become effective~~
7 ~~beginning on January 1, 2012, that gradually reduce emissions~~
8 ~~levels to the 2020 limit.~~

9 ~~(c) The regulations adopted by the state board shall do all of~~
10 ~~the following:~~

11 ~~(1) Distribute the costs and benefits of the program, including~~
12 ~~emission allowances, in a manner that is equitable, maximizes~~
13 ~~the total benefit to the economy, does not disproportionately~~
14 ~~burden low- and moderate-income households, provides~~
15 ~~compliance flexibility where appropriate, and ensures that~~
16 ~~entities that have voluntarily reduced their emissions receive~~
17 ~~appropriate consideration for emissions reductions made prior to~~
18 ~~the implementation of this program.~~

19 ~~(2) Ensure that the measures implemented to achieve~~
20 ~~reductions in emissions of greenhouse gases do not result in a~~
21 ~~direct, indirect, or cumulative increase in emissions of toxic air~~
22 ~~contaminants, identified pursuant to Article 3 (commencing with~~
23 ~~Section 39660) of Chapter 3.55 of Part 2, or cause or contribute~~
24 ~~to a violation of a federal or California health-based ambient air~~
25 ~~quality standard, in any community.~~

26 ~~(3) Evaluate emissions reduction opportunities based upon~~
27 ~~their cost-effectiveness and additional societal benefits, including~~
28 ~~reductions in other air pollutants, energy security, and protection~~
29 ~~of the environment and public health.~~

30 ~~(4) Minimize the administrative burden of implementing and~~
31 ~~complying with the program.~~

32 ~~(5) Minimize displacement of emissions outside of the scope~~
33 ~~of the program established by this chapter.~~

34 ~~(6) Where feasible, coordinate with other states and countries~~
35 ~~to reduce emissions of greenhouse gases in a manner that does~~
36 ~~not conflict with California law and regulations.~~

37 ~~(d) The emission limits for greenhouse gases established by~~
38 ~~the state board shall be enforced pursuant to Article 1~~
39 ~~(commencing with Section 42300) of Chapter 4.~~

1 ~~(e) On or before January 1, 2009, and annually thereafter, the~~
2 ~~state board, in consultation with the task force established~~
3 ~~pursuant to Section 42878, shall report to the Legislature on the~~
4 ~~current level of emissions of greenhouse gases and progress~~
5 ~~made toward compliance with the emissions limits on~~
6 ~~greenhouse gases established by the state board pursuant to~~
7 ~~subdivision (b). The report shall include an inventory of current~~
8 ~~emissions of greenhouse gases based upon information reported~~
9 ~~to the state board pursuant to this section and information~~
10 ~~provided by the State Energy Resources Conservation and~~
11 ~~Development Commission pursuant to Section 25730 of the~~
12 ~~Public Resources Code. The report shall include historical and~~
13 ~~forecasted levels of emissions of greenhouse gases that compares~~
14 ~~emissions from similar inventories prepared for other states, for~~
15 ~~the United States, and for other countries, a description of~~
16 ~~ongoing efforts to reduce emissions of greenhouse gases, and a~~
17 ~~summary of additional measures that may be taken in the future.~~

18 ~~(f) On or before January 1, 2015, the state board shall evaluate~~
19 ~~technological capability and economic factors, and adopt~~
20 ~~regulations that establish a statewide limit on emissions of~~
21 ~~greenhouse gases, to become effective on January 1, 2030, and a~~
22 ~~regularly scheduled series of limits that will gradually reduce~~
23 ~~emissions of greenhouse gases from the 2020 emissions limit, to~~
24 ~~meet the 2030 emissions limit.~~

25 ~~42878. (a) The Governor shall establish an interagency task~~
26 ~~force, which shall consist of the following:~~

27 ~~(1) The Secretary for Environmental Protection or his or her~~
28 ~~designee.~~

29 ~~(2) The chairperson of the state board or his or her designee.~~

30 ~~(3) The Secretary of the Resources Agency or his or her~~
31 ~~designee.~~

32 ~~(4) The Chair of the State Energy Resources Conservation and~~
33 ~~Development Commission or his or her designee.~~

34 ~~(5) The President of the Public Utilities Commission or his or~~
35 ~~her designee.~~

36 ~~(6) Representatives of other state agencies or departments that~~
37 ~~the Governor determines have an important role in reducing~~
38 ~~emissions of greenhouse gases.~~

39 ~~(b) The interagency task force shall, to the extent feasible, do~~
40 ~~all the following:~~

1 ~~(1) Coordinate investments of state moneys and state programs~~
2 ~~that reduce emissions of greenhouse gases.~~

3 ~~(2) Promote economic growth by encouraging industries that~~
4 ~~develop and deploy in the state, and export from the state,~~
5 ~~technologies and processes that reduce greenhouse gas~~
6 ~~emissions.~~

7 ~~(3) Make information publicly available about state programs~~
8 ~~that may provide assistance for sources of greenhouse gases to~~
9 ~~meet the requirements of this chapter.~~

10 ~~(4) Ensure that existing state programs support the emissions~~
11 ~~limits on greenhouse gases established by the state board~~
12 ~~pursuant to Section 42877.~~

13 ~~(5) Monitor conditions and coordinate planning and the state's~~
14 ~~response to changing climate conditions as they impact state~~
15 ~~water supplies, air quality, and environmental and public health~~
16 ~~conditions.~~

17 ~~42879. (a) Nothing in this chapter shall relieve any entity of~~
18 ~~compliance with state air and water quality requirements, or~~
19 ~~other requirements for protecting public health or the~~
20 ~~environment.~~

21 ~~(b) Nothing in this chapter shall limit the existing authority of~~
22 ~~any local or regional authority.~~

23 SEC. 3. Section 25730 of the Public Resources Code is
24 amended to read:

25 25730. The commission, in consultation with the State Air
26 Resources Board, the Department of Forestry and Fire
27 Protection, the Department of Transportation, the State Water
28 Resources Control Board, the California Integrated Waste
29 Management Board, and other state agencies with jurisdiction
30 over matters affecting climate change, shall do both of the
31 following:

32 (a) Acquire and develop data and information on global
33 climate change, and provide state, regional, and local agencies,
34 utilities, business, industry, and other energy and economic
35 sectors with information on the costs, technical feasibility, and
36 demonstrated effectiveness of methods for reducing or mitigating
37 the production of greenhouse gases from in-state sources,
38 including net reductions through the management of natural
39 forest reservoirs. The commission, in consultation with the State
40 Air Resources Board, shall provide a variety of forums for the

1 exchange of that information among interested parties, and shall
2 provide other state agencies with information on cost-effective
3 and technologically feasible methods that can be used to reduce
4 or mitigate the emissions of greenhouse gases.

5 (b) Update its inventory of emissions of greenhouse gases in
6 order to supplement the information collected by the State Air
7 Resources Board pursuant to Section 42877 of the Health and
8 Safety Code, and to enable the State Air Resources Board to
9 maintain a reasonably comprehensive inventory of the state's
10 emissions of greenhouse gases. *The inventory shall include*
11 *information on the greenhouse gas emissions associated with*
12 *petroleum products consumed in California based on, and*
13 *including, but not limited to, data collected pursuant to the*
14 *Petroleum Industry Information Reporting Act of 1980 (Chapter*
15 *4.5 (commencing with Section 25350) of Division 15).*

16 *SEC. 4. No reimbursement is required by this act pursuant to*
17 *Section 6 of Article XIII B of the California Constitution because*
18 *the only costs that may be incurred by a local agency or school*
19 *district will be incurred because this act creates a new crime or*
20 *infraction, eliminates a crime or infraction, or changes the*
21 *penalty for a crime or infraction, within the meaning of Section*
22 *17556 of the Government Code, or changes the definition of a*
23 *crime within the meaning of Section 6 of Article XIII B of the*
24 *California Constitution.*

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**All matter omitted in this version of the bill
appears in the bill as amended in Senate,
August 15, 2005 (JR11)**