

**ASSEMBLY BILL**

**No. 32**

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**Introduced by Assembly Member Pavley  
(Coauthors: Assembly Members Chan and Laird)  
(Coauthor: Senator Simitian)**

December 6, 2004

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An act to amend Sections 42801 and 42823 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 32, as introduced, Pavley. Greenhouse Gas Emissions: California Climate Action Registry.

Existing law requires the Secretary of the Resources Agency to establish the California Climate Action Registry (hereafter registry) as a public benefit nonprofit corporation, and makes legislative findings and declarations relating to the registry. Existing law requires the registry to perform various functions, including, among other things, the adoption of procedures and protocols for the reporting and certification of greenhouse gas emission reductions resulting from a project or an action of a participant in the registry.

This bill would revise the functions and duties of the registry by requiring the registry, in coordination with the California Environmental Protection Agency and the State Energy Resources Conservation and Development Commission, to adopt specified procedures and protocols both for monitoring, estimating, calculating, reporting, and certifying greenhouse gas emission reduction projects, and for monitoring, estimating, calculating, reporting, and certifying greenhouse gas emissions resulting from specified industrial sectors, as provided. This bill would require the registry to coordinate with state agencies to promote the development of harmonized reporting

standards, as specified, and would require the registry, to the extent possible, to coordinate with other states and regions to ensure that businesses and organizations operating both in this state and out of state follow uniform protocols when reporting to multiple registries, states, or regions.

This bill would also make additional legislative findings and declarations.

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

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

- 1 SECTION 1. Section 42801 of the Health and Safety Code is
- 2 amended to read:
- 3 42801. The Legislature finds and declares all of the following:
- 4 (a) It is in the best interest of the State of California, the
- 5 United States of America, and the earth as a whole, to encourage
- 6 voluntary actions to achieve all economically beneficial
- 7 reductions of greenhouse gas emissions from California sources.
- 8 (b) Mandatory greenhouse gas emissions reductions may be
- 9 imposed on California sources at some future point, and in view
- 10 of this, the state has a responsibility to use its best efforts to
- 11 ensure that organizations that voluntarily inventory their
- 12 emissions receive appropriate consideration for changes in
- 13 emissions quantities made prior to the implementation of any
- 14 mandatory programs.
- 15 (c) Past initiatives in the state that took early and responsible
- 16 action to reduce air pollution and ozone smog have demonstrated
- 17 political, economic, and technological leadership, and have
- 18 proven to benefit the state.
- 19 (d) The state’s tradition of environmental leadership should be
- 20 recognized through the establishment of a registry to provide
- 21 documentation of greenhouse gas emissions levels voluntarily
- 22 achieved by sources in the state. The registry will provide
- 23 participants an opportunity to register greenhouse gas emissions
- 24 information in a consistent format using publicly reviewed and
- 25 adopted procedures and protocols.
- 26 (e) The state hereby commits to use its best efforts to ensure
- 27 that organizations that establish greenhouse gas emissions
- 28 baselines and register emissions results that are certified in

1 accordance with this chapter receive appropriate consideration  
2 under any future international, federal, or state regulatory scheme  
3 relating to greenhouse gas emissions. The state cannot guarantee  
4 that any regulatory regime relating to greenhouse gas emissions  
5 will recognize the baselines and annual results recorded in the  
6 registry.

7 (f) The state hereby commits to review future international or  
8 federal programs related to greenhouse gas emissions and to  
9 make reasonable efforts to promote consistency between the state  
10 program and these programs and to reduce the reporting burden  
11 on participants, if changes to the state program are consistent  
12 with the goals and intent of Section 42810.

13 (g) *The state has supported developing standardized*  
14 *greenhouse gas emission accounting, reporting, and certifying*  
15 *guidelines through the creation of the California Climate Action*  
16 *Registry. Further industry-specific and project greenhouse gas*  
17 *emissions reporting protocols are needed to facilitate*  
18 *participation in the registry and to provide streamlined guidance*  
19 *for certain sectors. To the extent feasible, the state hereby*  
20 *commits to coordinate greenhouse gas emissions programs with*  
21 *other states and regions, until a national program is established*  
22 *to limit greenhouse gas emissions.*

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

25 42823. The registry shall perform all of the following  
26 functions:

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

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

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

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

1 (4) Designing plans for the conservation and management of  
2 native forest reservoirs as a means to assist participants in  
3 attaining emission reduction goals and reporting annual  
4 emissions results.

5 (b) In coordination with the State Energy Resources  
6 Conservation and Development Commission, the registry shall  
7 adopt and periodically update a list of organizations recognized  
8 by the state as qualified to provide the detailed technical  
9 assistance and advice in subdivision (a) and assist participants in  
10 identifying and selecting providers that have expertise applicable  
11 to each participant's circumstances. The registry shall coordinate  
12 with the Department of Forestry and Fire Protection and the State  
13 Board of Forestry and Fire Protection to provide referrals to  
14 providers for purposes of paragraph (4) of subdivision (a).

15 (c) The registry shall adopt procedures and protocols for the  
16 reporting and certification of greenhouse gas emission reductions  
17 resulting from a project or an action of a participant. A  
18 participant shall report emission reductions as a separate item in  
19 its annual emissions results.

20 (d) (1) *In coordination with the California Environmental*  
21 *Protection Agency and the State Energy Resources Conservation*  
22 *and Development Commission, the registry shall perform both of*  
23 *the following functions:*

24 (A) *Adopt procedures and protocols for monitoring,*  
25 *estimating, calculating, reporting, and certifying greenhouse gas*  
26 *emissions reduction projects, including, but not limited to,*  
27 *projects that improve energy efficiency, utilize renewable energy,*  
28 *and promote conservation tillage.*

29 (B) *Adopt procedures and protocols for monitoring,*  
30 *estimating, calculating, reporting, and certifying greenhouse gas*  
31 *emissions resulting from all of the following industrial sectors:*

32 (i) *Oil and natural gas exploration, extraction, processing,*  
33 *refining, transmission, and distribution.*

34 (ii) *Cement production.*

35 (iii) *Municipal solid waste and industrial waste hauling and*  
36 *disposal.*

37 (2) *The California Environmental Protection Agency and the*  
38 *State Energy Resources Conservation and Development*  
39 *Commission are strongly encouraged to partially fund the*  
40 *development of the registry's protocols for greenhouse gas*

1 *emissions reduction projects under subparagraph (A), and to*  
2 *assist in finding resources for the development of the registry's*  
3 *industry specific protocols under subparagraph (B).*

4 (e) In coordination with the Resources Agency and consistent  
5 with the data and information acquired and developed pursuant to  
6 subdivision (b) of Section 25730 of the Public Resources Code,  
7 the registry shall adopt procedures and protocols for the  
8 monitoring, estimating, calculating, reporting, and certifying of  
9 carbon stocks and carbon dioxide emissions resulting from the  
10 conservation and conservation-based management, including  
11 reforestation, of native forest reservoirs in California in order to  
12 permit participants to include the results of those activities as a  
13 participant's registered emissions results, or as a part thereof.  
14 Procedures and protocols shall require, at a minimum, that those  
15 forestry activities meet the following criteria in order to be  
16 reported as a participant's emissions results, or as a part thereof:

17 (1) Forestry activities that are reported as a participant's  
18 emissions results, or as a part thereof, shall be based on forest  
19 management practices within a defined project area that exceed  
20 applicable federal, state, and local land use laws and regulations,  
21 including, but not limited to, the Z'berg-Nejedly Forest Practice  
22 Act of 1973 (Chapter 8 (commencing with Section 4511) of Part  
23 2 of Division 4 of the Public Resources Code). Applicable  
24 federal, state, and local land use laws and regulations shall be  
25 those in effect each time a participant registers a defined project  
26 area in the registry.

27 (2) Forestry activities that are reported as a participant's  
28 emissions results, or a part thereof, shall occur on forestland that  
29 is permanently dedicated to forest use through a restriction,  
30 granted in perpetuity, on the use that may be made of real  
31 property that is consistent with the conservation purposes listed  
32 in Section 170(h)(4)(A)(ii) and (iii) of Title 26 of the United  
33 States Code.

34 (3) Forestry activities reported as emissions results, or as a  
35 part thereof, shall reflect the amount of time that net carbon gains  
36 are stored.

37 (4) Forestry activities maintain and promote native forest  
38 types.

1 (5) If emissions results are derived from forest lands  
 2 undergoing harvest and regeneration, those results are derived  
 3 from natural forest management practices.

4 (f) Adopt procedures and protocols for certification of reported  
 5 baseline emissions and emissions results. When adopting  
 6 procedures and protocols for the certification, the registry shall  
 7 consider the availability and suitability of simplified techniques  
 8 and tools.

9 ~~(f)~~  
 10 (g) Qualify third-party organizations that have the capability to  
 11 certify reported baseline emissions and emissions results, and  
 12 that are capable of certifying the participant-reported results as  
 13 provided in this chapter.

14 ~~(g)~~  
 15 (h) Adopt procedures and protocols, including a uniform  
 16 format for reporting emissions baselines and emissions results to  
 17 facilitate their recognition in any future regulatory regime.

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

26 ~~(i) Encourage~~

27 (j) *Coordinate with state agencies to promote the development*  
 28 *of harmonized reporting standards for measuring, accounting,*  
 29 *reporting, and certifying greenhouse gas emissions. The registry*  
 30 *shall also encourage organizations from various sectors of the*  
 31 *state’s economy, and those from various geographic regions of*  
 32 *the state, to report emissions, establish baselines and reduction*  
 33 *targets, and implement efficiency improvement and renewable*  
 34 *energy programs to achieve those targets, and, to the extent*  
 35 *possible, coordinate its policies and programs with policies and*  
 36 *programs in other states and regions to ensure that businesses*  
 37 *and organizations operating both in this state and out of state*  
 38 *follow uniform and consistent protocols when reporting to*  
 39 *multiple registries, states, or regions.*

40 ~~(j)~~

1     *(k)* Recognize, publicize, and promote participants.

2     ~~*(k)*~~

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

7     ~~*(l)*~~

8     *(m)* In consultation with the state board, adopt procedures and  
9 protocols for the reporting and certification of reductions in  
10 emissions of greenhouse gases, to the extent permitted by state  
11 and federal law, for those reductions achieved prior to the  
12 operative date of the regulations adopted pursuant to subdivision  
13 *(a)* of Section 43018.5.