

AMENDED IN ASSEMBLY MARCH 31, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 32**

**Introduced by Assembly Member Pavley**  
**(Coauthors: Assembly Members Chan, Hancock, Koretz, 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 amended, 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  
4 following:

5 (a) It is in the best interest of the State of California, the  
6 United States of America, and the earth as a whole, to encourage  
7 voluntary actions to achieve all economically beneficial  
8 reductions of greenhouse gas emissions from California sources.

9 (b) Mandatory greenhouse gas emissions reductions may be  
10 imposed on California sources at some future point, and in view  
11 of this, the state has a responsibility to use its best efforts to  
12 ensure that organizations that voluntarily inventory their  
13 emissions receive appropriate consideration for changes in  
14 emissions quantities made prior to the implementation of any  
15 mandatory programs.

16 (c) Past initiatives in the state that took early and responsible  
17 action to reduce air pollution and ozone smog have demonstrated  
18 political, economic, and technological leadership, and have  
19 proven to benefit the state.

20 (d) The state's tradition of environmental leadership should be  
21 recognized through the establishment of a registry to provide  
22 documentation of greenhouse gas emissions levels voluntarily  
23 achieved by sources in the state. The registry will provide  
24 participants an opportunity to register greenhouse gas emissions  
25 information in a consistent format using publicly reviewed and  
26 adopted procedures and protocols.

1 (e) The state hereby commits to use its best efforts to ensure  
2 that organizations that establish greenhouse gas emissions  
3 baselines and register emissions results that are certified in  
4 accordance with this chapter receive appropriate consideration  
5 under any future international, federal, or state regulatory scheme  
6 relating to greenhouse gas emissions. The state cannot guarantee  
7 that any regulatory regime relating to greenhouse gas emissions  
8 will recognize the baselines and annual results recorded in the  
9 registry.

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

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

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

28 42823. The registry shall perform all of the following  
29 functions:

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

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

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

39 (3) Designing and implementing organization-specific plans  
40 that improve energy efficiency or utilize renewable energy, or

1 both, and that are capable of achieving emission reduction  
2 targets.

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

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

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

22 (d) ~~(4)~~—In coordination with the California Environmental  
23 Protection Agency and the State Energy Resources Conservation  
24 and Development Commission, the registry shall ~~perform both of~~  
25 ~~the following functions:~~

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

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

34 ~~(1)~~—

35 (1) Oil and natural gas exploration, extraction, processing,  
36 refining, transmission, and distribution.

37 ~~(ii)~~—

38 (2) Cement production.

39 ~~(iii)~~—

1 (3) Municipal solid waste and industrial waste hauling and  
2 disposal.

3 ~~(2) The California Environmental Protection Agency and the~~  
4 ~~State Energy Resources Conservation and Development~~  
5 ~~Commission are strongly encouraged to partially fund the~~  
6 ~~development of the registry's protocols for greenhouse gas~~  
7 ~~emissions reduction projects under subparagraph (A), and to~~  
8 ~~assist in finding resources for the development of the registry's~~  
9 ~~industry specific protocols under subparagraph (B).~~

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

23 (1) Forestry activities that are reported as a participant's  
24 emissions results, or as a part thereof, shall be based on forest  
25 management practices within a defined project area that exceed  
26 applicable federal, state, and local land use laws and regulations,  
27 including, but not limited to, the Z'berg-Nejedly Forest Practice  
28 Act of 1973 (Chapter 8 (commencing with Section 4511) of Part  
29 2 of Division 4 of the Public Resources Code). Applicable  
30 federal, state, and local land use laws and regulations shall be  
31 those in effect each time a participant registers a defined project  
32 area in the registry.

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

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

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

6 (5) If emissions results are derived from forest lands  
7 undergoing harvest and regeneration, those results are derived  
8 from natural forest management practices.

9 (f) Adopt procedures and protocols for certification of reported  
10 baseline emissions and emissions results. When adopting  
11 procedures and protocols for the certification, the registry shall  
12 consider the availability and suitability of simplified techniques  
13 and tools.

14 (g) Qualify third-party organizations that have the capability to  
15 certify reported baseline emissions and emissions results, and  
16 that are capable of certifying the participant-reported results as  
17 provided in this chapter.

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

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

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

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

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

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

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