

AMENDED IN ASSEMBLY MARCH 31, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1285**

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**Introduced by Assembly Member Fuentes**

February 18, 2011

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~~An act relating to air pollution.~~ *An act to add Part 10 (commencing with Section 38800) to Division 25.5 of the Health and Safety Code, relating to air pollution.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1285, as amended, Fuentes. ~~Community~~ *Regional* greenhouse gas emission reduction program.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions.

~~This bill would declare the intent of the Legislature to enact legislation to create a community greenhouse gas emission reduction program meeting specified requirements.~~

*This bill would require the state board to establish a program to maximize regional greenhouse gas emission reduction and sequestration projects. The state board would be required to create a system by which emission reductions achieved by projects under the program result in the creation of qualified units of exchange that may be transferred to entities subject to an emissions cap adopted pursuant to the act for*

*compliance towards that cap, as determined by the state board. The state board would be required to establish a Regional Emission Reduction Exchange to provide oversight and facilitate the transfer of qualified units of exchange. The bill would create within the Air Pollution Control Fund the Regional Emission Reduction System Account, and would provide that moneys from federal, state, regional, and private sources may be deposited in the Regional Emission Reduction System Account, and moneys within the account may be used for the purposes of the program that would be created by the bill, upon appropriation by the Legislature.*

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

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

1     *SECTION 1. Part 10 (commencing with Section 38800) is*  
2     *added to Division 25.5 of the Health and Safety Code, to read:*

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4     *PART 10. REGIONAL EMISSION REDUCTION SYSTEM*

5  
6     38800. (a) *The state board shall establish a program to*  
7     *maximize regional greenhouse gas emission reduction and*  
8     *sequestration projects. The program shall include participation*  
9     *by federal, state, regional, local, and nonprofit entities and Native*  
10    *American tribes, who shall develop and implement greenhouse*  
11    *gas emission reduction and sequestration projects.*

12    (b) *Eligible projects include, but are not limited to, all of the*  
13    *following:*

- 14    (1) *Energy efficiency.*
- 15    (2) *Localized clean energy generation.*
- 16    (3) *Increased urban greening.*
- 17    (4) *Natural resource protection and conservation.*
- 18    (5) *Increased recycling and composting.*
- 19    (6) *Other interventions that reduce greenhouse gas emissions*  
20    *and copollutant emissions.*

21    (c) *The program created pursuant to this section shall meet all*  
22    *of the following requirements:*

- 23    (1) *Promote the aggregation of projects.*
- 24    (2) *Provide incentives to entities subject to an emissions cap*  
25    *adopted pursuant to this division to invest in projects.*

- 1     (3) *Contain design elements that maximize the ability of federal,*  
2 *state, regional, local, and nonprofit entities and Native American*  
3 *tribes to participate in the program.*
- 4     (4) *Promote emission reduction projects that provide multiple*  
5 *benefits, including, but not limited to, the following benefits:*
- 6         (A) *A decrease in air or water pollution.*  
7         (B) *A reduction in the consumption of natural resources or*  
8 *energy.*  
9         (C) *An increase in the reliability of local water supplies.*  
10        (D) *A reduction in vehicle miles traveled.*  
11        (E) *Increased adaptability to climate change.*
- 12     (5) *Provide for state review and oversight of the program.*
- 13     (6) *Create incentives that take into account future state or*  
14 *federal climate change programs.*
- 15     (7) *Maximize interagency cooperation and integration,*  
16 *investments in existing agency and nonprofit programs, and the*  
17 *use of existing public lands and public resources.*
- 18     (8) *Include standardized auditing of projects.*
- 19     38801. (a) *The state board shall create a system by which*  
20 *emission reductions achieved by projects under this part result in*  
21 *the creation of qualified units of exchange that may be transferred*  
22 *to entities subject to an emissions cap adopted pursuant to this*  
23 *division for compliance towards that cap, as determined by the*  
24 *state board.*
- 25        (b) (1) *The state board shall establish a Regional Emission*  
26 *Reduction Exchange to provide oversight and facilitate the transfer*  
27 *of qualified units of exchange.*
- 28        (2) *The Regional Emission Reduction Exchange shall meet all*  
29 *of the following requirements:*
- 30            (A) *Ensure that only real, verifiable, and additional projects*  
31 *result in the creation of qualified units of exchange.*
- 32            (B) *Ensure the proper accounting of emission reductions*  
33 *represented by qualified units of exchange.*
- 34            (C) *Promote the financing of projects, especially those projects*  
35 *located in a disadvantaged community.*
- 36     38805. *There is created within the Air Pollution Control Fund*  
37 *the Regional Emission Reduction System Account. Moneys from*  
38 *federal, state, regional, and private sources may be deposited in*  
39 *the Regional Emission Reduction System Account. Moneys in the*

1 *Regional Emission Reduction System Account may be used for the*  
2 *purposes of this part, upon appropriation by the Legislature.*

3 ~~SECTION 1. In order to further the goals of existing state and~~  
4 ~~federal regulatory greenhouse gas emission reductions programs,~~  
5 ~~it is the intent of the Legislature to enact legislation to create a~~  
6 ~~community greenhouse gas emission reduction program that would~~  
7 ~~facilitate, account for, and provide state oversight over local~~  
8 ~~government and nonprofit investments relating to greenhouse~~  
9 ~~gases. The community greenhouse gas emission reduction program~~  
10 ~~would accommodate broad participation, encourage the aggregation~~  
11 ~~of innovative renewable energy projects, and facilitate the awarding~~  
12 ~~of emission allowances to local entities.~~