

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1102

Introduced by Assembly Member Grove

February 22, 2013

An act to ~~amend Section 38562 of~~ *add Section 38572 to* the Health and Safety Code, relating to air resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 1102, as amended, Grove. Air resources: greenhouse gas emissions.

The California Global Warming Solutions Act of 2006 authorizes the State Air Resources Board, known as ARB, by regulation, to adopt a market-based compliance mechanism to further the achievement of the statewide greenhouse gas emissions limits.

This bill would require the ARB, if the ARB adopts a market-based compliance mechanism that provides for the auctioning of greenhouse gas allowances, to auction program allowances consigned by an electrical corporation or a local publicly owned electric utility before auctioning any other allowances.

~~Existing law requires the State Air Resources Board to adopt and revise regulations regarding greenhouse gas emission limits and emission reduction measures, and to authorize the establishment of a system of market-based declining annual aggregate emission limits for sources or categories of sources that emit greenhouse gas emissions.~~

~~This bill would make nonsubstantive changes to the above provision.~~

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. Section 38572 is added to the Health and Safety~~
2 ~~Code, to read:~~

3 ~~38572. If the state board adopts a market-based compliance~~
4 ~~mechanism pursuant to this part that provides for the auctioning~~
5 ~~of greenhouse gas allowances, the state board shall auction~~
6 ~~program allowances consigned by an electrical corporation or a~~
7 ~~local publicly owned electric utility before auctioning any other~~
8 ~~allowances.~~

9 ~~SECTION 1. Section 38562 of the Health and Safety Code is~~
10 ~~amended to read:~~

11 ~~38562. (a) On or before January 1, 2011, the state board shall~~
12 ~~adopt greenhouse gas emission limits and emission reduction~~
13 ~~measures by regulation to achieve the maximum technologically~~
14 ~~feasible and cost-effective reductions in greenhouse gas emissions~~
15 ~~in furtherance of achieving the statewide greenhouse gas emissions~~
16 ~~limit, to become operative beginning on January 1, 2012.~~

17 ~~(b) In adopting regulations pursuant to this section and Part 5~~
18 ~~(commencing with Section 38570), to the extent feasible and in~~
19 ~~furtherance of achieving the statewide greenhouse gas emissions~~
20 ~~limit, the state board shall do all of the following:~~

21 ~~(1) Design the regulations, including distribution of emissions~~
22 ~~allowances where appropriate, in a manner that is equitable, seeks~~
23 ~~to minimize costs and maximize the total benefits to California,~~
24 ~~and encourages early action to reduce greenhouse gas emissions.~~

25 ~~(2) Ensure that activities undertaken to comply with the~~
26 ~~regulations do not disproportionately impact low-income~~
27 ~~communities.~~

28 ~~(3) Ensure that entities that have voluntarily reduced their~~
29 ~~greenhouse gas emissions before the implementation of this section~~
30 ~~receive appropriate credit for early voluntary reductions.~~

31 ~~(4) Ensure that activities undertaken pursuant to the regulations~~
32 ~~complement, and do not interfere with, efforts to achieve and~~
33 ~~maintain federal and state ambient air quality standards and to~~
34 ~~reduce toxic air contaminant emissions.~~

35 ~~(5) Consider cost-effectiveness of these regulations.~~

36 ~~(6) Consider overall societal benefits, including reductions in~~
37 ~~other air pollutants, diversification of energy sources, and other~~
38 ~~benefits to the economy, environment, and public health.~~

- 1 ~~(7) Minimize the administrative burden of implementing and~~
2 ~~complying with these regulations.~~
- 3 ~~(8) Minimize leakage.~~
- 4 ~~(9) Consider the significance of the contribution of each source~~
5 ~~or category of sources to statewide emissions of greenhouse gases.~~
- 6 ~~(e) In furtherance of achieving the statewide greenhouse gas~~
7 ~~emissions limit, by January 1, 2011, the state board may adopt a~~
8 ~~regulation that establishes a system of market-based declining~~
9 ~~annual aggregate emission limits for sources or categories of~~
10 ~~sources that emit greenhouse gas emissions, applicable from~~
11 ~~January 1, 2012, to December 31, 2020, inclusive, that the state~~
12 ~~board determines will achieve the maximum technologically~~
13 ~~feasible and cost-effective reductions in greenhouse gas emissions,~~
14 ~~in the aggregate, from those sources or categories of sources.~~
- 15 ~~(d) Any regulation adopted by the state board pursuant to this~~
16 ~~part or Part 5 (commencing with Section 38570) shall ensure all~~
17 ~~of the following:~~
- 18 ~~(1) The greenhouse gas emission reductions achieved are real,~~
19 ~~permanent, quantifiable, verifiable, and enforceable by the state~~
20 ~~board.~~
- 21 ~~(2) For regulations pursuant to Part 5 (commencing with Section~~
22 ~~38570), the reduction is in addition to any greenhouse gas emission~~
23 ~~reduction otherwise required by law or regulation, and any other~~
24 ~~greenhouse gas emission reduction that otherwise would occur.~~
- 25 ~~(3) If applicable, the greenhouse gas emission reduction occurs~~
26 ~~over the same time period and is equivalent in amount to a direct~~
27 ~~emission reduction required pursuant to this division.~~
- 28 ~~(e) The state board shall rely upon the best available economic~~
29 ~~and scientific information and its assessment of existing and~~
30 ~~projected technological capabilities when adopting the regulations~~
31 ~~required by this section.~~
- 32 ~~(f) The state board shall consult with the Public Utilities~~
33 ~~Commission in the development of the regulations as they affect~~
34 ~~electricity and natural gas providers to minimize duplicative or~~
35 ~~inconsistent regulatory requirements.~~
- 36 ~~(g) After January 1, 2011, the state board may revise regulations~~
37 ~~adopted pursuant to this section and adopt additional regulations~~
38 ~~to further the provisions of this division.~~

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