

AMENDED IN ASSEMBLY SEPTEMBER 9, 2013

AMENDED IN ASSEMBLY SEPTEMBER 6, 2013

AMENDED IN ASSEMBLY AUGUST 22, 2013

AMENDED IN ASSEMBLY AUGUST 5, 2013

AMENDED IN ASSEMBLY JUNE 24, 2013

AMENDED IN SENATE MAY 24, 2013

AMENDED IN SENATE APRIL 8, 2013

**SENATE BILL**

**No. 726**

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**Introduced by Senator Lara**

February 22, 2013

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An act to add Section 12894.5 to the Government Code, and to add ~~Section 38575 to Chapter 4.2 (commencing with Section 39730) to Part 2 of Division 26 of the Health and Safety Code~~, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

SB 726, as amended, Lara. California Global Warming Solutions Act of 2006.

(1) 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 emissions reductions.

Existing law also imposes conditions on the Western Climate Initiative, Incorporated, a nongovernmental entity created to assist the state board in the implementation of the act. Existing law specifies who may serve as part of the California membership of the board of directors of the Western Climate Initiative, Incorporated.

This bill, commencing January 1, 2014, would require the state board to include information on all proposed expenditures and allocations of moneys to the Western Climate Initiative, Incorporated, in the Governor's Budget. The bill would require the state board to report to the Joint Legislative Budget Committee on specified procurements proposed by the Western Climate Initiative, Incorporated.

(2) The Bagley-Keene Open Meeting Act generally requires that all meetings of a state body be open and public. Existing law exempts the Western Climate Initiative, Incorporated, and its appointees from the Bagley-Keene Open Meeting Act when performing their duties. The California Public Records Act requires state and local agencies to make public records available for inspection by the public, subject to specified criteria, and with specified exceptions.

This bill would require the California membership of the Western Climate Initiative, Incorporated, to participate on the board of directors so long as the Western Climate Initiative, Incorporated, maintains a specified open meetings policy, a specified public records policy, and bylaws limiting the activities of the Western Climate Initiative, Incorporated, to the technical and operational support of the greenhouse gas emissions reduction programs of California and other jurisdictions.

~~(3) The California Global Warming Solutions Act of 2006 authorizes the state board to include the use of market-based compliance mechanisms.~~

~~This bill would prohibit the use of sector-based offsets as part of a market-based compliance mechanism prior to January 1, 2017.~~

*(3) The California Global Warming Solutions Act of 2006 requires the state board to adopt a statewide greenhouse gas emissions limit, as defined, to be achieved by 2020, equivalent to the statewide greenhouse gas emissions levels in 1990. The act requires the state board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions. The act requires the scoping plan to be updated at least once every 5 years.*

*This bill would require the state board to complete a comprehensive strategy to reduce emissions of short-lived climate pollutants, as defined,*

*in the state, as specified. The bill, no later than December 31, 2014, would require the state board to propose for consideration a regulation to reduce emissions from oil and gas extraction, processing, and storage to ensure near-term reductions of short-lived climate pollutants. The bill, no later than December 31, 2014, would require the state board to complete and publish its evaluation, as required under the board's regulations, of the opportunities for the largest industrial sources of greenhouse gas emissions in the state to improve efficiency and reduce onsite emissions of greenhouse gases and to include recommendations for actions to achieve significant, cost-effective, and onsite reductions of greenhouse gases.*

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 12894.5 is added to the Government  
2 Code, to read:

3 12894.5. (a) The Legislature finds and declares ~~that both of~~  
4 *the following:*

5 (1) California's participation in the Western Climate Initiative,  
6 Incorporated, requires that its sole purpose be to provide  
7 operational and technical support to California in its  
8 implementation of Division 25.5 (commencing with Section 38500)  
9 of the Health and Safety Code and to provide support to the  
10 greenhouse gas emissions reduction programs of other jurisdictions.  
11 Given its limited scope of activities, the Western Climate Initiative,  
12 Incorporated, does not have the authority to create policy with  
13 respect to any existing or future program or regulation undertaken  
14 pursuant to Division 25.5 (commencing with Section 38500) of  
15 the Health and Safety Code.

16 (2) *The state recognizes the ongoing efforts of the Western*  
17 *Climate Initiative, Incorporated, to develop policies that are*  
18 *consistent with the Bagley-Keene Open Meeting Act (Article 9*  
19 *(commencing with Section 11120) of Chapter 1 of Part 1 of*  
20 *Division 3 of Title 2 of the Government Code) and the California*  
21 *Public Records Act (Chapter 3.5 (commencing with Section 6250)*  
22 *of Division 7 of Title 1 of the Government Code) as well as bylaws*  
23 *that meet the requirements of this section.*

1 (b) The California membership of the Board of Directors of the  
2 Western Climate Initiative, Incorporated, as established pursuant  
3 to Section 12894, shall participate on the board so long as the  
4 Western Climate Initiative, Incorporated, maintains policies and  
5 bylaws according to all of the following:

6 (1) An open meetings policy that is and remains consistent with  
7 the general policies of the Bagley-Keene Open Meeting Act  
8 (Article 9 (commencing with Section 11120) of Chapter 1 of Part  
9 1) and affords the public the greatest possible access consistent  
10 with the other duties of the Western Climate Initiative,  
11 Incorporated.

12 (2) A records availability policy that is and remains consistent  
13 with the general policies of the California Public Records Act  
14 (Chapter 3.5 (commencing with Section 6250) of Division 7 of  
15 Title 1) and affords the public access to corporate records consistent  
16 with the operating needs and other duties of the Western Climate  
17 Initiative, Incorporated, and all applicable legal privileges.

18 (3) Bylaws that limit the activities of the Western Climate  
19 Initiative, Incorporated, to the technical and operational support  
20 of the greenhouse gas emissions reduction programs of California  
21 and other jurisdictions. These bylaws shall not allow the Western  
22 Climate Initiative, Incorporated, to have policymaking authority  
23 with respect to these programs.

24 (c) The State Air Resources Board shall provide notice to the  
25 Joint Legislative Budget Committee for all procurements over one  
26 hundred fifty thousand dollars (\$150,000) proposed by the Western  
27 Climate Initiative, Incorporated, that are expected to result in a  
28 contract no later than 30 days prior to the execution of those  
29 contracts.

30 (d) Commencing January 1, 2014, the State Air Resources Board  
31 shall include information on all proposed expenditures and  
32 allocations of moneys to the Western Climate Initiative,  
33 Incorporated, in the Governor's Budget.

34 ~~SEC. 2. Section 38575 is added to the Health and Safety Code,~~  
35 ~~to read:~~

36 ~~38575. Sector-based offsets shall not be eligible for use for~~  
37 ~~purposes of this part prior to January 1, 2017.~~

38 *SEC. 2. Chapter 4.2 (commencing with Section 39730) is added*  
39 *to Part 2 of Division 26 of the Health and Safety Code, to read:*

CHAPTER 4.2. GLOBAL WARMING

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39730. (a) No later than January 1, 2016, the state board shall complete a comprehensive strategy to reduce emissions of short-lived climate pollutants in the state. In developing the strategy, the state board shall do all of the following:

- (1) Complete an inventory of sources and emissions of short-lived climate pollutants in the state based on available data.
- (2) Identify research needs to address any data gaps.
- (3) Identify existing and potential new control measures to reduce emissions from oil and gas production, agriculture, waste, and any other sector identified by the state board.
- (4) Prioritize the development of new measures for short-lived climate pollutants that offer cobenefits by reducing other air pollutants that impact community health.
- (5) Coordinate with other state agencies and districts to develop and implement measures beyond the authority of the state board.

(b) As part of the strategy developed pursuant to subdivision (a), the state board shall consult with experts in academia, industry, and the community on short-lived climate pollutants. The topics shall include, but not be limited to, all of the following:

- (1) Assessment of the current status of controls that directly or indirectly reduce emissions of short-lived climate pollutants in the state.
- (2) Identification of opportunities and challenges for controlling the emissions.
- (3) Recommendations to further reduce emissions.

(c) To provide a forum for public engagement, the state board shall hold at least one public workshop during the development of the strategy required pursuant to subdivision (a).

(d) No later than December 31, 2014, the state board shall propose for consideration a regulation to reduce emissions from oil and gas extraction, processing, and storage to ensure near-term reductions of short-lived climate pollutants.

(e) For purposes of this section, “short-lived climate pollutant” means an agent that has a relatively short lifetime in the atmosphere, from a few days to a few decades, and a warming influence on the climate.

39731. No later than December 31, 2014, the state board shall complete and publish its evaluation, including the findings of

1 *independent third-party audits, of the opportunities for the largest*  
2 *industrial sources of greenhouse gas emissions in the state,*  
3 *pursuant to Sections 95600 to 95612, inclusive, of Title 17 of the*  
4 *California Code of Regulations, to improve efficiency and reduce*  
5 *onsite emissions of greenhouse gases. The state board shall include*  
6 *recommendations for actions to achieve any significant,*  
7 *cost-effective, onsite reductions of greenhouse gases, including,*  
8 *but not limited to, equipment modification, equipment upgrade,*  
9 *changes to maintenance practices, and the use of combined heat*  
10 *and power, with a priority on actions that also could reduce other*  
11 *pollutants that impact community health.*

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