

**ASSEMBLY BILL**

**No. 21**

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**Introduced by Assembly Member Perea**

December 1, 2014

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An act to amend Sections 38501, 38551, and 38561 of the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

AB 21, as introduced, Perea. California Global Warming Solutions Act of 2006: emissions limit: scoping plan.

The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act 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 make recommendations to the Governor and the Legislature on how to continue the reduction of greenhouse gas emissions beyond 2020.

The act also 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.

This bill would require the state board, no later than January 1, 2018, to recommend to the Governor and the Legislature a specific target of statewide emissions reductions for 2030 to be accomplished in a cost-effective manner.

This bill would require the state board in preparing its scoping plan to consult with specified state agencies regarding matters involving

energy efficiency and the facilitation of the electrification of the transportation sector.

This bill also would make various 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 38501 of the Health and Safety Code is  
2 amended to read:

3 38501. The Legislature finds and declares all of the following:

4 (a) Global warming poses a serious threat to the economic  
5 well-being, public health, natural resources, and the environment  
6 of California. The potential adverse impacts of global warming  
7 include the exacerbation of air quality problems, a reduction in  
8 the quality and supply of water to the state from the Sierra  
9 snowpack, a rise in sea levels resulting in the displacement of  
10 thousands of coastal businesses and residences, damage to marine  
11 ecosystems and the natural environment, and an increase in the  
12 incidences of infectious diseases, asthma, and other human  
13 health-related problems.

14 (b) Global warming will have detrimental effects on some of  
15 California’s largest industries, including agriculture, wine, tourism,  
16 skiing, recreational and commercial fishing, and forestry. It will  
17 also increase the strain on electricity supplies necessary to meet  
18 the demand for summer air-conditioning in the hottest parts of the  
19 state.

20 (c) California has long been a national and international leader  
21 on energy conservation and environmental stewardship efforts,  
22 including the areas of air quality protections, energy efficiency  
23 requirements, renewable energy standards, natural resource  
24 conservation, and greenhouse gas-~~emission~~ *emissions* standards  
25 for passenger vehicles. The program established by this division  
26 will continue this tradition of environmental leadership by placing  
27 California at the forefront of national and international efforts to  
28 reduce emissions of greenhouse gases.

29 (d) National and international actions are necessary to fully  
30 address the issue of global warming. However, action taken by  
31 California to reduce emissions of greenhouse gases will have

1 far-reaching effects by encouraging other states, the federal  
2 government, and other countries to act.

3 (e) By exercising a global leadership role, California will also  
4 position its economy, technology centers, financial institutions,  
5 and businesses to benefit from national and international efforts  
6 to reduce emissions of greenhouse gases. More importantly,  
7 investing in the development of innovative and pioneering  
8 technologies will assist California in achieving the 2020 statewide  
9 limit on emissions of greenhouse gases established by this division  
10 and will provide an opportunity for the state to take a global  
11 economic and technological leadership role in reducing emissions  
12 of greenhouse gases.

13 (f) *Having made significant strides between 2006 and 2014 in*  
14 *reducing greenhouse gas emissions, California continues to*  
15 *demonstrate and exercise national and global leadership by*  
16 *establishing a statewide greenhouse gas emissions limit for 2030.*

17 (f)

18 (g) It is the intent of the Legislature that the State Air Resources  
19 Board coordinate with state agencies, as well as consult with the  
20 environmental justice community, industry sectors, business  
21 groups, academic institutions, environmental organizations, and  
22 other ~~stakeholders~~ *stakeholders*, in implementing this division.

23 (g)

24 (h) It is the intent of the Legislature that the State Air Resources  
25 Board consult with the Public Utilities Commission in the  
26 development of emissions reduction measures, including limits on  
27 emissions of greenhouse gases applied to electricity and natural  
28 gas providers regulated by the Public Utilities Commission in order  
29 to ensure that electricity and natural gas providers are not required  
30 to meet duplicative or inconsistent regulatory requirements.

31 (h)

32 (i) It is the intent of the Legislature that the State Air Resources  
33 Board design emissions reduction measures to meet the statewide  
34 emissions limits for greenhouse gases established pursuant to this  
35 division in a manner that *cleans the environment in ways that are*  
36 *affordable for California residents*, minimizes costs and maximizes  
37 benefits for California's economy, improves and modernizes  
38 California's energy infrastructure and maintains electric system  
39 reliability, maximizes additional environmental and economic

1 co-benefits for California, and complements the state's efforts to  
2 improve air quality.

3 (i)

4 (j) It is the intent of the Legislature that the Climate Action  
5 Team established by the Governor to coordinate the efforts set  
6 forth under Executive Order S-3-05 continue its role in  
7 coordinating overall climate policy.

8 SEC. 2. Section 38551 of the Health and Safety Code is  
9 amended to read:

10 38551. (a) The statewide greenhouse gas emissions limit *for*  
11 *2020* shall remain in effect unless otherwise amended or repealed.

12 (b) It is the intent of the Legislature that the statewide  
13 greenhouse gas emissions limit *for 2020* continue in existence and  
14 be used to maintain and continue reductions in emissions of  
15 greenhouse gases beyond 2020.

16 (c) (1) The state board shall make recommendations to the  
17 Governor and the Legislature on how to continue *further* reductions  
18 of greenhouse gas emissions beyond 2020.

19 (2) *No later than January 1, 2018, the state board shall*  
20 *recommend to the Governor and the Legislature a specific target*  
21 *of statewide emissions reductions for 2030 to be accomplished in*  
22 *a cost-effective manner consistent with paragraph (1).*

23 SEC. 3. Section 38561 of the Health and Safety Code is  
24 amended to read:

25 38561. (a) (1) On or before January 1, 2009, the state board  
26 shall prepare and approve a scoping plan, as that term is understood  
27 by the state board, for achieving the maximum technologically  
28 feasible and cost-effective reductions in greenhouse gas emissions  
29 from sources or categories of sources of greenhouse gases by 2020  
30 under this division. ~~The~~

31 (2) *The state board shall consult with all state agencies with*  
32 *jurisdiction over sources of greenhouse gases, including the Public*  
33 *Utilities Commission and the State Energy Resources Conservation*  
34 *and Development Commission, ~~on~~ in developing all elements of*  
35 *its plan that pertain to ~~energy-related~~ energy-related matters*  
36 *including, but not limited to, electrical generation, energy*  
37 *efficiency, load based-standards or requirements, the provision of*  
38 *reliable and affordable electrical service, petroleum refining, the*  
39 *facilitation of the electrification of the transportation sector, and*  
40 *statewide fuel supplies to ensure the greenhouse gas emissions*

1 reduction activities to be adopted and implemented by the state  
2 board are complementary, nonduplicative, and can be implemented  
3 in an efficient and cost-effective manner.

4 (b) The plan shall identify and make recommendations on direct  
5 ~~emission~~ *emissions* reduction measures, alternative compliance  
6 mechanisms, market-based compliance mechanisms, and potential  
7 monetary and nonmonetary incentives for sources and categories  
8 of sources that the state board finds are necessary or desirable to  
9 facilitate the achievement of the maximum feasible and  
10 cost-effective reductions of greenhouse gas emissions by 2020.

11 (c) In making the determinations required by subdivision (b),  
12 the state board shall consider all relevant information pertaining  
13 to greenhouse gas emissions reduction programs in other states,  
14 localities, and nations, including the northeastern states of the  
15 United States, Canada, and the European Union.

16 (d) The state board shall evaluate the total potential costs and  
17 total potential economic and noneconomic benefits of the plan for  
18 reducing greenhouse gases to California's economy, environment,  
19 and public health, using the best available economic models,  
20 emission estimation techniques, and other scientific methods.

21 (e) In developing its plan, the state board shall take into account  
22 the relative contribution of each source or source category to  
23 statewide greenhouse gas emissions, and the potential for adverse  
24 effects on small businesses, and shall recommend a de minimis  
25 threshold of greenhouse gas emissions below which ~~emission~~  
26 *emissions* reduction requirements will not apply.

27 (f) In developing its plan, the state board shall identify  
28 opportunities for ~~emission reductions~~ *emissions reduction* measures  
29 from all verifiable and enforceable voluntary actions, including,  
30 but not limited to, carbon sequestration projects and best  
31 management practices.

32 (g) The state board shall conduct a series of public workshops  
33 to give interested parties an opportunity to comment on the plan.  
34 The state board shall conduct a portion of these workshops in  
35 regions of the state that have the most significant exposure to air  
36 pollutants, including, but not limited to, communities with minority  
37 populations, communities with low-income populations, or both.

- 1 (h) The state board shall update its plan for achieving the
- 2 maximum technologically feasible and cost-effective reductions
- 3 of greenhouse gas emissions at least once every five years.

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