

AMENDED IN SENATE JUNE 1, 2015
AMENDED IN SENATE MAY 5, 2015
AMENDED IN SENATE MARCH 16, 2015

SENATE BILL

No. 32

Introduced by Senator Pavley

(Coauthors: Senators Allen, Beall, Block, De León, Hancock, Hill, Jackson, Leno, Liu, McGuire, Mitchell, Monning, Wieckowski, and Wolk)

(Coauthors: Assembly Members Bloom, Cristina Garcia, Rendon, and Mark Stone)

December 1, 2014

An act to amend Sections 38505, 38550, 38551, and 38561 of the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

SB 32, as amended, Pavley. California Global Warming Solutions Act of 2006: emissions limit.

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.

This bill would require the state board to approve—a statewide greenhouse gas emissions ~~limit that is equivalent to~~ *limits that are the equivalent to 40% below the 1990 level to be achieved by 2030 and*

80% below the 1990 level to be achieved by 2050, as specified. The bill would authorize the state board to adopt *an* interim greenhouse gas emissions level ~~targets~~ *target* to be achieved by ~~2030 and~~ 2040. The bill also would state the intent of the Legislature for the Legislature and appropriate agencies to adopt complementary policies that ensure the long-term emissions reductions advance specified criteria. The bill would make conforming changes.

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 38505 of the Health and Safety Code is
2 amended to read:
3 38505. For purposes of this division, the following terms have
4 the following meanings:
5 (a) “Allowance” means an authorization to emit, during a
6 specified year, up to one ton of carbon dioxide equivalent.
7 (b) “Alternative compliance mechanism” means an action
8 undertaken by a greenhouse gas emission source that achieves the
9 equivalent reduction of greenhouse gas emissions over the same
10 time period as a direct emission reduction, and that is approved
11 by the state board. “Alternative compliance mechanism” includes,
12 but is not limited to, a flexible compliance schedule, alternative
13 control technology, a process change, or a product substitution.
14 (c) “Carbon dioxide equivalent” means the amount of carbon
15 dioxide by weight that would produce the same global warming
16 impact as a given weight of another greenhouse gas, based on the
17 best available science, including from the Intergovernmental Panel
18 on Climate Change.
19 (d) “Cost-effective” or “cost-effectiveness” means the cost per
20 unit of reduced emissions of greenhouse gases adjusted for its
21 global warming potential.
22 (e) “Direct emission reduction” means a greenhouse gas
23 emission reduction action made by a greenhouse gas emission
24 source at that source.
25 (f) “Emissions reduction measure” means programs, measures,
26 standards, and alternative compliance mechanisms authorized
27 pursuant to this division, applicable to sources or categories of
28 sources, that are designed to reduce emissions of greenhouse gases.

1 (g) “Greenhouse gas” or “greenhouse gases” includes all of the
2 following gases:

- 3 (1) Carbon dioxide.
- 4 (2) Methane.
- 5 (3) Nitrous oxide.
- 6 (4) Hydrofluorocarbons.
- 7 (5) Perfluorocarbons.
- 8 (6) Sulfur hexafluoride.
- 9 (7) Nitrogen trifluoride.

10 (h) “Greenhouse gas emissions limit” means an authorization,
11 during a specified year, to emit up to a level of greenhouse gases
12 specified by the state board, expressed in tons of carbon dioxide
13 equivalents.

14 (i) “Greenhouse gas emission source” or “source” means any
15 source, or category of sources, of greenhouse gas emissions whose
16 emissions are at a level of significance, as determined by the state
17 board, that its participation in the program established under this
18 division will enable the state board to effectively reduce greenhouse
19 gas emissions and monitor compliance with the statewide
20 greenhouse gas emissions limit.

21 (j) “Leakage” means a reduction in emissions of greenhouse
22 gases within the state that is offset by an increase in emissions of
23 greenhouse gases outside the state.

24 (k) “Market-based compliance mechanism” means either of the
25 following:

26 (1) A system of market-based declining annual aggregate
27 emissions limitations for sources or categories of sources that emit
28 greenhouse gases.

29 (2) Greenhouse gas emissions exchanges, banking, credits, and
30 other transactions, governed by rules and protocols established by
31 the state board, that result in the same greenhouse gas emission
32 reduction, over the same time period, as direct compliance with a
33 greenhouse gas emission limit or emissions reduction measure
34 adopted by the state board pursuant to this division.

35 (l) “State board” means the State Air Resources Board.

36 (m) “Statewide greenhouse gas emissions” means the total
37 annual emissions of greenhouse gases in the state, including all
38 emissions of greenhouse gases from the generation of electricity
39 delivered to and consumed in California, accounting for
40 transmission and distribution line losses, whether the electricity

1 is generated in state or imported. Statewide emissions shall be
2 expressed in tons of carbon dioxide equivalents.

3 (n) “Statewide greenhouse gas emissions limit” or “statewide
4 emissions limit” means the maximum allowable level of statewide
5 greenhouse gas emissions, as determined by the state board
6 pursuant to Part 3 (commencing with Section 38550).

7 SEC. 2. Section 38550 of the Health and Safety Code is
8 amended to read:

9 38550. (a) By January 1, 2008, the state board shall, after one
10 or more public workshops, with public notice, and an opportunity
11 for all interested parties to comment, determine what the statewide
12 greenhouse gas emissions level was in 1990, and approve in a
13 public hearing, a statewide greenhouse gas emissions limit that is
14 equivalent to that level, to be achieved by 2020. In order to ensure
15 the most accurate determination feasible, the state board shall
16 evaluate the best available scientific, technological, and economic
17 information on greenhouse gas emissions to determine the 1990
18 level of greenhouse gas emissions.

19 ~~(b) (1) Notwithstanding subdivision (a), the state board shall~~
20 ~~approve in a public hearing a statewide greenhouse gas emissions~~
21 ~~limit that is equivalent to 80 percent below the 1990 level, as~~
22 ~~determined pursuant to subdivision (a) or Section 39730, to be~~
23 ~~achieved by 2050 based on the best available scientific,~~
24 ~~technological, and economic assessments. The greenhouse gas~~
25 ~~emissions limit shall include short-lived climate pollutants, as~~
26 ~~defined in Chapter 4.2 (commencing with Section 39730) of Part~~
27 ~~2 of Division 26.~~

28 *(b) (1) (A) Notwithstanding subdivision (a), the state board*
29 *shall approve in a public hearing, based on the best available*
30 *scientific, technological, and economic assessments, all of the*
31 *following:*

32 *(i) A statewide greenhouse gas emissions limit that is equivalent*
33 *to 40 percent below the 1990 level, as determined pursuant to*
34 *subdivision (a) or Section 39730, to be achieved by 2030.*

35 *(ii) A statewide greenhouse gas emissions limit that is equivalent*
36 *to 80 percent below the 1990 level, as determined pursuant to*
37 *subdivision (a) or Section 39730, to be achieved by 2050.*

38 *(B) For the purposes of this paragraph, a greenhouse gas*
39 *emissions limit shall include short-lived climate pollutants, as*

1 *defined in Chapter 4.2 (commencing with Section 39730) of Part*
2 *2 of Division 26.*

3 (2) The state board also may approve *an* interim greenhouse
4 gas emissions level ~~targets~~ *target* to be achieved by ~~2030 and 2040~~
5 consistent with paragraph (1).

6 SEC. 3. Section 38551 of the Health and Safety Code is
7 amended to read:

8 38551. (a) ~~The~~ *Each of the* statewide greenhouse gas emissions
9 ~~limit~~ *limits* shall remain in effect unless otherwise amended or
10 repealed.

11 (b) It is the intent of the Legislature that the ~~2050~~ statewide
12 greenhouse gas emissions ~~limit~~ *limits* established pursuant to
13 Section 38550 continue in existence and be used to maintain and
14 continue reductions in emissions of greenhouse ~~gases beyond 2050.~~
15 *gases.*

16 (c) The state board shall make recommendations to the Governor
17 and the Legislature on how to continue reductions of greenhouse
18 gas emissions beyond 2050.

19 (d) In implementing subdivision (b) of Section 38550, it is the
20 intent of the Legislature for the Legislature and appropriate
21 agencies to adopt complementary policies that ensure the long-term
22 emissions reductions adopted pursuant to subdivision (b) of Section
23 38550 advance all of the following:

- 24 (1) Job growth and local economic benefits in California.
- 25 (2) Public health benefits for California residents, particularly
26 in disadvantaged communities.
- 27 (3) Innovation in technology and energy, water, and resource
28 management practices.
- 29 (4) Regional and international collaboration to adopt similar
30 greenhouse gas emissions reduction policies.

31 SEC. 4. Section 38561 of the Health and Safety Code is
32 amended to read:

33 38561. (a) (1) On or before January 1, 2009, the state board
34 shall prepare and approve a scoping plan, as that term is understood
35 by the state board, for achieving the maximum technologically
36 feasible and cost-effective reductions in greenhouse gas emissions
37 from sources or categories of sources of greenhouse gases under
38 this division.

39 (2) The state board shall consult with all state agencies with
40 jurisdiction over sources of greenhouse gases, including the Public

1 Utilities Commission and the State Energy Resources Conservation
2 and Development Commission, on all elements of its plan that
3 pertain to energy-related matters including, but not limited to,
4 electrical generation, load based-standards or requirements, the
5 provision of reliable and affordable electrical service, petroleum
6 refining, and statewide fuel supplies to ensure the greenhouse gas
7 emissions reduction activities to be adopted and implemented by
8 the state board are complementary, nonduplicative, and can be
9 implemented in an efficient and cost-effective manner.

10 (b) The plan shall identify and make recommendations on direct
11 emissions reduction measures, alternative compliance mechanisms,
12 market-based compliance mechanisms, and potential monetary
13 and nonmonetary incentives for sources and categories of sources
14 that the state board finds are necessary or desirable to facilitate
15 the achievement of the maximum feasible and cost-effective
16 reductions of greenhouse gas emissions under this division.

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

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

27 (e) In developing its plan, the state board shall take into account
28 the relative contribution of each source or source category to
29 statewide greenhouse gas emissions, and the potential for adverse
30 effects on small businesses, and shall recommend a de minimis
31 threshold of greenhouse gas emissions below which emissions
32 reduction requirements will not apply.

33 (f) In developing its plan, the state board shall identify
34 opportunities for emissions reduction measures from all verifiable
35 and enforceable voluntary actions, including, but not limited to,
36 carbon sequestration projects and best management practices.

37 (g) The state board shall conduct a series of public workshops
38 to give interested parties an opportunity to comment on the plan.
39 The state board shall conduct a portion of these workshops in
40 regions of the state that have the most significant exposure to air

1 pollutants, including, but not limited to, communities with minority
2 populations, communities with low-income populations, or both.
3 (h) The state board shall update its plan for achieving the
4 maximum technologically feasible and cost-effective reductions
5 of greenhouse gas emissions at least once every five years.

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