Introduced by Senator Galgiani

February 19, 2016

An act to amend Section 38570 of the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

SB 1443, as introduced, Galgiani. California Global Warming Solutions Act of 2006: market-based compliance mechanisms.

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. The act authorizes the state board to include the use of market-based compliance mechanisms.

This bill would make technical, nonsubstantive changes to those provisions.

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

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

- SECTION 1. Section 38570 of the Health and Safety Code is amended to read:
- 3 38570. (a) The state board may include in the regulations
- 4 adopted pursuant to Section 38562 the use of market-based
- 5 compliance mechanisms to comply with the regulations.
- (b) Prior to the inclusion of $\frac{1}{2}$ a market-based compliance
- mechanism in the regulations, to the extent feasible and in

SB 1443 -2-

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furtherance of achieving the statewide greenhouse gas emissions limit, the state board shall do all of the following:

- (1) Consider the potential for direct, indirect, and cumulative emission impacts from these mechanisms, including localized impacts in communities that are already adversely impacted by air pollution.
- (2) Design—any *a* market-based compliance mechanism to prevent—any *an* increase in the emissions of toxic air contaminants or criteria air pollutants.
- (3) Maximize additional environmental and economic benefits for California, as appropriate.
- (c) The state board shall adopt regulations governing how market-based compliance mechanisms may be used by regulated entities subject to greenhouse gas emission limits and mandatory emission reporting requirements to achieve compliance with their greenhouse gas emissions limits.