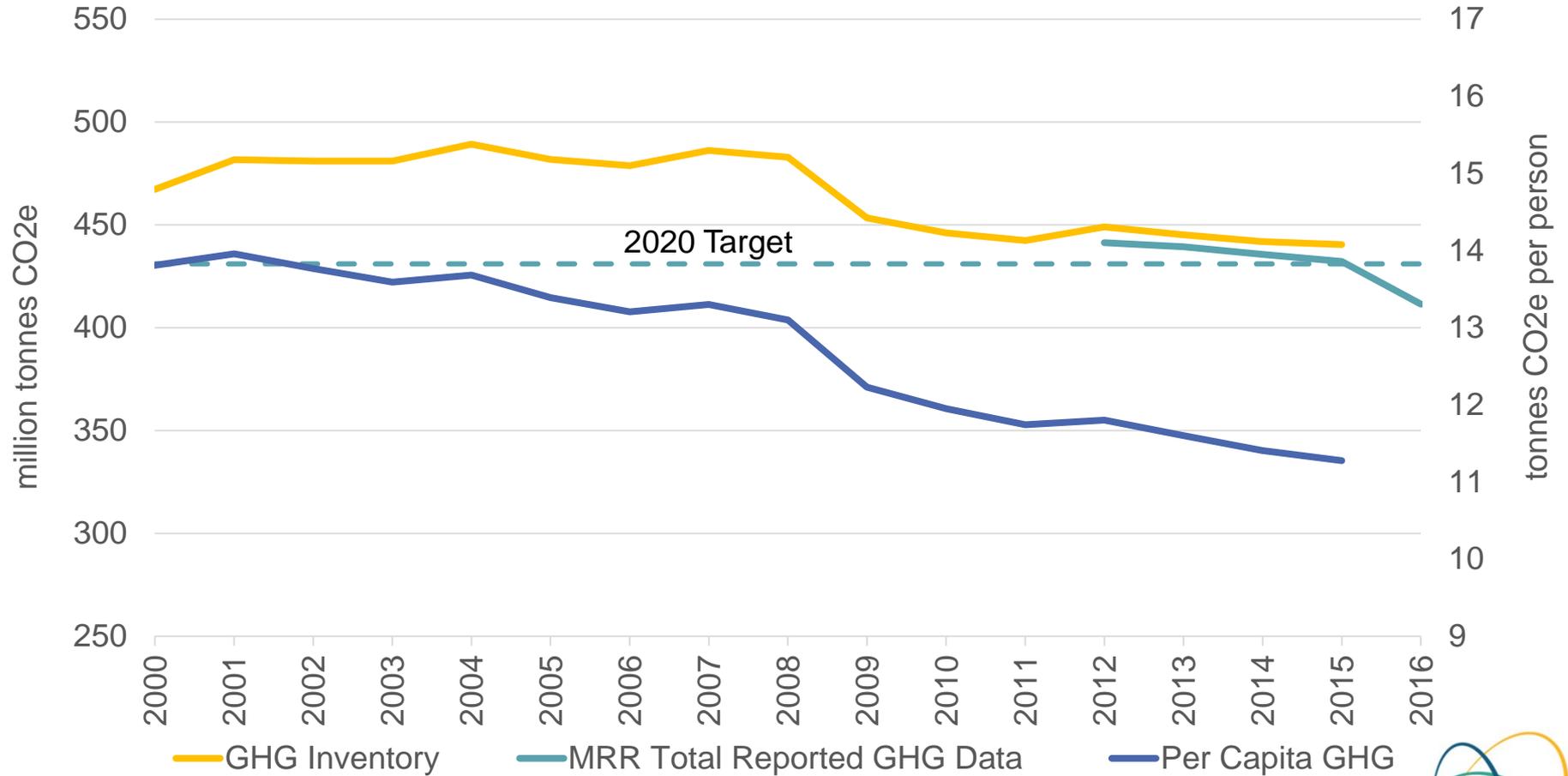


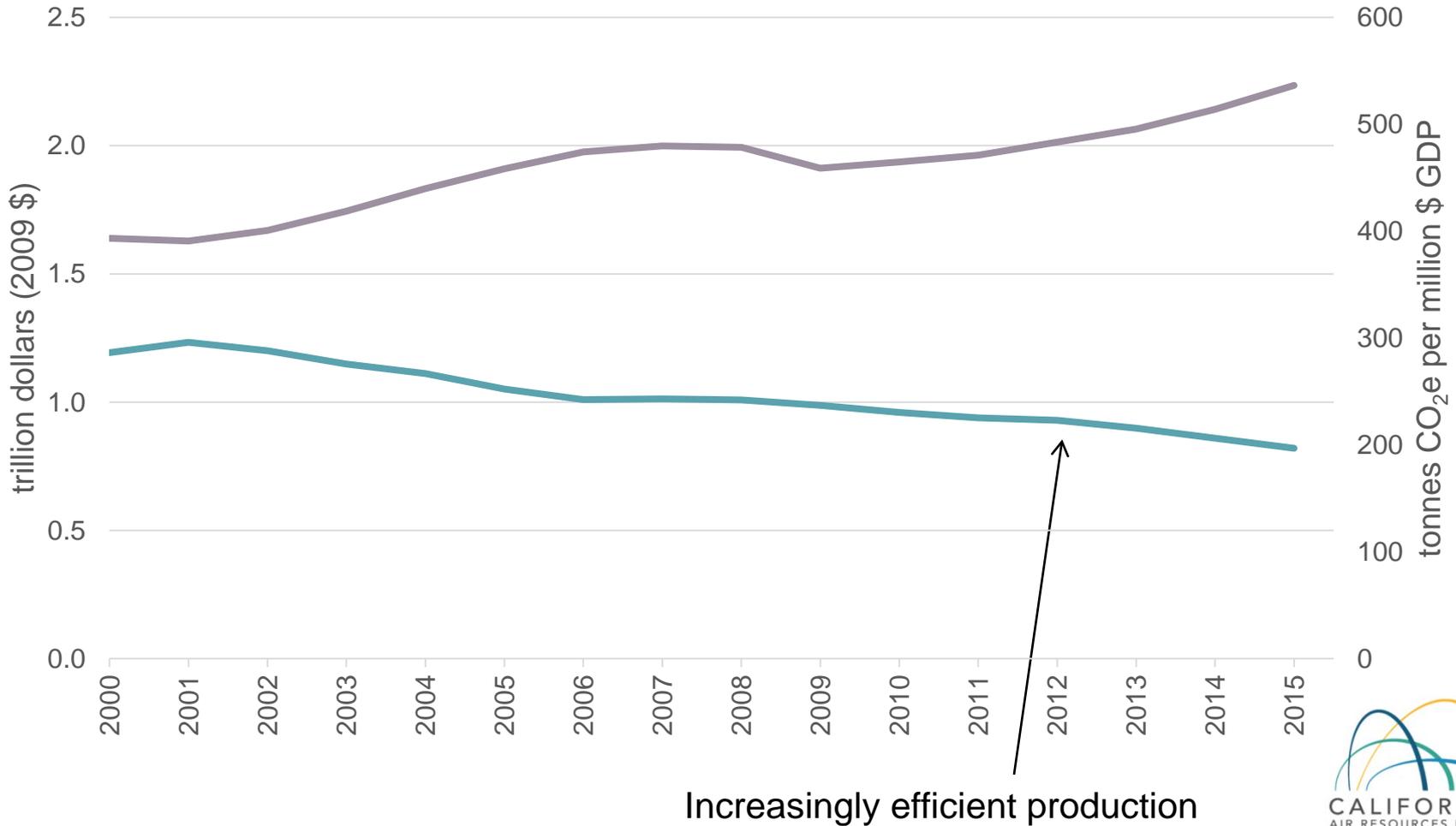
Joint Hearing: Senate Environmental  
Quality and Budget and Fiscal Review  
Subcommittee No. 2 on Resources,  
Environment, Energy and Transportation  
January 17, 2018

# GHG Emissions Trends



# California's Economy is Growing

Gross Domestic Product and Carbon Intensity of California's Economy



# Scoping Plan Strategy: A suite of complementary measures

- ▣ SB 350 - increase renewable energy and energy efficiency
- ▣ SB 1383 - Short-Lived Climate Pollutant Plan
- ▣ Mobile Source Strategy - help State achieve its federal and state air quality standards
- ▣ Enhanced Low Carbon Fuel Standard
- ▣ Sustainable Freight Action Plan
- ▣ SB 375 – support sustainable community development
- ▣ Post-2020 Cap-and-Trade Program

Based on an evaluation of alternatives and an uncertainty analysis, this suite of policies has the highest certainty of achieving the 2030 target

this suite



# Alternatives Considered

- ▣ No Cap-and-Trade (Prescriptive Regulations)
  - ▣ Need new statutory authority
  - ▣ Fewer options to minimize leakage and higher cost than Scoping Plan
- ▣ Carbon Tax
  - ▣ No firm emissions limit and difficulty in setting right price to incent reductions
  - ▣ Difficult to make up unrealized reductions
- ▣ All Cap-and-Trade
  - ▣ No enhancement to LCFS may impede transportation fuel diversification
- ▣ Cap and Tax
  - ▣ Highest direct costs resulting in loss of industry, jobs, GDP

# Key Points Summary

- This plan provides an achievable path for reaching the State's 2030 GHG target
- 2030 target is a milestone on the way to achieve greater reductions needed to stave off the catastrophic impacts of climate change
- We need to continue to evaluate and incorporate additional opportunities to reduce GHGs, criteria, and air toxics emissions as they become cost-effective and technologically feasible
- Implementation of the SP measures must not disproportionately impact low-income communities
- Continue to monitor, adjust, and enforce existing air quality programs, in addition to implementing AB 617

# Reporting and Oversight

***Ongoing monitoring and reporting provides opportunities for public input, Board feedback, and adjustments if needed***

- ▣ CARB annual Greenhouse Gas Inventory (data) and annual Mandatory GHG Reporting Data
- ▣ Annual status report to the Board on Scoping Plan implementation
- ▣ Update to AB 32 Scoping Plan at least once every 5 years (written report)
- ▣ SB1018 (written reports)
  - ▣ Semi-annual update on key climate programs
  - ▣ Semi-annual report on actions proposed by WCI, Inc.
  - ▣ Annual fiscal report on prior fiscal year
  - ▣ Annual report on resources by major program area

# Reporting and Oversight, cont.

## ▣ AB 197

- ▣ Annual informational report by CARB Chair on emissions covered by Scoping Plan

## ▣ AB 398

- ▣ Annual report by the Independent Market Advisory Committee on environmental and economic performance of relevant climate policies
- ▣ Annual report by the Legislative Analyst Office on the economic impacts and benefits of specified greenhouse gas emissions targets

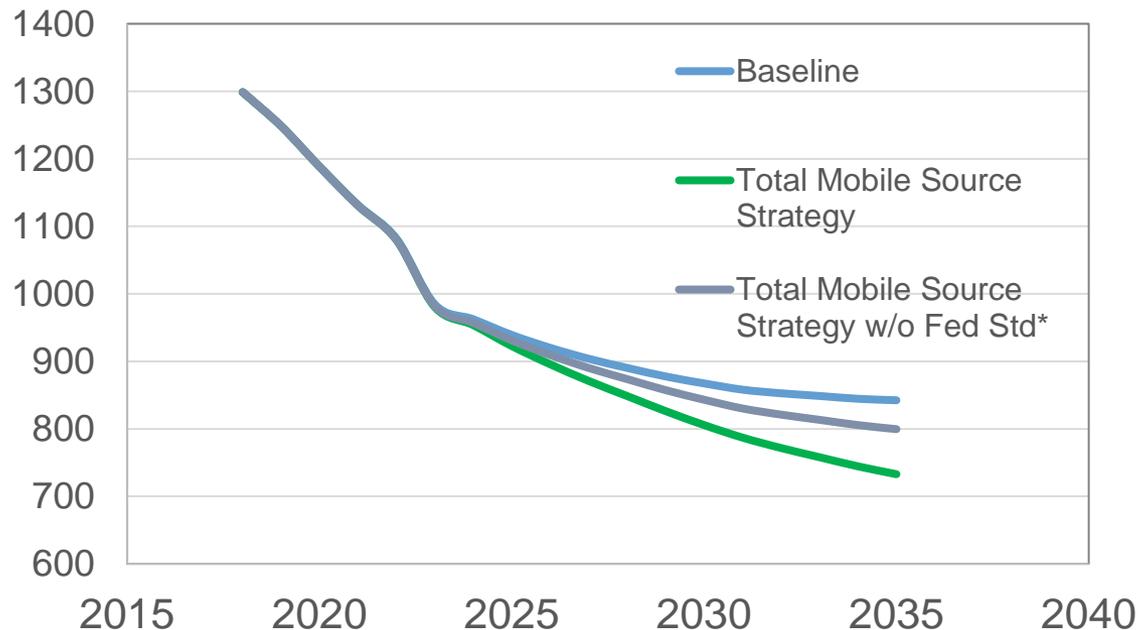
# Federal Inaction Impacts Achieving Climate and Air Quality Goals

- Emission standards for cars, trucks, trains and off-road equipment
  - Needed to reduce greenhouse gases and other pollutants that impact air quality and health
  - Necessary for increasing number of zero-emission vehicles
  - Federal action in many sectors is key as many vehicles not originally purchased in California
- Performance standards to ensure in-use vehicles operate at their cleanest levels

# Federal Inaction Impacts Achieving Climate and Air Quality Goals

- The combination of the revocation of California's Federal Clean Air Act waiver and atrophied federal action on mobile sources could increase California's NOx emissions by almost 75 tons per day (tpd) by 2035

Statewide Remaining NOx, tpd



# Additional Resources

- ▣ California Air Resources Board:  
<https://www.arb.ca.gov/homepage.htm>
- ▣ Cap-and-Trade Program:  
<https://www.arb.ca.gov/cc/capandtrade/capandtrade.htm>
- ▣ California's Climate Change Scoping Plan:  
<https://www.arb.ca.gov/cc/scopingplan/scopingplan.htm>
- ▣ Mandatory Greenhouse Gas Emissions Reporting:  
<https://ww2.arb.ca.gov/our-work/programs/mandatory-greenhouse-gas-emissions-reporting>