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ENVIRONMENTAL DEFENSE

finding the ways that work

ASSEMBLY BILL 32: CALIFORNIA GLOBAL WARMING SOLUTIONS ACT OF 2006

SUMMARY

On September 27, 2006, Governor Schwarzenegger signed Assembly Bill 32 by Assembly Speaker Núñez and Assemblywoman Pavley into law – the nation's most ambitious effort to combat global warming. Scientists say that unless action is taken soon, global warming will have a devastating impact on California's economy, environment, and public health. AB 32, the California Global Warming Solutions Act of 2006, establishes the nation's first statewide limit on global warming pollution – reducing emissions in California to 1990 levels by the year 2020, or 25% below forecasted levels.

THE CONTEXT

There is broad scientific agreement that global warming, primarily due to the burning of fossil fuels, poses a real threat to California's future. Three in four Californians surveyed by the Public Policy Institute of California agree that climate change will have serious effects on the state's economy and quality of life. If left unchecked, global warming threatens California's air quality, water supply, public health, power grid reliability, and some of the state's largest industries, including agriculture, tourism, skiing and forestry.

AB 32 will provide substantial economic benefits to California. Independent economic studies and state agency reports

conclude that reducing greenhouse gas emissions to 1990 levels by 2020 is achievable and will save California families and businesses *billions* of dollars and provide tens of thousands of new jobs by 2020.

California can achieve these savings through pollution-cutting investments in strategies such as energy efficiency, renewable energy, cleaner cars and fuels, improved transportation systems, and water conservation.

Limiting greenhouse gas emissions provides additional economic and environmental benefits, for example, by reducing air pollution from vehicles and power plants that threatens the health of Californians, especially children and the elderly. AB 32's pollution limit provides a clear market signal to reduce global warming pollution, unleashing California's world-famous entrepreneurs to pursue clean technologies. By acting now California will capture significant economic benefits by securing a leadership position in the emerging worldwide clean energy market.

AB 32 continues California's world-class leadership in tackling the most serious environmental problems. Compared against other countries, California is the twelfth largest emitter of greenhouse gases in the world. Clearly, the bill will have far-reaching effects, as other states and countries are already looking to California for workable models. So, while the state alone cannot stop global warming, the

cumulative effect of California's actions and leadership can have a significant impact in curbing global warming.

THE SOLUTION: AB 32

AB 32, which was jointly authored by Assembly Speaker Fabian Núñez and Assemblymember Fran Pavley, and co-sponsored by NRDC and Environmental Defense, establishes an enforceable cap or limit on statewide greenhouse emissions – reducing emissions to 1990 levels by the year 2020. The bill provides the California Air Resources Board (CARB) with a wide variety of tools, including traditional regulatory approaches and market-based approaches, along with strong enforcement authority, to ensure that the state meets this emissions limit. CARB will begin enforcing limits on emissions starting in 2012. AB 32 also requires CARB to institute a mandatory emissions reporting and tracking system to monitor and enforce compliance with the emissions limit.

The bill states the Legislature's intent that the Climate Action Team – a team of state agencies led by the California Environmental Protection Agency – continue to coordinate overall state climate policy. All members of the Climate Action Team, including agencies such as the California Public Utilities Commission and California Energy Commission, oversee programs that will provide significant emission reductions to contribute to meeting the statewide 2020 limit.

AB 32 requires CARB to use certain principles in establishing the regulatory program to limit emissions, including:

- distribute costs and benefits equitably;
- encourage early action to reduce emissions;
- ensure that the program does not disproportionately impact low-income communities;

- ensure that the program complements state efforts to improve air quality and reduce toxic emissions; and
- ensure that greenhouse gas emission reductions are real and permanent.

Additionally, AB 32 provides for a full and open public process, and establishes environmental justice and economic and technology advancement advisory groups. The bill also requires CARB to coordinate its regulatory activities with those of other states, the federal government, and other countries, where feasible.

TIMELINE

AB 32 includes several key deadlines, including:

- June 30, 2007 – CARB publishes list of early action emission reduction measures.
- January 1, 2008 – CARB adopts 2020 emissions limit at 1990 levels, and a mandatory reporting program for significant sources.
- January 1, 2009 – CARB adopts scoping plan to achieve maximum reductions by 2020.
- January 1, 2010 – CARB adopts regulations and begins enforcing early action measures.
- January 1, 2011 – CARB adopts regulations to implement the 2009 scoping plan.
- January 1, 2012 – CARB begins enforcement of emissions limits.

AB 32 places California once again at the vanguard of efforts to solve the world's most pressing environmental problems while providing economic benefits. The law's enactment marks a turning point in international efforts to curb global warming.

For more information visit: www.SolutionsforGlobalWarming.org

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