

State of California
Air Resources Board

CLIMATE CHANGE SCOPING PLAN

Resolution 14-16

May 22, 2014

Agenda Item No: 14-4-3

WHEREAS, the Legislature enacted the California Global Warming Solutions Act of 2006 (AB 32, Statutes of 2006, Chapter 488; Health and Safety Code section 38500 et seq.) that declares global warming poses a serious threat to the economic well-being, public health, natural resources, and environment of California;

WHEREAS, AB 32 charges the Air Resources Board (ARB or the Board) with monitoring and regulating sources of emissions of greenhouse gases that cause global warming in order to reduce emissions of greenhouse gases (Health and Safety Code section 38510);

WHEREAS, AB 32 directed ARB to create a comprehensive multi-year program to reduce California's greenhouse gas (GHG) emissions to no greater than 1990 levels by 2020, maintain and continue reductions in emissions of GHGs beyond 2020, and initiate the transformations required to achieve the AB 32's long-range climate objectives;

WHEREAS, AB 32 required ARB to determine California's 1990 statewide GHG emissions level, which would become California's near-term statewide emissions limit to be achieved by 2020;

WHEREAS, ARB developed a California statewide GHG emission inventory for years 1990–2004 to support the effort of determining the 1990 level and 2020 emissions limit and in December 2007, the Board approved a total statewide GHG 1990 emissions level and 2020 emissions limit of 427 MMTCO_{2e}, based on the Intergovernmental Panel on Climate Change's (PCC's) Second Assessment Report;

WHEREAS, Health and Safety Code section 38561(a) required ARB to prepare and approve a "scoping plan" for achieving the maximum technologically feasible and cost-effective GHG emission reductions by 2020;

WHEREAS, ARB prepared and approved the first AB 32 climate change scoping plan (initial Scoping Plan) in 2008 and reapproved it in 2011;

WHEREAS, the initial Scoping Plan contains a mix of recommended strategies that combine direct regulations, market-based approaches, voluntary measures, policies,

and other emission reduction programs calculated to limit California's GHG emissions to no greater than the 2020 statewide GHG emission limit and initiate the transformations needed to achieve AB 32's long-range climate objectives;

WHEREAS, Health and Safety Code section 38561(h) requires ARB to update the State's scoping plan for achieving the maximum technologically feasible and cost-effective reductions of GHG emissions at least once every five years;

WHEREAS, Executive Order S-3-05 and Governor Brown's Executive Order B-16-2012 (for the transportation sector) require reductions in GHG emissions to 80 percent below 1990 levels by 2050;

WHEREAS, to reduce California's GHG emissions to the scientifically recognized level necessary for climate stabilization will require California to keep building on the framework of the initial Scoping Plan by continuing to pursue the maximum technologically feasible and cost-effective actions that will steadily drive down greenhouse gas emissions over the coming decades;

WHEREAS, the latest science contributes even stronger evidence to substantiate that the widespread impacts of climate change are occurring at a faster pace than documented in previous assessments, and that human beings are extremely likely to be the primary contributors to this phenomenon, further underscoring the urgent need to accelerate GHG emission reductions;

WHEREAS, short lived climate pollutants have greater ability to trap heat compared to carbon dioxide and the development of a short lived climate pollutant strategy by 2015 could provide immediate air quality and public health benefits to help to slow the rate of human-caused climate change;

WHEREAS, in June 2013, ARB held a kickoff public workshop in Sacramento to discuss developing an update to the initial Scoping Plan (Update), public process, and overall schedule;

WHEREAS in July 2013, ARB co-hosted public regional workshops with local air districts and metropolitan planning organizations throughout the State (Bay Area, South Coast, and San Joaquin Valley) to discuss region-specific issues, concerns, and priorities related to the Update;

WHEREAS, ARB reconvened the Environmental Justice Advisory Committee, which met four times between June 2013 and April 2014 to advise and provide recommendations on developing the Update;

WHEREAS, in preparing the Update, ARB staff collaborated with the Climate Action Team and solicited input and expertise from a range of state agencies to identify and describe a long-term vision and near-term activities to put California on the path to its 2050 emission reduction goal in six key areas comprising major components of the

State's economy: Energy; Transportation; Agriculture; Water; Waste Management; and Natural and Working Lands;

WHEREAS, in preparing the Update, ARB staff considered advice and input from the Environmental Justice Advisory Committee, economic advisors, and experts in the field of climate change;

WHEREAS, in October 2013, ARB staff prepared and circulated for public review a *Draft Discussion of the First Update to the Climate Change Scoping Plan* (Discussion Draft);

WHEREAS, staff held a public workshop on the Discussion Draft on October 15, 2013, and provided an informational update to the Board on the Discussion Draft at the October 24, 2013, Board meeting;

WHEREAS, in February 2014, after considering public comments received on the Discussion Draft, ARB staff prepared and circulated for public review a *Proposed First Update to the Climate Change Scoping Plan* (Proposed Update), provided an informational update to the Board on the Proposed Update at the February 20, 2014, Board meeting, considered public comments received, and prepared and released the final version of the proposed *First Update to the Climate Change Scoping Plan* (final Update) on May 15, 2014;

WHEREAS, the final Update finds California is on track to meet the near-term 2020 greenhouse gas limit and is well positioned to maintain and continue reductions beyond 2020 as required by AB 32;

WHEREAS, the final Update recommends establishing a mid-term statewide emission reduction target, informed by climate science, to help frame the additional suite of policy measures, regulations, planning efforts, and investments in clean technologies needed to continue driving down emissions and ensure that the State stays on course to meet its long-term reduction objectives;

WHEREAS, the final Update makes recommendations on the creation of new policies, and expanding and refining existing policies, in the major economic sectors in the State to achieve reductions in greenhouse gas emissions;

WHEREAS, the final Update proposes to update the number for the 2020 limit from the 427 MMTCO_{2e} limit adopted by the Board in 2007 to 431 MMTCO_{2e} to reflect weighting the 1990 emissions with 100-year global warming potentials (GWPs) from the IPCC's Fourth Assessment Report, which updated the global warming potential of GHGs, especially methane and HFCs;

WHEREAS, the final Update finds that cumulative emissions drive climate change and a continuum of action is needed to reduce emissions to achieve AB 32's long-term objective of reducing California's greenhouse gas emissions to the scientifically recognized level necessary for climate stabilization;

WHEREAS, Health and Safety Code section 38551(c) states that ARB shall make recommendations to the Governor and the Legislature on how to continue reductions in greenhouse gas emissions beyond 2020;

WHEREAS, in consideration of the final Update to the Climate Change Scoping Plan, written and oral testimony presented by the public, industry, and government agencies, the Board finds that:

The 431 MMTCO_{2e} for the 2020 limit more accurately reflects weighting the 1990 emissions with 100-year GWPs from the IPCC's Fourth Assessment Report;

The creation of new policies and expanding and refining existing policies in every major economic sector in the State will be necessary both to maintain and continue reduction in emissions of GHGs beyond 2020, and to achieve the State's emission reduction goals;

Establishing a mid-term statewide emission reduction target will send a clear signal that California is solidifying its commitment to a low-carbon future, giving businesses the long-term certainty they need to plan for the future;

A short lived climate pollutant strategy is necessary to slow the near-term rate of global warming, especially in areas most vulnerable to climate change;

California's local and regional governments are critical partners in meeting the State's GHG emission reduction goals and strong collaboration with these agencies will be necessary to achieve the State's near-term and longer-term emission goals and improve its ability to adapt to potential climate change impacts;

Ongoing assessment and monitoring is necessary for AB 32 implementation, including economic impacts;

The development of an AB 32 economic assessment and monitoring plan will provide data to help ensure the overall costs of reaching GHG emission reduction goals are reduced by estimating the costs and benefits of measures on the California economy and identifying the distribution of impacts on industry, small businesses, households, environmental justice communities, and the public sector;

Annual reports to the Board on AB 32 implementation will inform the public on whether California is on track to meet the near-term 2020 limit and is well-positioned to maintain and continue reductions beyond 2020.

WHEREAS, the California Environmental Quality Act (CEQA) requires that a public agency not approve a project as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen the significant

environmental impacts of such a project; in the event that specific economic, social, or other conditions make infeasible the alternatives or mitigation measures, the project may be approved if it is determined that any remaining unavoidable significant impacts are acceptable due to overriding considerations;

WHEREAS, Public Resources Code section 21080.5 allows public agencies with regulatory programs to prepare a plan or other written document in lieu of an environmental impact report or negative declaration once the Secretary of the Resources Agency has certified the regulatory program;

WHEREAS, that portion of the ARB's regulatory program that involves the adoption, approval, amendment, or repeal of standards, rules, regulations, or plans has been certified by the Secretary of Resources Agency (CEQA Guidelines, California Code of Regulations, title 14, section 15251(d));

WHEREAS, in accordance with ARB's certified regulatory program at California Code of Regulations, title 17, section 60005 (b), and the policy and substantive requirements of CEQA, ARB staff prepared an Environmental Analysis (EA), included at Appendix F to the Proposed Update, to assess the potential for significant adverse and beneficial environmental impacts associated with implementation of the recommendations in the Proposed Update;

WHEREAS, the draft EA was circulated for a 45-day written public comment period from March 14, 2014, through April 28, 2014;

WHEREAS, staff reviewed written comments received that raised issues related to the Draft EA and prepared written responses to those comments;

WHEREAS, on May 15, 2014, staff posted the Final EA which includes minor revisions to the Draft EA, and a document containing staff's written responses to comments received on the EA entitled *Responses to Comments on the Draft Environmental Analysis for the Proposed First Update to the Climate Change Scoping Plan* (Response to EA Comments); and

WHEREAS, prior to the duly noticed public hearing held on May 22, 2014, staff provided the Final EA, the Response to EA Comments, and the final version of the proposed *First Update to the Climate Change Scoping Plan* to the Board for consideration for approval.

NOW, THEREFORE, BE IT RESOLVED that the Board certifies that the EA, as set forth in Attachment B to this resolution, was completed in compliance with ARB's certified regulatory program to meet the requirements of CEQA, reflects the agency's independent judgment and analysis, and was presented to the Board whose members reviewed and considered the information therein before taking action to approve the final Update.

BE IT FURTHER RESOLVED that the Board hereby approves the Responses to EA Comments as set forth in Attachment C to this resolution.

BE IT FURTHER RESOLVED that in consideration of the EA and the Responses to EA Comments, the Board adopts the Findings and Statement of Overriding Considerations as set forth in Attachment D to this resolution.

BE IT FURTHER RESOLVED that the Board hereby approves the final First Update to the Climate Change Scoping Plan, as set forth in Attachment A to this resolution.

BE IT FURTHER RESOLVED that the Board hereby directs staff to develop a short lived climate pollutant strategy by 2015 that will include an inventory of sources and emissions, and the identification of additional research needs and control measures.

BE IT FURTHER RESOLVED that the Board hereby directs staff to develop an economic assessment work plan by 2014 identifying the timeline, data requirements, and appropriate methodology to estimate the overall costs and benefits of the suite of AB 32 measures on the California economy and identify the distribution of impacts on industry, small businesses, households, environmental justice communities, and the public sector.

BE IT FURTHER RESOLVED that the Board hereby directs staff to report annually on AB 32 implementation, including whether California is on track to meet the near-term 2020 limit and is well-positioned to maintain and continue reductions beyond 2020.

BE IT FURTHER RESOLVED that the Board adopts the updated number of 431 MMTCO_{2e} for the 2020 limit to more accurately reflect weighting the 1990 emissions with 100-year GWPs from the IPCC's Fourth Assessment Report.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to transmit the Notice of Decision along with the Response to EA Comments to the Secretary of the Natural Resources Agency for posting.

I hereby certify that the above is a true and correct copy of Resolution 14-16 as adopted by the Air Resources Board.

/s/

Tracy Jensen, Clerk of the Board

Resolution 14-16

May 22, 2014

Identification of Attachments to Board Resolution 14-16

- Attachment A:** *First Update to the Climate Change Scoping Plan*, released to the public in May 2014.
- Attachment B:** *Final Environmental Analysis Prepared for the First Update to the Climate Change Scoping Plan*, released to the public May 15, 2014.
- Attachment C:** *Responses to Comments on the Draft Environmental Analysis for the Proposed First Update to the Climate Change Scoping Plan*, released to the public May 15, 2014, and provided to the Board
- Attachment D:** Findings and Statement of Overriding Considerations