

AB 32 – GLOBAL WARMING SOLUTIONS ACT OF 2006

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IN BRIEF

Global climate change is expected to have a devastating impact on California's economy, environment, and public health if aggressive action to reduce greenhouse gas emissions is not taken soon. AB 32 institutes a mandatory limit (cap) on greenhouse gas pollution -- reducing emissions in California to 1990 levels by the year 2020, or 25% below forecasted levels. The bill also directs the California Air Resources Board (CARB) to establish a mandatory reporting system to track and monitor emission levels and requires CARB to develop various compliance options and enforcement mechanisms.

dollars and provide tens of thousands of new jobs by 2020.

California can achieve these savings through pollution-cutting investments and programmatic initiatives in areas such as energy efficiency, renewable energy, cleaner cars and fuels, improved transportation systems, and water conservation. Limiting greenhouse gas emissions will also provide additional economic and environmental benefits. For example, reducing air pollution from mobile and stationary sources as well as catalyzing the ingenuity and creativity of California entrepreneurs to create new businesses and develop cleaner technologies.

THE ISSUE

There is broad scientific agreement that global climate change, 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 global 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.

Compared against other countries, California is the twelfth largest emitter of greenhouse gases in the world. AB 32 continues California's efforts to address environmental issues of worldwide importance. Clearly, the bill will have effects far beyond our borders, as other states and countries look to California for leadership. So while our state alone cannot stop global warming, the cumulative effect of California's actions and leadership can have a significant impact on the way other states and countries address the issue of global climate change.

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

EXISTING LAW

In the last several years, the California Legislature has passed several laws that address the issue of global climate change, including reducing emissions from automobiles, increasing the amount of renewable energy delivered to California utility customers, improving building and appliance efficiency standards, and establishing a voluntary registry to develop standardized greenhouse gas emission reporting and certification protocols.

THE SOLUTION

AB 32 establishes a cap on greenhouse gas pollution – reducing emissions to 1990 levels by the year 2020, or 25% below forecasted levels. The bill also requires the California Air Resources Board to institute a mandatory emissions reporting and tracking system to monitor and enforce compliance with the cap.

Additionally, AB 32 requires that CARB use the following principles to implement the cap:

- Distribute benefits and costs equitably;
- Protect entities that have reduced their emissions through actions prior to this regulatory mandate;
- Ensure that the program reduces pollution in local communities; and
- To the extent feasible, allow for coordination with other states and countries to reduce emissions.

The bill also requires CARB to develop various compliance options and enforcement mechanisms, and to cooperate with other state agencies to coordinate the state government's global climate change programmatic activities and promote investment in the development and deployment of technologies that reduce emissions.

AB 32 also requires an annual report to the Governor and Legislature on the state's emission reduction efforts and compliance with the cap.

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