

## News Release

# AB 32 Public Workshops – California Global Warming Solutions Act of 2006



*Overview of Public Workshops Discussing CARB Implementation Plan and Schedule and Discrete Early Emission Reduction Actions*

**January 23, 2007** - AB 32 establishes annual mandatory reporting of greenhouse gas (GHG) emissions for significant sources and sets limits to cut statewide emissions to 1990 levels by 2020. Industries are required to begin making reductions in 2012. All major contributors of greenhouse gases will be required to quantify and report their emissions. AB 32 requires the California Air Resources Board (CARB) to develop standards and protocols to achieve the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions, by various deadlines, over the next four years.

On January 22, 2007, CARB held two public workshops, one presented an overall schedule and key milestones and another discussed early action measures such as low carbon fuels standards and high-GWP refrigerant restrictions.

The morning workshop held by CARB discussed their implementation plan & schedule timeline as seen in Figure 1. Milestones CARB hopes to achieve by early 2007 include identifying significant sources that will be required to report and reviewing existing and proposed international, federal, and state programs to promote consistency. So far, there has been a lot of activity around the globe and the implementation of AB 32 won't be a success unless it meshes well with national and international programs.

CARB discussed how mandatory reporting will include monitoring, annual reporting and verification of sources that they already know contribute the most to statewide emissions. Those

sources have so far been identified as power sources, public utilities, cement, forestry, waste, oil and gas. In addition, electricity consumed in CA, including imports, will also be accounted for. There will be a joint development of electricity sector recommendations where the California Public Utilities Commission (CPUC) and California Energy Commission (CEC) will develop recommendations for AB 32 implementation for the entire electricity sector. CARB will consult with CPUC regarding electricity and natural gas providers and will try to develop a minimum threshold below which reduction requirements do not apply.

CARB is working with the Climate Action Team to better define state/local interaction to support local activities, guidance on possible reductions strategies, and quantification/accounting of reductions. CARB is also working closely with the Climate Registry to review existing protocols, develop new protocols, and consult on reporting issues. CARB is hoping to streamline reporting protocols with the Registry and a possible multi-state registry.

The Market Advisory Committee will hold its first public meeting February 27, 2007 to develop recommendations for CARB and identify reduction measures such as direct regulations or market based programs. For market based programs CARB will consider potential of direct, indirect, cumulative and localized emission impacts and prevent any increase in criteria or toxic pollutants.

FIGURE 1



*Adopted from the January 22, 2007 CARB Workshop*

Since sources and sectors are not specifically referenced in AB 32, CARB will develop sector profiles and by early 2007, CARB will have identified priority sectors. In April 2007, there will be a status update workshop on the source and sector analysis. CARB will explore options available to reduce GHG from all sectors and sources and sectors will be more defined and characterized by October 2007. An October 2007 public workshop will give more detail and provide better defined sector profiles and indicate which modeling tools were used for the profiling.

CARB is developing standards for recognition of voluntary action and is trying to identify opportunities for emission reductions. Reductions will include all verifiable and enforceable voluntary actions as well as carbon sequestration projects and best management practices. CARB plans to ensure that entities with voluntarily reduced emissions will receive the appropriate credits and CARB will adopt the proper methodologies for quantification of voluntary emission reductions.

CARB's afternoon public workshop discussed Discrete Early Emission Reduction Actions. The proposed emission reduction measures will be implemented in the timeline to ensure that California is doing everything possible to meet the emissions cap set forth in AB 32.

As shown in Figure 2, the timeline for early action measures include:

- Spring 2007 – Board meeting to consider early action plan and work on implementing regulations.
- June 2007 – Publish list of early action measures.
- Summer/Fall 2007 – Further develop emission reduction measures and supply curves.
- 2008-2009 – Board meetings to adopt regulations.
- January 2010 – Regulations are enforceable.

FIGURE 2



Adopted from the January 22, 2007 CARB Workshop

CARB is still looking at recognition of early action and how they would quantify the early actions by sources. A public workshop will be held in April 2007, to discuss voluntary efforts and opportunities for GHG emission reductions measures from verifiable and enforceable actions. CARB will also discuss possible Voluntary Action Protocols at this workshop.

Potential early action candidates that might be enforceable by January 1, 2010 include: reduced venting and leaks, Heavy Duty Vehicles (HDV) emissions reductions measures, alternative fuels of Ethanol & Biodiesel, semiconductor industry targets, manure management, Transport Refrigeration Unit's (TRU) off road electrification, port electrification, Hydrofluoro Carbons (HFC) reduction strategies, and New Light Duty Vehicles (LDV) technology improvements. The early emission reduction actions CARB is moving forward with are low carbon fuels standards and high-Global Warming Potential refrigerant restrictions.

Since transportation is the largest source of CO<sub>2</sub>, Governor Schwarzenegger established a low carbon fuel standard that reduces carbon intensity of transportation fuels by 10% by 2020. Possible Lower Carbon Fuels include E10 (an increase in ethanol blend to 10% ethanol, 90% gasoline), E85 (high blend ethanol for flex fuel vehicles, low carbon ethanol ("cellulosic" materials have 4-5 times lower GHGs than today's corn), hydrogen, electricity, Compressed Natural Gas (CNG), Liquefied Natural Gas (LPG), and biogas. The anticipated adoption of low carbon fuel standards is by late 2008.

High Global Warming Potential (High-GWP) Refrigerant Restrictions include restrictions on high-GWP HFC-134a refrigerant retail sales. HFCs are used extensively in refrigeration and air conditioning and High-GWP GHGs constituted about 3.5% of California's CO<sub>2</sub>E GHG emissions inventory in 2002.

One solution CARB is recommending to help reduce refrigerant restrictions includes restricting the retail sale of HFC-134a in small cans. The most effective approach to yield real reductions is by reducing the impact of servicing existing leaky mobile air conditioning systems (MACSS) with small cans and controlling potential measure leakages by restricting importation of refrigerants. CARB's proposed measures have the potential to reduce 1 to 2 million metric tons carbon dioxide equivalent (MMT<sub>CO<sub>2</sub>E</sub>) GHG emissions by 2020. Alternative strategies proposed by the industry will be considered.

CARB recommends facilities and sources to be climate fluent by participating in the CA climate registry or hiring an environmental consultant to help identify regulatory requirements and early action benefits.

### **UPCOMING CARB EVENTS:**

**February 27, 2007** - Market Advisory Committee will hold its first public meeting to develop recommendations for CARB and identify Reduction Measures such as direct regulations or market based programs.

**March 5-7, 2007** – CARB will be hosting the International Symposium in Sacramento, CA on Near-Term Solutions for Climate Change Mitigation in California which will explore cost and emission reduction potential of early feasible options (regulations, technology, voluntary programs, etc).

*The Symposium will discuss programs in the following countries: European Union, Japan, Canada, Australia, Germany, Netherlands and the United States. In addition the Symposium will discuss the different sources of greenhouse gases, CO<sub>2</sub> (transportation, industrial, electric, residential & commercial), CH<sub>4</sub> (landfills, enteric fermentation, manure management, and wastewater treatment, NO<sub>2</sub> (Agricultural soil management, mobile source combustion, and wastewater), Hydro fluorocarbons (refrigerant & air conditioning, electrical transmission & distribution, and semiconductor manufacturers).*

**March 20-21, 2007** – In association with the CARB and the International Emissions Tradition Association, the California Climate Action Registry will hold an Annual Conference that will bring together leaders on climate change to take a hard look at developing climate policies, standards and trends.

*400 policymakers, businesses, academics and NGOs from across the globe will gather in Santa Barbara, CA for the two day event that focuses on giving a complete understanding of the climate programs being built in the world around us and helping organizations navigate their course into the future.*

**April 2007** – There will be a status update workshop on source and sector analysis and there will be a workshop to discuss voluntary efforts and opportunities for GHG emission reductions measures. A board meeting will also be held in April to consider the recommendations in the Early Action Plan.

**June 30, 2007** – CARB will publish list of discrete early action measures.

**October 2007** – CARB will hold a status update workshop on the progress of the sources and sectors analysis. It will explore options available to reduce GHG from all sectors and sources and sectors so CARB can have a more defined profile by October 2007.

**October 22, 2007** – A CARB staff report will be released analyzing the mandatory reporting protocols.

**December 6, 2007** – A CARB hearing will take place to discuss staff reports on mandatory reporting protocols and statewide GHG limits.

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