



AB 32 update: Change is certain. Make it productive.

In June of 2005, Governor Schwarzenegger ordered the reduction of greenhouse gas (GHG) emissions in California. In September 2006, he signed AB 32, legislation intended to enable California to reach specific goals for reducing GHG. But until recently, the promises provided by AB 32 and the GHG regulations being developed by the California Air Resources Board (CARB) seemed all too overwhelming – unattainable. The problems caused by GHG emissions were continuing and compounding as governments and communities delayed inexorably in addressing the need for an alternative-energy policy. CARB, established in 1975, had done little to compel any change in energy-related practice or policy, and the ability of the state to enforce a broad range of new air quality regulations appeared more than unlikely.

While the task remains massively daunting, CARB's Scoping Plan, which has been the subject of multiple public workshops through the last year, provides a solid platform for new and innovative energy policies.

We may get confused by the percentage reductions mandated by AB 32, or the varying methods used to decrease GHG, or the adversarial comparisons between partisan plans for addressing these issues. But the overwhelming impact of CARB's Scoping Plan is that energy policy in California will change dramatically in just the next few years, with similar changes to be adopted elsewhere in the world modeled on the California proposals.

Most impressive is the breadth of the plan. CARB has divided energy issues into

various sectors which cover all aspects of society's energy use. These sectors include Agriculture, Forestry, Transportation, Land Use and Local Initiatives, Manufacturing, Oil and Gas Refining, Waste Management and Recycling, High Global Warming Potential and – broadly – Energy. The Scoping Plan addresses energy issues pertinent to each of these sectors and proposes actions to be taken in each to reduce GHG. These proposals are varied and frequently overlap, sector to sector, and they will certainly affect each of our lives in numerous ways.

This article provides a very brief overview of the many projects and proposals considered in CARB's Scoping Plan. While discussed in greater detail at CARB's website, www.arb.ca.gov, here we present just some of the issues pertinent to the differing sectors.

Agriculture

CARB is coordinating agricultural research activities with farmers and ranchers, academia and other state agencies, including the California Energy Commission and the California Department of Food and Agriculture. The Scoping Plan seeks to develop protocols for analyzing and managing GHG emissions from manure, fertilizers and all agricultural byproducts. Among other improvements, it will increase the efficiency of fertilizers, minimize the GHG produced by agricultural waste and maximize the function of such waste through potential energy development.

Forestry

California's extensive forests provide an excellent tool for addressing GHG emissions. CARB has studied forest protocols

worldwide to assess which are most appropriate for use in voluntary GHG accounting efforts. CARB concluded that GHG reduction goals and international standards are best met through the California Climate Action Registry (CCAR) protocols. These protocols are a comprehensive set of methodologies for forest carbon management and accounting. They provide the elements necessary to support high quality, conservative carbon credits for use in a cap-and-trade program being considered by CARB.

Transportation

Nearly 40% of GHG emissions come from transportation in and around the state. This includes automobiles, trucks and airplanes, as well as ocean-going freighters and railway services. To address these issues, CARB is proposing programs to minimize carbon emissions in multiple ways, from requiring heat-reflecting paint on cars in order to minimize air-conditioner use, to monitoring tire pressure to ensure maximum mileage per gallon of fuel, to regulations mandating increased mileage per gallon in new cars beginning in 2009.

These last mentioned regulations were authorized by 2002 legislation intended to reduce GHG emissions from automobiles by about 22% by 2012 and 30% by 2016. The regulations have been blocked by U.S. automaker lawsuits and the federal EPA's refusal to grant California an implementation waiver. California, joined by several states, is presently suing the federal government over the contentious failure to grant the waiver.

A recent analysis by CARB concludes the Federal Fuel Economy Standards sup-

ported by the EPA result in smaller reductions of GHG emissions. To compare, if California standards are to be used throughout the United States between 2009 and 2016, 36% less GHG emissions would result from automobile use; i.e., 411 million metric tons of GHG would be kept from the atmosphere.

Land Use and Local Initiatives

Businesses ranging from small offices to corporations can reduce GHG emissions, and often increase profits, through operational changes such as green building practices, water conservation, waste management and better transportation practices. CARB has confirmed that other cities and smaller localities in the U.S. have demonstrated the potential for GHG emission reductions from business. The Sonoma County Green Business Program provides the guidance and information needed to address these issues locally.

Manufacturing

CARB is analyzing a variety of specific industries to determine how GHG emissions may be reduced by changes in operations and/or behavior. Industries being examined are as diverse as the cement, glass and semi-conductor industries.

Oil and Gas Refining

In January 2007, the Low Carbon Fuel Standard (LCFS) was established by Executive Order, calling for a reduction of at least 10% in the carbon intensity of California's transportation fuels by 2020. To achieve this result, a coalition of public and private institutions, including the California EPA, University of California, the California Energy Commission and other state agencies are developing a proposed compliance schedule to meet the 2020 target. This type of public/private partnership is necessary to resolve these issues, and such cooperation is evident in all sectors of CARB's Scoping Plan.

Waste Management and Recycling

CARB's analyses in this sector range from recycling and waste management to compost emission controls to technology

and management practices for landfill methane control. The possible opportunities for energy production from methane-producing waste continues to show promise.

High Global Warming Potential

Many of today's products have high global warming potential. These include air-conditioning in cars, homes and offices; commercial and home refrigerators; fire suppressant systems; and consumer products used by household and institutional consumers. These consumer products include some but not all of many commonly used items such as detergents, cleaning compounds, floor finishes, cosmetics, paints, garden products and automotive specialty products. CARB's Consumer Products Regulatory Program is intended to reduce the amount of volatile organic compounds (VOCs) emitted from the use of chemically formulated consumer products.

Energy

First established in 2002, California's Renewables Portfolio Standard (RPS) is one of the most ambitious renewable energy standards in the country. The RPS program requires electric corporations to increase energy obtained from eligible renewable resources by at least 1% of their

retail sales annually, until they reach 20% by 2010. California is now considering an even higher goal of 33% renewable energy by 2020 as wind, solar and wave energy technologies develop. These efforts, along with consideration of energy efficiency on nearly every front, seek to maximize energy resources and minimize energy use to reduce the GHG emissions.

Change Promises Opportunities

AB 32 and CARB's efforts in coordinating private and public entities in addressing energy issues will impact nearly every facet of California life. Our understanding of energy, the way we use it and the way we obtain it will change dramatically over the next ten years. Hopefully, the broad base of change will not cause great disruption to business or the California lifestyle we enjoy. However, we should prepare for major changes in a variety of ways as CARB finalizes and implements GHG regulations.

The opportunities for business to profit by planning ahead are many. Whether by instituting green business practices in their business operations or by investing in new energy technologies, the changes ahead in the world of energy are full of promise.

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