
SENATE COMMITTEE ON ENVIRONMENTAL QUALITY

Senator Allen, Chair

2021 - 2022 Regular

Bill No: AB 2532
Author: Bennett and Carrillo
Version: 4/19/2022
Urgency: No
Consultant: Eric Walters

Hearing Date: 6/16/2022
Fiscal: Yes

SUBJECT: Scoping plan: state agency, board, and department compliance and implementation: reports

DIGEST: This bill requires each state agency, board, or department (SABoD) to, on or before March 1, 2023 and each year thereafter, report on its compliance with and efforts, as specified, towards pertinent goals and recommendations in the California Air Resources Board's (ARB's) scoping plan.

ANALYSIS:

Existing law:

- 1) Requires ARB to ensure that statewide GHG emissions are reduced to at least 40% below the 1990 level by December 31, 2030 (i.e., SB 32); and allows ARB, until December 31, 2030, to adopt regulations that utilize market-based compliance mechanisms (i.e., the cap-and-trade program) to reduce GHG emissions. (Health and Safety Code (HSC) §§ 38566, 38562)
- 2) Requires ARB to create a Climate Change Scoping Plan to achieve the maximum technologically feasible and cost-effective reductions in greenhouse gas (GHG) emissions from sources or categories of sources of GHG by 2020. The plan must identify and recommend direct GHG emissions reduction measures, alternative compliance mechanisms, market-based compliance mechanisms, and potential monetary and non-monetary incentives that the state board finds are necessary or desirable to meet the 2020 emissions reduction goals. ARB must update this scoping plan at least once every five years through a public workshop process. (HSC § 38561)

This bill:

- 1) Requires each state agency, board, or department (SABoD), on or before March 1, 2023 and annually thereafter, to report on its compliance with and efforts towards pertinent goals or recommendations, as defined, in ARB's

scoping plan.

- 2) Stipulates that the above report:
 - a) Identify all goals or recommendations that the SABoD is charged with or responsible, in whole or in part, for implementing.
 - b) Describe in detail the SABoD's efforts to implement each goal or recommendation.
 - c) State whether the SABoD has fully implemented each goal or recommendation.
 - d) Describe in detail, for each goal or recommendation that the SABoD has not fully implemented, both of the following:
 - i) Why the SABoD has not fully implemented the goal or recommendation.
 - ii) The steps necessary, including a timeline, for the SABoD to fully implement the goal or recommendation.

Background

- 1) *The scoping plan.* Currently, the draft 2022 update to the AB 32 climate change scoping plan has been released and is open for public comment. The most recent scoping plan update, released in 2017, identified how the state could reach our 2030 target of reducing GHG emissions by 40% below 1990 levels. It selected and sought to pursue a sustainable and clean economy path for 2030, which involved executing existing programs, demonstrating the coupling of economic growth and environmental progress, and enhancing new opportunities for engagement within California to address and prepare for climate change.

The 2017 scoping plan update was a roughly 130-page document, and the draft 2022 update is roughly 250 pages. These are enormous documents that contemplate, often at a high level, the broad suite of changes that will need to be made to achieve the state's climate and air quality goals. The scoping plan is not intended to be a deep dive on specific policy solutions, nor is it a collection of binding regulatory edicts. It is a planning exercise that allows the state to understand, align, and adjust where necessary the economy-wide policy considerations that are underway to address climate change.

Comments

- 1) *Purpose of Bill.* According to the author, “The window is closing on the time we have to address climate change, so there is new urgency to ensure we’re on target to meet our climate goals. We can only do that if we have regular updates to ensure that we’re doing all we can do to reduce toxic greenhouse gas emissions. This bill is aimed at providing this crucial information from the appropriate state agencies and departments.”
- 2) *Do you know why I pulled you over?* The reports required by AB 2532 would be produced by the SABoDs themselves, and would neither be formally evaluated nor verified by any other entity. Thus, while a SABoD may report on any of their own failings or inadequacies in their work towards climate goals and recommendations, the bill does not stipulate any clear consequences for not doing so.

This represents a trade-off between enforceability and feasibility. If AB 2532 were to have more robust enforcement mechanisms (such as auditing the reports, or creating some clear penalty for failing to report complete and accurate information), it would be much more costly to implement. Given that the author’s intent appears to be more about providing transparency and encouraging accountability than necessarily mandating costly analyses, this seems to be a reasonable decision. However, it should be noted that it limits just how reliable or actionable the reports would be.

- 3) *How many reports?* According to ca.gov, there are 236 state agencies in California. Some of these are large, environmentally focused entities that are featured prominently in the scoping plan, such as the Air Resources Board, the Energy Commission, the Natural Resources Agency, or the Governor’s Office of Planning and Research. The vast majority of SABoDs, however, have little to no apparent overlap with the state’s climate goals.

Amendments taken in the Assembly Natural Resources committee define “goal or recommendation related to that SABoD” to mean “a GHG emission reduction measure that the SABoD has a duty to implement through a statute, rule, regulation, order, guideline, policy, or plan adopted by, or applicable to, that SABoD.” This ostensibly narrows the scope of the bill from all 236 state agencies to fewer, more relevant ones, but it is still not entirely clear where the line would be drawn.

For instance, some of the actions included in the scoping plan are general, such as “(i)dentify and expand funding and financing mechanisms to support GHG

reductions across all sectors.” In this case, ARB identifies “state agencies and local agencies” as the lead agencies. This recommendation is so vague, it may be difficult to evaluate progress or hold any agency accountable for meeting it, though arguably it could technically apply.

- 4) *What if we raise the bar?* There is overwhelming evidence that more action is needed to halt rising GHG emissions and prevent the worst possible outcomes of climate change. As the Intergovernmental Panel on Climate Change reporting in their 2018 *Special Report on Global Warming of 1.5°C*, “Limiting global warming to 1.5°C would require rapid, far-reaching and unprecedented changes in all aspects of society.” AB 2532 requires SABoDs to release annual reports on their compliance and efforts, without a set end date. Thus, it deserves consideration of how this policy may interact with others going forward, particularly as more actions across more aspects of society are contemplated.

For example, this year, members of the Senate have introduced two bills that, if enacted, could affect the goals and recommendations that apply to all state agencies. Specifically, SB 1020 (Laird) and SB 1203 (Becker) require each state agency to ensure their electricity obtained is zero-carbon by December 31, 2030, and declare the Legislature’s intent that all state agencies achieve zero net emissions of GHGs from all their operations no later than January 1, 2035, respectively. Thus, even state agencies that do not have any obvious goals or recommendations for GHG emission reductions today may plausibly be expected to have them soon. It is worth considering what value the transparency created by AB 2532 would bring with today’s policies, as well as what it could entail in future policy environments.

Related/Prior Legislation

SB 1020 (Laird, 2022) among other things, requires each state agency to ensure their electricity obtained is zero-carbon by December 31, 2030. SB 1020 is currently in the Assembly Utilities and Energy committee.

SB 1203 (Becker, 2022) states legislative intent that state agencies aim to achieve zero net emissions of GHGs resulting from their operations no later than January 1, 2035; requires each state agency to develop and publish a GHG plan, as specified. SB 1203 is currently in the Assembly, held at the Desk.

SOURCE: Author

SUPPORT:

Californians Against Waste

OPPOSITION:

None received

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