

California Climate Program

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Brief History of California's Climate Activities

- ❑ Energy Efficiency Portfolio (decoupled)
- ❑ Greenhouse Gas Emissions Inventory (1990)
- ❑ California Climate Action Registry (2000)
- ❑ Vehicle Emissions Law and Regs (2002/2004)
- ❑ Renewable Portfolio Standard (2002/2006)
- ❑ Emission Targets in Executive Order (2005)
- ❑ Climate Action Team Report (2006)
- ❑ **Climate Legislation – AB 32 (2006)**
- ❑ **Solar Initiative – SB 1 (2006)**

Brief History of California's Climate Activities (Continued)

- ❑ Power Plant Legislation – SB 1368 (2006)
- ❑ Western Climate Initiative (2007-present)
- ❑ Mandatory Emissions Reporting (2008, 2010)
- ❑ **Scoping Plan (2008)**
- ❑ Regional Transportation Targets – SB 375 (2008-present)
- ❑ Adoption of GHG reduction measures (2009-present)
- ❑ Renewable Portfolio Standard (2010, 2011)
- ❑ Low Carbon Fuel Standard (2010, 2012)

Brief History of California's Climate Activities (Continued)

❑ Cap-and-Trade Program (2011, 2012)

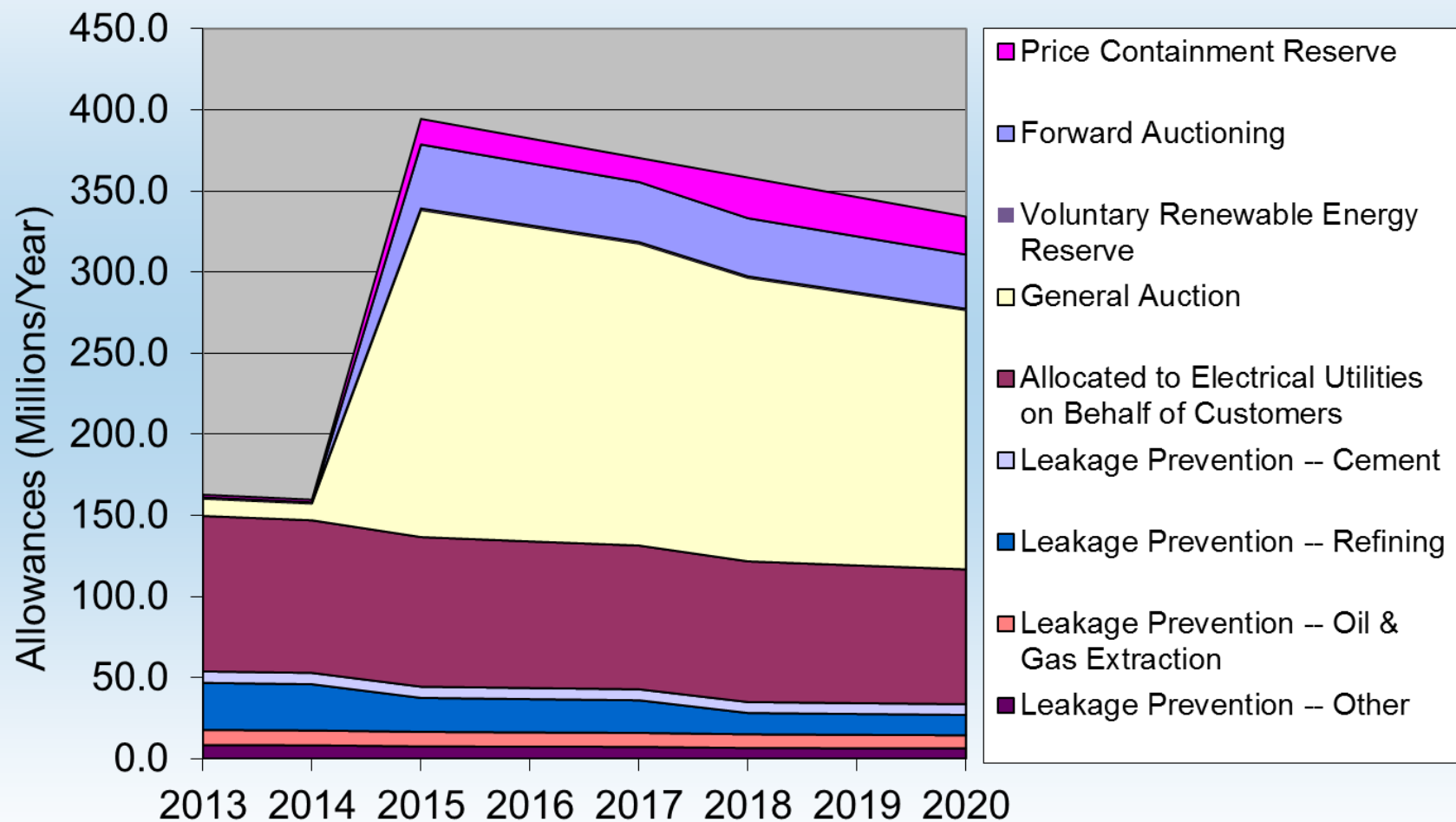
❑ Greenhouse Gas Reduction Fund (2012)

- AB 1532, SB 535, and SB 1018
 - Framework for how the auction proceeds will be administered
 - Support programs that further the purposes of AB 32
- Three year investment plan: May 2013
- Disadvantaged communities
- See:
<http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/auctionproceeds.htm#proceedsworkshops>

Cap and Trade Design Elements

- ❑ High-quality emissions data
- ❑ Define an emissions limit and establish a budget of “emission allowances”
- ❑ Limited use of high-quality offsets
- ❑ Track compliance instrument holdings and submission for compliance
- ❑ Open and fair auctions
- ❑ Effective market oversight
- ❑ Proposed link with Quebec

Allowance Budget and Allocation



Program Status

- ❑ **Program Infrastructure**
 - Compliance Instrument Tracking System Service (CITSS)
 - Auction and Reserve Sale Platform
- ❑ **Covered Entities and Voluntary Participants**
 - Mandatory Reporting
 - Cap and Trade Program Registration
 - CITSS and Auction Registration
- ❑ **Market Monitor**
- ❑ **Allowance Auctions**
 - August 2012 Practice Auction
 - November 2012
 - February 2013

Program Status

❑ Electric Sector

- **Uniform treatment of in-state and imported generation**
- **Allowance Allocation**
 - Allowance Value: On behalf of ratepayers
- **Resource Shuffling**
 - The Regulation
 - Temporary Suspension of Enforcement of the Attestation
 - November 2012 Guidance

Program Features

- ☐ Tracking system “Know Your Customer” checks
- ☐ Allowance Price Containment Reserve
- ☐ Escalating Auction Floor Price
- ☐ Holding Limits

For Additional Information

☐ **ARB Climate Change Web Site:**

www.arb.ca.gov/cc/cc.htm

☐ **California Climate Change Portal:**

www.climatechange.ca.gov