



Status Report

ARB 2030 Target Scoping Plan Update

January 18, 2017



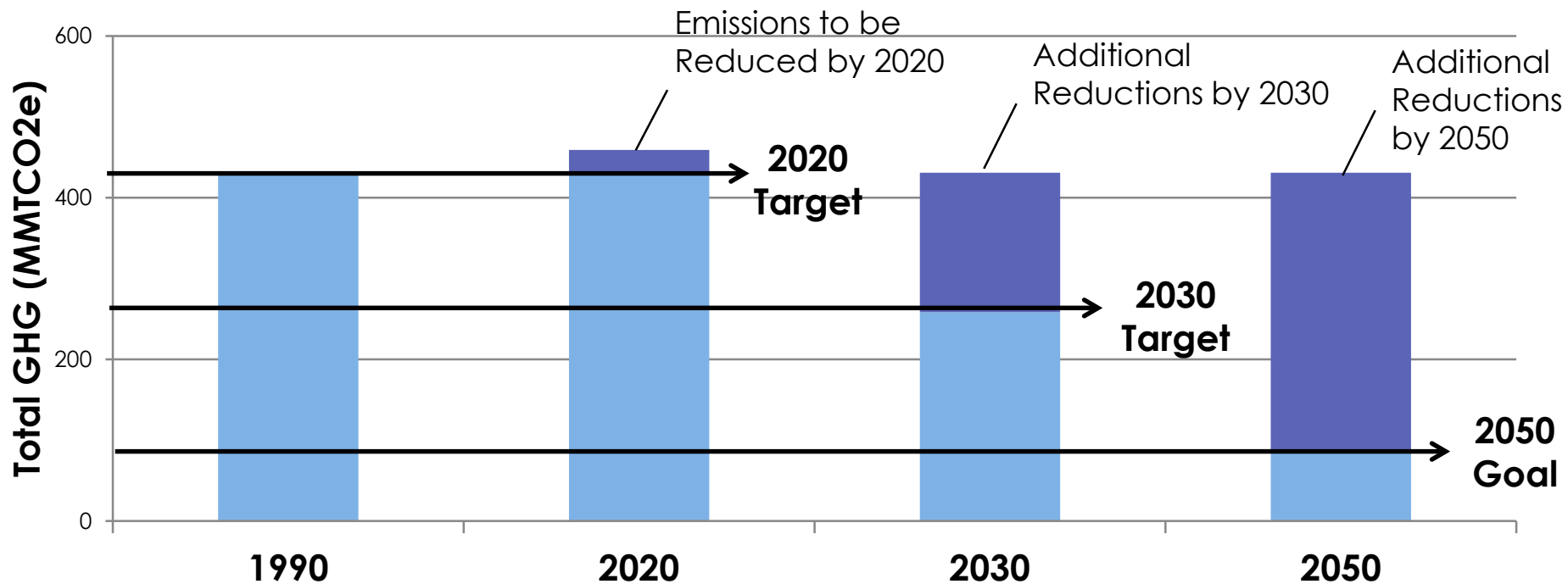
Prior Scoping Plans

- ▣ Established new paradigm for climate mitigation
- ▣ First economy-wide climate change plan
- ▣ Pioneered the concept of a market-based program supplemented with complementary measures
- ▣ Sector-by-sector approach
- ▣ Public outreach and education
- ▣ Must be updated at least every 5 years

Scoping Plan Background

- ▣ Assembly Bill 32 (AB 32) established 2020 GHG target
- ▣ Executive Order B-30-15
 - Reduce GHG emissions 40% below 1990 levels by 2030
 - Update Scoping Plan to incorporate 2030 GHG target
- ▣ Senate Bill 32 (SB 32) codifies 2030 GHG target
- ▣ AB 197
 - Consider the social costs of GHG reductions
 - Prioritize measures resulting in direct emission reductions
 - Follow existing AB 32 requirements—including considering cost-effectiveness and minimizing leakage

GHG Reduction Targets



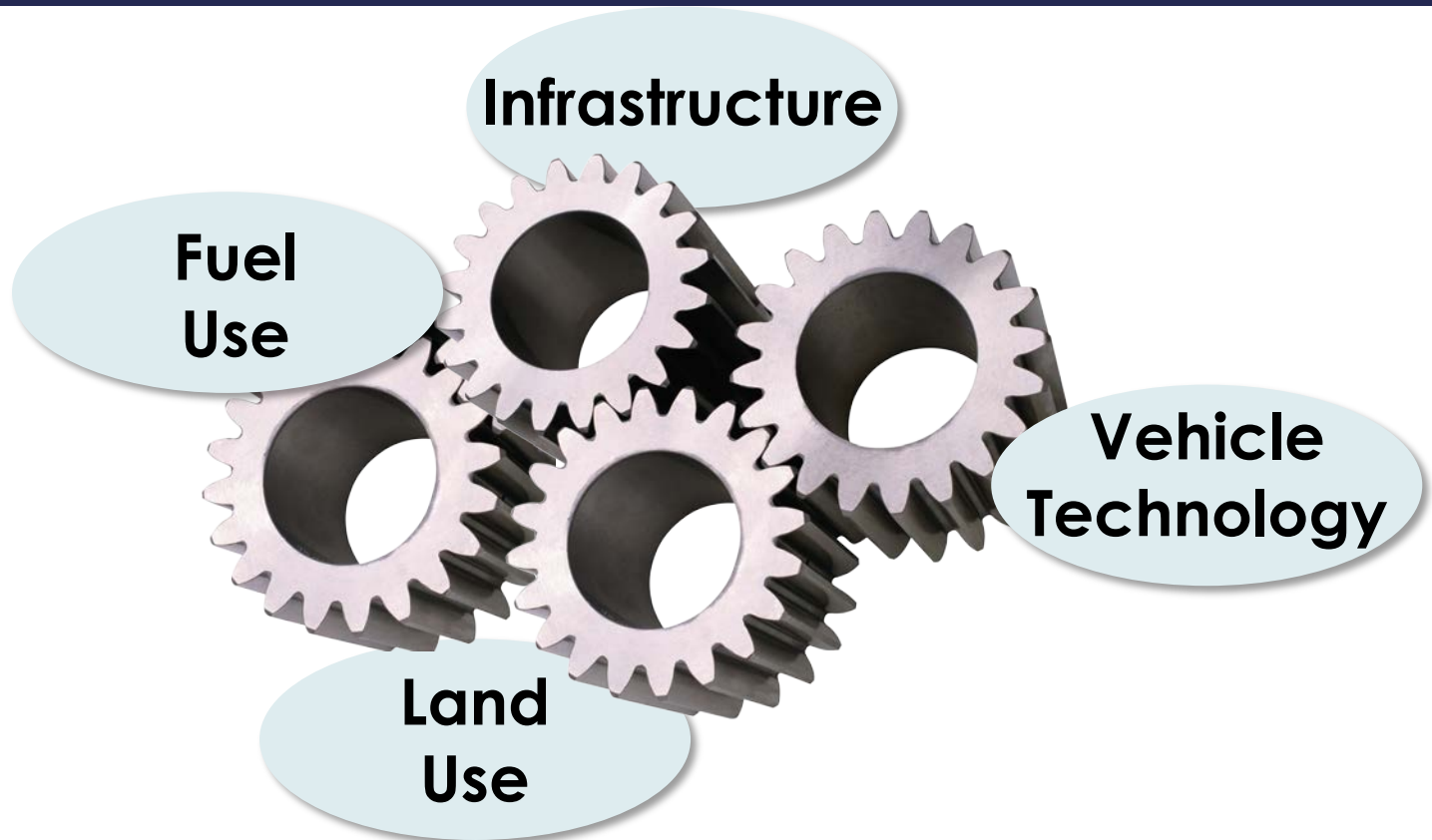
*Executive Order B-30-15 and SB 32

**Executive Orders S-3-05 and B-16-2012

Note: MMT = Million Metric Tons



The Transportation Sector



An Interwoven Transportation “System”

Preferred Scoping Plan Strategy

- ▣ Known Commitments – Foundation for Scoping Plan (CA Transportation Plan 2040, Mobile Sources Strategy)
- ▣ New Refinery Efficiency Measure – 20% reduction by 2030
- ▣ Post-2020 Cap-and-Trade Program
- ▣ Alternatives considered included a carbon tax and prescriptive regulations
- ▣ Public process began in 2015
- ▣ Consultation with EJAC

Schedule

- January 2017: Release full Draft Scoping Plan with economic and environmental analyses
- January Board Hearing on full Draft Scoping Plan
- First quarter 2017: Release final Scoping Plan
- Spring 2017: Final Board consideration