



Office of the Governor

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THE PEOPLE'S GOVERNOR

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Gov. Schwarzenegger Signs Landmark Legislation to Reduce Greenhouse Gas Emissions

Joined by national and international dignitaries who have been leaders in the fight against global climate change, Gov. Schwarzenegger signed AB 32 by Assembly Speaker Fabian Nunez (D-Los Angeles), California's landmark bill that establishes a first-in-the-world comprehensive program of regulatory and market mechanisms to achieve real, quantifiable, cost-effective reductions of greenhouse gases.

"When I campaigned for governor three years ago, I said I wanted to make California No. 1 in the fight against global warming. This is something we owe our children and our grandchildren," said Gov. Schwarzenegger at signing ceremonies in San Francisco and Los Angeles.

"Some have challenged whether AB 32 is good for businesses. I say unquestionably it is good for businesses. Not only large, well-established businesses, but small businesses that will harness their entrepreneurial spirit to help us achieve our climate goals.

"Using market-based incentives, we will reduce carbon emissions to 1990 levels by the year 2020. That's a 25 percent reduction. And by 2050, we will reduce emissions to 80 percent below 1990 levels. We simply must do everything in our power to slow down global warming before it's too late."



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AB 32 requires the California Air Resources Board (CARB) to develop regulations and market mechanisms that will ultimately reduce California's greenhouse gas emissions by 25 percent by 2020. Mandatory caps will begin in 2012 for significant sources and ratchet down to meet the 2020 goals.

In the interim, CARB will begin to measure the greenhouse gas emissions of the industries it determines as significant sources of greenhouse gas emissions. The bill also provides the Governor the ability to invoke a safety valve and suspend the emissions caps for up to one year in the case of an emergency or significant economic harm.

National and international luminaries joined the Governor to celebrate California's leadership in fighting climate change. At the San Francisco bill signing ceremony, British Prime Minister Tony Blair participated via satellite to congratulate California on its commitment to the environment.

In July, the Gov. Schwarzenegger signed a unique agreement with Prime Minister Blair to become partners and act aggressively to address climate change and promote energy diversity. The Governor was also joined at the San Francisco bill signing ceremony by New York Governor George Pataki, who has been extremely supportive of Gov. Schwarzenegger's environmental efforts at the state and national levels.

At the Los Angeles event, the Virgin Group's Sir Richard Branson joined Gov. Schwarzenegger via satellite to applaud the Governor for his leadership and discussed Branson's appeal to other airlines to take voluntary steps to

reduce greenhouse gas.

Japanese Prime Minister Junichiro Koizumi, whom the Governor met with during his 2005 trade mission to Japan and who is a strong supporter of the Kyoto Protocol, sent a letter in support of the legislation.

"I would like to commend you, Gov. Schwarzenegger, and [the] people of California for taking a leadership role in protecting the earth's environment," wrote Prime Minister Koizumi. At the Prime Minister's request, the letter, attached, was read by the Japanese counsel general.

Specifically, AB 32, the California Global Warming Solutions Act of 2006, requires CARB to:

- Establish a statewide greenhouse gas emissions cap for 2020, based on 1990 emissions by January 1, 2008.
- Adopt mandatory reporting rules for significant sources of greenhouse gases by January 1, 2009.
- Adopt a plan by January 1, 2009 indicating how emission reductions will be achieved from significant greenhouse gas sources via regulations, market mechanisms and other actions.
- Adopt regulations by January 1, 2011 to achieve the maximum technologically feasible and cost-effective reductions in greenhouse gas, including provisions for using both market mechanisms and alternative compliance mechanisms.
- Convene an Environmental Justice Advisory Committee and an Economic and Technology Advancement Advisory Committee to advise CARB.
- Ensure public notice and opportunity for comment for all CARB actions.
- Prior to imposing any mandates or authorizing market mechanisms, CARB must evaluate several factors, including but not limited to impacts on California's economy, the environment and public health; equity between regulated entities; electricity reliability, conformance with other environmental laws and ensure that the rules do not disproportionately impact low-income communities.

Because of California's massive and growing economy, the state is the 12th largest emitter of carbon in the world despite leading the nation in energy efficiency standards and lead role in protecting its environment.