

More Than Half of State's Emissions Cuts to be Achieved Through Regulation

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California is planning to give direct regulations a slightly larger role than emissions trading in combating climate change, the head of the state's Air Resources Board said yesterday.

In an interview, CARB Chairwoman Mary Nichols said she envisioned a majority of emissions reductions coming from regulations on specific sectors of the economy. Various state agencies are contributing measures to the state's implementation of A.B. 32, the law aimed at reducing greenhouse gases to 1990 levels by 2020, and CARB is also considering a market-based trading system for some sectors.

"I would say that more than half, probably 60 percent of the CO₂ reductions that we're going to achieve in California will come from programs that are aimed at particular sectors," Nichols said. "Which doesn't mean that there wouldn't be some trading or shifting allowances back and forth within that sector, or market-type compliance mechanisms that allow the flexibility of banking ... but in terms of a broader, economy-wide cap with trading, I think it's going to be more aimed at the areas that you can't effectively control with a more targeted regulation."

Critics of California's plan have been concerned that the market-based side of the plans will receive short shrift when CARB releases its draft implementation plan next month, citing the failure of electricity market deregulation in 2000-01 and the cost to low-income residents as reasons CARB could shy away from trading (Greenwire, Feb. 28).

"I know that [about 40 percent trading] will sound like too much to people who think that all trading is evil, and it will sound like way too little to the carbon-trading enthusiasts, but that's realistically where I think we are," Nichols said.

Scoping plan update next month

Nichols emphasized that next month's draft version of the plan would by no means be definitive. The final version is due out in November.

"We're not expecting that the draft plan is going to contain detailed measures in most of the areas we're looking at; it's more the setting of the framework and giving general direction as to what kinds of measure we're going to be working on to flesh out between June and the final adoption of the plan before the end of 2008," she said. "I think there may be some confusion out there that the draft plan is the plan."

"Our view is that the draft plan really is a draft, and that we're using the draft as a way to garner a lot of information and pursue further analyses on these measures. ... Just coming up with some of the basic framework for which responsibilities you assign to which sectors, and the mix of

regulatory and market programs to use, are pretty fundamental questions that have never been asked and answered before."

Nichols was in town to address automakers' concerns about California's clean-car regulations, as well as to attend a conference put on by the Center for Clean Air Policy on ways to reduce vehicle miles traveled (VMT). Yesterday's conference also included state transportation officials from Kansas, Maryland, New York, Pennsylvania and Utah; local officials from St. Louis, Dallas and Arlington County, Va.; and representatives from BP, Exxon Mobil and Ford.

A legal 'tool' to combat California's sprawl

Nichols said that while the issue of urban sprawl is not new, climate change can provide a new venue to address it. A California interagency group is working with stakeholders to form more specific recommendations on how to reduce sprawl, she said. Additionally, California has been using its state Environmental Quality Act to force towns and developers to take climate change into account when making land-use decisions (Greenwire, Dec. 5, 2007).

"I don't know that there's anything new under the sun in the area of transportation and land use planning, but I think the packaging is different under climate," Nichols said. "I think climate really gives you the rationale for embarking on a more ambitious effort to try to pursue a smart growth agenda for land use and transportation because you have to operate over a timeframe where you can really see measurable results."

"I think it's the first time that we really have a ... legal tool to use to get transportation planning established, to acknowledge the need for more compact roads, reducing growth and VMT," she said.