



AB 32 Implementation Group



Working Toward Greenhouse Gas Emission Reductions
And Enhancing California's Competitiveness

Certified Early Action Program

Under AB 32, the Air Resources Board (CARB) must adopt regulations to implement “discrete early actions” greenhouse gas (GHG) emission reduction measures by January 1, 2010. The regulations must achieve the “maximum technologically feasible and cost-effective reductions” in GHG emissions in furtherance of achieving the statewide GHG emissions limit. At the same time, CARB is required to develop a Mandatory GHG Reporting Regulation to require sources to report their GHG emissions.

Before regulations will be finalized by CARB, many businesses in California will need to make investment decisions with regard to expansion, modernization, relocation, etc. This creates a great deal of regulatory uncertainty for these businesses because the requirements are not yet known. That uncertainty could lead to delays in projects that create jobs, increase economic activity and in some cases reduce greenhouse gas emissions.

It is our goal to promote a Certified Early Action Program to reduce the regulatory uncertainty of going forward with such investments. A Certified Early Action Program would:

- 1) Require CARB to provide expedited regulatory certainty and certification.
- 2) Require businesses to quantify and evaluate their operations to show that emission levels associated with prospective operations will be appropriate to meet their business needs as well as contribute to meeting the state's goals under AB 32 to achieve real and quantifiable reductions in statewide GHG emissions and to grow the economy and produce jobs.

In addition, a program that encourages California businesses to make new investments in energy efficiency and other emission reduction projects by providing expedited regulatory certainty may be the most cost-effective approach to achieve early emissions reductions. These types of programs have been very successful in the past at helping the state achieve other pollution prevention goals, because they provided the incentive and the flexibility to let each facility determine how best to achieve reductions.

January 19, 2007