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## State starts work on plan to curb greenhouse gases

First public hearing by Air Resources Board

by Mark Martin, Chronicle Sacramento Bureau

(01-23) 04:00 PST Sacramento -- California's first-in-the-nation effort to dramatically reduce greenhouse gases officially began Monday, as the state regulators began public hearings to craft a carbon-reduced economy.

Four months after Gov. Arnold Schwarzenegger signed AB32, which calls for reducing emissions of carbon dioxide and other gases by 25 percent by 2020, the state's Air Resources Board has begun work on implementing a law that could change everything from the fuels motorists use to how farmers handle animal waste.

In a packed auditorium in the state's Environmental Protection Agency building in Sacramento, the board's staff outlined an array of deadlines leading up to 2012, when the board will finalize its overall plan for meeting the 2020 mandate.

The hearing came amid signs that the action last year by Schwarzenegger and California lawmakers has reverberated around the country. A coalition of environmental groups and big companies such as General Electric and DuPont held a press conference Monday in Washington, calling on President Bush to emulate California by enacting a nationwide cap on greenhouse gas emissions.

And while Bush's aides have said he opposes a cap, the president is expected in his State of the Union speech today to talk about changing the country's energy habits in what is likely to be his most expansive comments on global warming to date.

Scientists have shown that the temperature has risen by .7 degree during the last 100 years and sea levels have risen by 3 to 8 inches. A report by Schwarzenegger administration officials predicted major problems for California if no action was taken. Those problems include a doubling of the number of large forest fires and the loss of 75 percent of the state's snowpack, which would reduce available drinking water.

In California, business interests, environmentalists, entrepreneurs and others gathered in Sacramento to hear how a process that will have to cut 174 million metric tons of greenhouse gases from the air will begin.

AB32 gives broad powers to the Air Resources Board to decide which industries should cap emissions, to adopt caps and emission regulations for those industries and to potentially create a market-based system that would allow companies to buy and sell emissions credits.

A rough draft of its plan will be out by 2009. Other deadlines include developing regulations to require industries to report emissions by the end of this year, and, also

this year, proposing regulations about early steps to reduce emissions that could begin sooner than 2012.

Those early steps will be the first battle this spring and could include things like increasing recycling mandates, lowering methane emissions from landfills or requiring appliances to emit fewer hydrofluorocarbons. A list of potential early steps - which also could include an executive order signed last week by Schwarzenegger to require oil companies to produce cleaner fuels -- will be released by the board's staff in March.

"This will be a big test this year, to see if the state can really begin cutting emissions quickly," said Jason Barbose of Environment California.

Business groups said Monday they are concerned about how five years of regulatory proceedings will hinder companies' long-term planning.

"These are big question marks on the spreadsheet," said Dorothy Rothrock of the California Manufacturers and Technology Association.

A group formed by the California Chamber of Commerce and the California Manufacturers and Technology Association to lobby on behalf of business during the process asked that the companies that begin making changes now be allowed to include potential reductions when regulations go into place in 2012. The group's concern is that companies that begin reducing emissions early will be penalized later by being forced to make even larger cuts. The group wants assurances that early cuts will be counted when caps are set. The board is required to consider that issue as it makes its rules.

While Schwarzenegger and lawmakers left most of the details to the board to sort out, the governor does have one critical role to play. There are three vacancies on the 11-member board, whose members are appointed by the governor. A spokesman for the governor declined to say when he will name his new appointees.