

ADMINISTRATION 2022 CLIMATE PROPOSALS

1. Codify Statewide Carbon Neutrality Goal

California achieved its 2020 climate target ahead of schedule - while showing the world that climate action and economic growth can go hand in hand. This proposal would establish a clear, legally binding, and achievable goal for California to achieve statewide carbon neutrality as soon as possible, and no later than 2045. Carbon neutrality, or net zero greenhouse gas emissions, means emissions of greenhouse gases, as defined in the Health and Safety Code Section 38505, to the atmosphere are balanced by removals of greenhouse gas emissions over a period of time, as determined by the State Air Resources Board. This goal is in addition to, and does not replace or supersede, the statewide greenhouse gas emissions reduction targets in Section 38566.

Achieving this target would set us on course for a more equitable and sustainable future in the face of the greatest existential threat we face, and ensuring that those who benefit from this transformation include those communities now hardest hit by the ongoing use of fossil fuels. This long-term goal would represent California's commitment to tackling the climate crisis and will drive creativity, investments, and new technological innovations while improving air quality and economic resilience across the state. This proposal would add to the Health and Safety Code.

2. Increase ambition of 2030 greenhouse gas emissions reduction goal from 40% to 55% below 1990 levels

The ambition of California's climate goals must match the urgency and scale of the climate crisis. This proposal would increase the ambition of California's existing, mid-term commitment to tackling climate change. Increasing ambition in the near-term supports the unprecedented rate of transformation needed in this decade to build the clean energy systems of tomorrow. It also accelerates the near-term benefits in air quality in our most impacted communities by phasing down fossil fuel combustion sooner. It would leverage the unprecedented opportunities created by the climate budget and federal funding and incentives to build better here and create green jobs.

Existing law, the California Global Warming Solutions Act of 2006, requires the State Air Resources Board to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030. This proposal would amend the Health and Safety Code Section 38566 to increase the amount of greenhouse gas emissions that must be reduced statewide by 2030 from 40% to 55% below the 1990 level. The state must adopt rules and

regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions to achieve this goal.

3. Establish pathway toward the 100% clean electricity retail sales goal by 2045

To achieve carbon neutrality, we need to produce and utilize more zero-carbon, clean energy from sources such as wind, solar and geothermal than ever before, while maintaining grid reliability. Building on decades of leadership on energy efficiency and clean energy deployment, and the streamlined permitting for clean energy projects as established in Budget Act of 2022, this proposal would accelerate our pathway towards a clean energy future in California. Under existing law, it is the policy of the state that eligible renewable energy resources and zero-carbon resources supply 100% of all retail sales of electricity to California end-use customers by 2045.

This proposal creates interim clean electricity targets between 2030 and 2045 with the intent of advancing the state's trajectory to the existing 100% clean electricity retail sales goal. Specifically, this proposal would amend Public Utilities Codes Section 454.53 to establish the policy of the state that eligible renewable energy resources and zero-carbon resources supply at least 90 percent of all retail sales of electricity to California end-use customers by 2035 and 95 percent of all retail sales of electricity to California end-use customers by 2040, while maintaining reliability and mitigating unreasonable impacts to rates.

4. Establish a setback distance of 3,200 feet between any new oil well and homes, schools, or parks, and ensure comprehensive pollution controls for existing oil wells.

Proximity to oil extraction is closely linked to negative health impacts and is more likely to occur in vulnerable communities. At a time when oil companies are making record profits while fueling our planet's fever, this moment demands action to stand up for our values and protect our communities. This proposal creates a minimum health and safety distance of 3,200-feet between sensitive receptors and new oil and gas production wells, as recommended by an independent national panel of scientific experts. This proposal would also require strict pollution controls to protect the health of over 2 million Californians currently living within 3,200 feet of an active oil well.

Further, this proposal would define sensitive receptors in the Public Resources Code, establish the distance buffer and provide clear direction to the California Geological Energy Management Division to operationalize this requirement through its permitting authority. Californians shouldn't have to pay the price of big oil's greed – it's time to take a stand for our communities.

5. Establish a clear regulatory framework for carbon removal and carbon capture, utilization and sequestration

Scientific consensus exists that there is no path to achieving carbon neutrality without removing carbon from our atmosphere. This proposal would establish a program at the State Air Resources Board focused on the dual objectives of advancing carbon capture, utilization, and sequestration (CCUS) technologies and deploying geologic carbon sequestration projects. In carrying out these objectives, the State Board would be required to prioritize greenhouse gas emission reductions, minimizing impacts to communities where these technologies and projects are developed, maximizing workforce development and employment in these communities, leveraging various funding sources, and reducing fossil fuel production in the state.

To fulfill the objectives of the program, CARB would be required to develop a model unified permitting program for geologic carbon sequestration projects to be used by state and local agencies with applicable permitting authority and would create a tracking system for all CCUS technologies and geologic carbon sequestration projects deployed throughout the state. This proposal also defines subsurface pore space ownership and outlines pore space ownership options for purposes of geologic carbon sequestration projects.

As the state facilitates the deployment of geologic carbon sequestration projects to achieve carbon neutrality, the state must avoid projects that worsen climate change. Specifically, this proposal would prohibit an operator from using concentrated carbon fluids for purposes of enhanced oil recovery. Finally, this proposal would also develop state policy to support sequestering carbon through natural carbon sequestration in California.