

LATE
DIST

Sarah Mayer *General Public Comment - Group 1*

From: Maya Schoop-Rutten <maya@chocolatemaya.com>
Sent: Sunday, May 5, 2024 2:55 PM
To: sbcob
Subject: Health department

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Hello, my name is Maya Schoop-Rutten.

I have some serious concerns about the Health Department monitoring the food establishments, as well as the beach contamination with sewer leaks in Santa Barbara.

I have owned food businesses in town since the early 1990s, when the Health department visited our kitchen at least once a year.

We now run Chocolate Maya, making chocolate confections.

The last visit we had from the Health Department was June 9th 2022, I have conducted my own survey with a few Santa Barbara restaurants and found out we were not the only ones not getting inspected.

Furthermore, we are getting emails from the Sacramento Department of Public Health stating that we are operating without a license.

I, personally, went to the Santa Barbara County public Health Department on December 14th 2023 to pay for our permit to operate. We are still waiting for the permit to arrive, we have called numerous times to inquire about its arrival with no luck.

I hope you will acknowledge our concerns for the safety of the public eating out in Santa Barbara restaurants, as well as walking on clean and safe beaches.

Best,

Maya Schoop-Rutten
maya@chocolatemaya.com

Sarah Mayer

From: mike_bullock@earthlink.net
Sent: Wednesday, May 1, 2024 5:40 PM
To: sbcob
Cc: 'Jerry Bernhaut'
Subject: RE: Your County Climate Action Plan
Attachments: 4_2024EUJEC&OTree_Climate_LessDriving_Parking.ppt; Ref3_2022-scopingPlan.pdf; Ref4_2022-scopingPlan-apeendix-e.pdf; Ref5_2022-sp-appendix-d-local-actions.pdf; Ref2_AG_LetterToSANDAG_2011.docx; ACE CEO Wants to Provide the Solution.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Pending inquiries response

Caution: This email originated from a source outside of the County of Santa Barbara. Do not click links or open attachments unless you verify the sender and know the content is safe.

Santa Barbara County Climate Action Plan Authors and Responsible Parties,

I have replaced the first attached file below with the first attached file here. It is an improved version.

Also, my understanding is that if an EIR and project fail to achieve what is specified in the applicable climate plan (in this case, that is the CARB Scoping Plan), then the negative impact of the project is said to *exceed the significance threshold*. This means the project is contributing to climate destabilization. I don't think anyone wants such a project to move forward.

I have included Jerry Bernhaut in this discussion. He may want to improve or correct something I have said. (He is an environmental lawyer; I am a systems engineer.) My including him does not imply that he agrees with my statements.

Please let me know of your comments and questions. How else can I help? One of my daughters graduated from USB and one graduated from SB City College and then Berkeley. My wife and I always enjoy visiting Santa Barbara.

Regards,

Mike

From: mike_bullock@earthlink.net <mike_bullock@earthlink.net>
Sent: Monday, April 29, 2024 7:12 PM
To: 'sbcob@countyofsb.org' <sbcob@countyofsb.org>
Subject: Your County Climate Action Plan

Santa Barbara County Climate Action Plan Authors and Responsible Parties,

You have been sent a letter regarding your Draft Climate Action Plan, from Jerry Bernhaut, where he wrote the following:

2.Regarding GHG reduction measures, the Santa Barbara Draft CAP relies on projected increase in EV car use to 25% by 2030 and 90% by 2045, Increase commercial EV car use to 15% by 2030 and 75% by 2045, and install at least 375 additional publicly available EV chargers by 2030. See the following public comment:

"I believe the goals for the 2030 Climate Action Plan are not realistic when it comes to the biggest source of GHGs which is transportation. We need to be more honest with the severity of the climate crisis instead of misleading people that we have a realistic plan. Using 2021 DMV data, in Santa Barbara County, a total of 367,892 cars and trucks are registered. To achieve the 25% EV goal by 2030, we need to sell 13,139 EVs every year. Using the California New Car Dealers Association estimate of 1.9 million new cars sold in the state each year, we would need over 60% of these new cars to be EV to reach the 2030 goal. At the current pace of 10% of new cars being EVs, we are already failing to meet our goal"- Public Comment p.41

There is generally aspirational language about land use and affordable housing to reduce vehicle miles traveled, but an admission that passenger vehicles will be the dominant mode of transportation. (p.36)

I agree with Mr. Bernhaut. However, there is an even larger problem. You may not ignore California's (CA's) official plan to achieve CA's official 2030 climate mandate. That official Plan is the 2022 CARB Scoping Plan. You may not ignore the CARB Scoping Plan and its mitigation measures to reduce driving due to common decency and rulings resulting from the AG (now US VP) joining the suit against SANDAG's RTP EIR in January 2012. Her joining that lawsuit and the subsequent rulings agreeing with her assertions establish that no work under CEQA can ignore CA's Climate Mandates and Plan to achieve them, because, as she wrote, they are about "climate stabilization" which is the "objective of CEQA." CA's official plan to achieve its official 2030 climate mandate, SB 32, is the 2022 CARB Scoping Plan.

The CARB Scoping Plan (CA's official plan) assumes EV's at some reasonable level by 2030. It then has computed that we must reduce VMT 25% with respect to 2019 levels, by 2030. To do this, we need to price parking, price driving, and double transit service with respect to 2019 levels. Pricing parking must be implemented in Santa Barbara County by 2030, since Santa Barbara cannot ignore the Scoping Plan. Failure to implement that part of Plan that is controlled by Santa Barbara County (for its employees and in its off-street and on-street parking ordinances) violates the CA Official Plan, against the rulings obtained by AG Harris. The details of this are contained in the attached files.

To help you save time and work as you strive to obey law and conform to common decency in wanting to help avoid climate destabilization, which equates to the following sequence of events as climate change destroys, over time, our human habitat: high food prices, widespread food insecurity, starvation, mass starvation, and human extinction; I have attached the following files:

- 1.) A summary of climate literacy, transportation policy, and the CARB Scoping Plan, including what it says about what must be done and why it is legally binding for your CAP and its EIR to conform to the CARB Scoping Plan.
- 2.) The Scoping Plan, which you are not allowed to ignore.

- 3.) The Scoping Plan's Appendix E
- 4.) The Scoping Plan's Appendix D
- 5.) The AG's letter, where the AG asserts that the official CA Plan to achieve CA's official climate mandates cannot be ignored because it is about "climate stability" which is "the objective of CEQA".
- 6.) Documentation that the CEQ of ACE Parking would submit a proposal to do parking for SB County employees and throughout the world, as it became understood that the car parking stakeholders, by a wide margin, favored the system, over so-called "free parking". Note that Santa Barbar County should not do parking itself, due to the complexity. The private sector can easily do a good car parking system. The government needs to oversee the contract and accept the thanks from the world for doing something that is, according to CARB, essential for climate stabilization. ACE is not alone. Many companies would like to do car parking. Your role is to provide a fair Request for Proposal process.

Highest regards,



Mike Bullock
1800 Bayberry Drive
Oceanside, CA 92054
760 421 9482

Former California Democratic Party Delegate, 76th Assembly District (author of 2 adopted resolutions and 5 Platform changes)
Former Elected (now Associate) Member of the San Diego County Democratic Party Central Committee (author of 5 adopted resolutions)

Final title before leaving Aerospace: **Senior Staff Systems Engineer**

Air and Waste Management Association published and presented papers:

Author, ***The Development of California Light-Duty Vehicle (LDV) Requirements to Support Climate Stabilization: Fleet-Emission Rates & Per-Capita Driving***

Author, ***A Climate-Killing Regional Transportation Plan Winds Up in Court: Background and Remedies***

Co-author, ***A Plan to Efficiently and Conveniently Unbundle Car Parking Cost***

Quotes from the Secretary General of the UN:

- 1.) We have a Code Red Climate Emergency.
- 2.) We are solidly on a path to an unlivable planet.
- 3.) We are driving towards Climate Hell with our foot on the accelerator.
- 4.) We are dangerously close to the point of no return.

KAMALA D. HARRIS
Attorney General

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September 16, 2011

Honorable Jerome Stocks
Chair, Board of Directors
San Diego Association of Governments
401 B Street, Suite 700
San Diego, CA 92101

**RE: Draft Environmental Impact Report for 2050 Regional Transportation Plan
and Sustainable Communities Strategy**

Dear Chairman Stocks and Honorable Members of the Board:

Attorney General Kamala D. Harris submits the following comments on the Draft Environmental Impact Report (DEIR) prepared for the San Diego Association of Governments (SANDAG) 2050 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS).¹ While we recognize the difficulty of SANDAG's task-to prepare the first SCS in the State as required by SB 375²...our review of the DEIR for the RTP/SCS has revealed some significant legal problems, as set forth below. We believe that SANDAG has the ability to correct these problems and improve the RTP/SCS, which will benefit not only the San Diego region, but will help to set the standard for other Metropolitan Planning Organizations across California.

¹ The Attorney General submits these comments pursuant to her independent power and duty to protect the environment and natural resources of the State from pollution, impairment, or destruction, and in furtherance of the public interest. (See Cal. Const., art. V, § 13; Gov. Code, §§ 12511, 12600-12612; *D'Amico v. Bd. of Medical Examiners* (1974) 11 Cal.3d I, 14-15.) This letter is not intended, and should not be construed, as an exhaustive discussion of the DEIR's compliance with the California Environmental Quality Act (CEQA).

² Senate Bill 375 (Chapter 728, Statutes of 2008).

Comments on the DEIR

Localized Air Pollution

The SANDAG region has some of the most serious local air quality problems in the State and the nation - in substantial part caused by vehicle emissions. The harm from these pollutants is not necessarily distributed equally throughout the region, but may be more concentrated in communities immediately adjacent to large-scale industrial and commercial development and major transportation corridors, and may more particularly affect certain segments of the population. As discussed below, our review of the DEIR indicates that SANDAG has set too low a bar for determining whether the air quality impacts of its RTP/SCS are significant, and, further, has failed to analyze the impacts of projected increases in pollution on communities that are sensitive or already overburdened with pollution, in violation of CEQA.

Background: Pollutants of Concern in the San Diego Air Basin

It is well established that "[t]he significance of an activity depends upon the setting." (*Kings County Farm Bureau v. City of Hanford* (1990) 221 Cal.App.3d 692, 718 [citing Cal. Code Regs., tit. 14, § 15064, subd. (b)]; see also *id.* at 721.) Accordingly, the significance of any added pollutant emissions must be judged in the context of an air basin that already exceeds health-based federal air quality standards. (See *ibid.*) The San Diego area was ranked by the American Lung Association this year as having the seventh worst ozone problem, and the fifteenth worst particulate pollution problem, in the nation.³ Pollutants of concern in the San Diego air basin include ozone, the chemical commonly called "smog," which may permanently decrease lung function;⁴ and particulate matter, which impairs lung function and can exacerbate asthma. Small particulate matter (2.5 microns in size or less), a component of diesel exhaust, is of particular concern, because it can penetrate deeply into the lungs, bypassing the body's defenses, and can carry carcinogens on the surface of the particles.

The seriousness of the localized air pollution problem as it exists today in the region can hardly be overstated. The area exceeded the health-based federal ozone standard on 24 days in 2009, and it exceeded the federal particulate standard on 4 days. The basin exceeded the more stringent California standard for ozone on 127 days in 2009, and the fine-particulate standard on 78 days. The area has a history of failing to meet applicable air quality objectives. The San Diego Air Pollution Control District (APCD) stated in its 2009 Regional Air Quality Strategy (RAQS) that it has not consistently met the Health and Safety Code's 5% per year ozone reduction target during any year during the 2003-2006 time period, and that the APCD expects reductions of only about 3% per year during the 2006-2009 time period. (San Diego APCD 2009-RAQS, p. 2.)

³ American Lung Association, *State of the Air 2011*, at pp. 11, 13.

⁴ Gauderman, et al., *The Effects of Air Pollution on Lung Development from 10 to 18 Years of Age* (Sept. 9, 2004) 351 *The New England Journal of Medicine* 1057-1068.

SANDAG's Focus on "Conformity" with the State Air Pollution Plans Fails Adequately to Address the Region's Serious Air Quality Problems.

Where an area exceeds federal air quality standards for air pollutants, federal law allows funding of the individual transportation projects listed in an RTP only if the RTP "conforms" to a federally approved state plan to meet those federal standards. The DEIR's analysis of whether localized air pollution resulting from the RTP/SCS is significant under CEQA focuses almost exclusively on whether such conformity is achieved. There are significant problems with this limited approach, which substitutes a determination of whether certain federal laws are met for SANDAG's obligation under CEQA to conduct a thorough analysis of the actual effects on the air and on public health that will result from the addition of the many hundreds of miles of highway expansion and extensions that are in the RTP/SCS.

California's most recent federally approved plan was prepared in 2007, and therefore does not reflect current conditions. The DEIR acknowledges that the federal EPA is expected to soon reclassify the San Diego Air Basin as in "serious" nonattainment of the federal ozone standard, a designation that requires attainment of the federal standard by June of 2013. (DEIR, p. 4.3-6.) Demonstrating conformity with the 2007 plan emissions budgets does not, by itself, show that relevant health effects created by the new pollution generated by the RTP/SCS have been analyzed and disclosed, or even that the relevant federal standards will be met. Instead, EPA's reclassification of the air basin as having worse air quality, and the imposition of such a short deadline for meeting the federal ozone standard, indicates a more serious air pollution problem that may require more stringent control measures to protect the public health.⁵

In addition, the DEIR fails to analyze whether the California standard for ozone, more stringent than the federal standard, will be met during the life of the RTP/SCS, or what the RTP/SCS's contribution to current or future violations of that standard will be. The DEIR appears to rely solely on the RAQS to meet the state ozone standard. (See DEIR at p. 4.3-29-30.) Yet, as noted, the region has not consistently met the RAQS 5% per year ozone reduction target. The fact that U.S. EPA is expected to reclassify the Basin as in "serious" nonattainment of the less stringent federal ozone standard would indicate that the RAQS standards have not been enough to prevent deteriorating air quality. Thus, any assumption that the RAQS will consistently achieve the 5% reduction target in the future is unsupported, and any assertion that the RAQS will attain the state ozone standard at a time certain unfounded. A full analysis is

⁵ Even if conformity with federal standards in state-approved plans were an appropriate benchmark for significance under CEQA, the DEIR does not contain a quantitative analysis, using the most recent available air quality measurements as the baseline, to determine whether the federal air quality standards will actually be met, and what the public health consequences would be of adding the expected pollutant load from the RTP/SCS to existing conditions. (DEIR, at p. 4.3-14.)

needed to show that the emissions caused by the RTP/SCS at different time points during its life will not contribute significantly to violations of the state ozone standard in the San Diego Air Basin.

SANDAG Has Failed Adequately to Address Impacts to Public Health and Communities Already Burdened with Pollution.

We commend SANDAG for including in its DEIR a chapter entitled "Environmental Justice." (DEIR, ch. 4.06.) That section appears to focus primarily on the RTP/SCS's effect on access to transit by traditionally underserved communities. SANDAG has, however, failed to analyze other equally, if not more, significant effects of the RTP/SCS on communities currently experiencing environmental justice. The principal omission of the DEIR is the lack of any discussion of the impacts of the increased air pollution that will result from carrying out the RTP/SCS on communities already severely impacted by air pollution. As noted, CEQA requires that the significance of environmental impacts be considered in context. (*Kings County Farm Bureau, supra*, 221 Cal.App.3d at 718.) Such context may appropriately include (1) whether the region includes communities or subpopulations that may be particularly sensitive to increases in pollution; and (2) whether such communities or groups are already at or near their capacity to bear any additional pollution burden.

The DEIR does not identify whether the area affected by the RTP/SCS includes particularly sensitive communities that will be affected disproportionately by the acknowledged increase in pollution. "[A] number of studies have reported increased sensitivity to pollution, for communities with low income levels, low education levels, and other biological and social factors. This combination of multiple pollutants and increased sensitivity in these communities can result in a higher cumulative pollution impact." (Office of Environmental Health Hazard Assessment, *Cumulative Impacts: Building a Scientific Foundation* (Dec. 2010), Exec. Summary at p. ix.)⁶ Research in other parts of California has shown that disadvantaged and minority communities are often exposed to unhealthy air more frequently and at higher levels than other groups.⁷ Identifying these communities is an essential part of describing the relevant CEQA setting.

Once such communities are identified, SANDAG must analyze how the health of the residents in these communities would be expected to be particularly affected. As discussed, residents already are experiencing serious air pollution that is impacting health and welfare, and it is reasonable to assume that these effects currently are more concentrated in certain areas of the region, for example, in communities adjacent to large-scale industrial or commercial operations or transportation corridors used by heavy-duty trucks. In addition, viewed at the individual community scale, there may be synergistic adverse effects. For example, research

⁶ Available at <http://oehha.ca.gov/ej/cipa123110.html>.

⁷ Hall and Brajer, *The Benefits of Meeting Federal Clean Air Standards in the South Coast and San Joaquin Valley Air Basins* (2008) at 22-23.

has shown that increases in greenhouse gas emissions may result in localized ozone increases; such increases have been observed in California.⁸

We believe that particulate pollution may be of special concern to already burdened communities. As discussed, diesel particulate emissions have serious health effects, since they impact respiratory function and can exacerbate asthma. Further, diesel particulates are known to the State of California to cause cancer,⁹ and have been listed by the Air Resources Board (ARB) as a toxic air contaminant.¹⁰ The DEIR shows that particulate matter pollution will increase over the life of the RTP/SCS. (DEIR, Table 4.3-5, p. 4.3-25.) It also reports that the ARB estimated in 2000 - over a decade ago - that a subset of particulate pollution, fine particulates emitted by diesel vehicles, created an additional cancer risk of 720 cancer cases per one million persons exposed in the San Diego Air Basin. (DEIR, p. 4.3-8.) For comparison purposes, a private business must provide a warning if it exposes individuals to a chemical that poses an increased cancer risk often cases in one million people exposed. (Cal. Code Regs, tit. 27, § 25703(b).)

Despite this high cancer risk, and the DEIR's own recognition that particulate pollution will increase over the life of the RTP/SCS, the DEIR does not analyze what public health effects the increase in particulate matter will cause. Nor does it estimate what portion of the increase in particulate pollution will be carcinogenic diesel particulate matter, and disclose the public health effects that increase may cause. Such an analysis is required under CEQA, so that both the decision maker and the public can know the full consequences of the decision being made. (*Bakersfield Citizens for Local Control v. City of Bakersfield* (2004) 124 Cal.App.4th 1184, 1219-1220.) We are especially concerned that no analysis is presented either of the current risk from particulate pollution, nor of the impact of the projected increase in particulate pollution, on already overburdened or sensitive communities. Given the increase in particulate emissions shown in the DEIR, given the emphasis in the RTP/SCS on the Goods Movement Strategy for the San Diego region (RTP/SCS, Chapter 6), and given the DEIR's recognition that much of this goods movement will be accomplished by diesel trucks (DEIR, p. 4-16-8; see, also, RTP/SCS, Tech. Appdx. 4, p. 4 [estimating that roads and truckways will carry 90% by volume of goods through the region]), it is incumbent on SANDAG to fully analyze the public health consequences of the RTP/SCS in general, and of the Goods Movement Strategy, in particular.¹¹

⁸ Jacobson, *Enhancement of Local Air Pollution by Urban CO2 Domes* (2010) Environ. Sci. Technol. 2497-2502. This phenomenon is of concern because, as discussed, under the RTP/SCS, vehicle miles travelled (VMT) trends up as the total number of vehicles on the road increases. (DEIR, pp. 4.12-16, 4.12-21, 4.12-24; contrast with Table TA 3.1, showing an overall decrease of 1% in VMT by 2050.) Increases in VMT cause increased emissions of greenhouse gases, which may in turn exacerbate localized pollution.

⁹ Cal. Code Regs., tit. 27, § 27001.

¹ Cal. Code Regs., tit. 17, § 93000.

¹¹ See *Bakersfield Citizens for Local Control v. City of Bakersfield* (2004) 124 Cal.App.4th 1184, 1219-1220, cited above.

The goal of an RTP/SCS is a sustainable community, and no community can be sustainable unless its public health is protected. Thus, while the inclusion of a separate chapter of the DEIR on environmental justice is commendable, the current analysis is deficient, and should be redone and expanded to disclose the full scope of the air pollution and public health consequences of the RTP/SCS, and to propose mitigation measures for those consequences that are proportional to the seriousness of the impacts. (*City of Marina v. Board of Trustees of the California State University* (2006) 39 Cal.4th 341, 361-62.) We would be happy to work with SANDAG in making this part of the DEIR more meaningful.

SANDAG Has Failed Adequately to Consider Feasible Mitigation for Localized Air Quality Impacts.

Although it finds the RTP/SCS's impacts on localized air pollution to be significant, the DEIR proposes almost no mitigation measures to reduce or offset these impacts. Instead, the DEIR states that "mitigation measures at the program level is [sic] infeasible" for ozone precursors and carbon monoxide, and defers all mitigation for these pollutants to individual project-level CEQA processes. (DEIR, pp. 4.3-46, 4.3-47, 4.3-48.) CEQA requires that project changes or mitigation either be adopted or shown through substantial evidence to be infeasible; the DEIR, however, does not make such a showing.

The DEIR offers virtually no evidence that program-level mitigation is actually infeasible, and the mitigation measures it does propose lack certainty and are incomplete. For example, compliance with future local land use plans (the scope of which is not now known) is identified as the only feasible mitigation for ozone-related impacts. (DEIR, p. 4.3-48.) Mitigation for fine particulate matter is not discussed separately from mitigation for coarse particulates, despite their different sizes, health impacts, and sources. The dust control measures in the DEIR are not shown to be effective against fine particulates, which come more from industrial processes and fuel combustion than from ground disturbance.. The DEIR's treatment of mitigation for conventional air pollution does not comply with CEQA's substantive mandate to mitigate all significant impacts. (Pub. Resources Code, §§ 21002, 21081(a).)

It is vital for the health of the San Diego region's public that all feasible mitigation be adopted and carried out to prevent further deterioration of the already unhealthy air, and it is also vital for the region's economy. Research shows consistently that the costs of reducing pollution are far outweighed by clean-air benefits such as increased worker productivity, increased agricultural outputs, and reductions in mortality and illness that result from cleaner air.¹² The research cited above -- finding minority communities more severely affected by air pollution -- also calculated the significant costs associated with polluted air in other air basins. Costs ranged

¹² On a nationwide basis, the Office of Management and Budget has estimated that the benefits of clean air regulations outweigh the costs by a ratio of about four to one. OMB, "Informing Regulatory Decisions: 2003 Report to Congress on the Costs and Benefits of Federal Regulations and Unfunded Mandates on State, Local, and Tribal Entities."

from \$1,250 per person per year in the South Coast Air Basin to \$1,600 per person per year in the San Joaquin Valley Air Basin, due to increased health care costs and emergency room visits, missed work and school days, and even premature deaths.¹³ CEQA mandates that SANDAG improve its analysis of the feasibility of localized air pollution mitigation, and the economic benefits of cleaner air and healthier communities must be considered in the feasibility calculus.

Climate Change Impacts: Greenhouse Gas Emissions

Before discussing the DEIR's treatment of GHG emissions, it is important first to establish the relevant context for evaluating significance. The climate is affected by the concentration of GHGs in the atmosphere. The concentration of carbon dioxide, the primary GHG, has increased from approximately 280 parts per million (ppm) in pre-industrial times to well over 380 ppm, according to the National Oceanic and Atmospheric Administration's (NOAA) Earth Systems Research Laboratory.¹⁴ Almost all of the increase is due to human activities (such as fossil fuel use).¹⁵ The current rate of increase in carbon dioxide concentrations is about 1.9 ppm/year; present carbon dioxide concentrations are higher than any time in at least the last 650,000 years.¹⁶ GHGs persist in the atmosphere for decades and in some cases millennia.¹⁷

The atmosphere and the oceans are reaching their capacity to absorb GHGs without significantly (and perhaps abruptly) changing the Earth's climate. California is already seeing the effects of climate change. As the Resources Agency observed in its 2009 report, we already are experiencing sea level rise, coastal erosion, increased average temperatures, more extreme hot days and increased heat waves, fewer shifts in the water cycle, and increases in the frequency and intensity of wildfires. (Resources Agency, *2009 Climate Adaptation Strategy* at p. 3.)⁸ These effects are expected to increase with rising GHG levels in the atmosphere.

The burdens of climate change will not be shared equally. Future climate scenarios are expected to disproportionately affect, for example, the urban poor, the elderly and children, traditional societies, agricultural workers and rural populations. (Office of Environmental Health Hazard Assessment, *Indicators of Climate Change in California: Environmental Justice Impacts* (Dec. 2010) at p. 2.)¹⁹

¹³ Hall and Brajer, at 5.

¹⁴ See <http://www.epa.gov/climatechange/science/recentac.html>.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ Intergovernmental Panel on Climate Change, *Frequently Asked Questions*, FAQ 10.3 (2007), available at www.ipcc.ch/pdf/assessment-report/ar4/wgl/ar4-wgl-fags.pdf.

¹⁸ Available at <http://www.cHmatechange.ca.gov/adaptation/>.

¹⁹ Available at <http://oehha.ca.gov/multimedia/epic/epic123110.html>.

In order to stabilize the climate and avoid the most catastrophic outcomes of climate change, we must substantially reduce our annual GHG emissions over time, achieving a low-carbon future by midcentury. California has memorialized this overarching environmental objective in law. Under AB 32²⁰, by 2020, California must reduce its total statewide greenhouse gas emissions to the level they were in 1990. (Health & Saf. Code, § 38550). To achieve AB 32's 2020 target, total statewide greenhouse gas emissions must be reduced by approximately 15 percent from current (2008) levels. AB 32 implements Executive Order S-03-05 (2005),²¹ which set the statewide 2020 target as an interim step to reducing statewide emission levels, by 2050, to 80 percent below 1990 levels. "The 2020 goal was established to be an aggressive, but achievable, mid-term target, and the 2050 greenhouse gas emissions reduction goal represents the level scientists believe is necessary to reach levels that will stabilize climate." (Air Resources Board (ARB), Scoping Plan at p. 4.)²²

The emissions reductions required to reach our statewide climate objective are substantial. In the longer term, we must reduce our total GHG emissions by approximately four percent per year between 2020 and 2030, and our per capita emissions by slightly less than five percent per year during the 2020 to 2030 period, with continued reductions required through midcentury. (These reductions required are graphically illustrated by the chart from ARB's Scoping Plan, attached to this letter as Exhibit A.) One of the prime objectives of SB 375, a law supporting and complementary to AB 32, and of the requirement for Sustainable Communities Strategies, is to create a long-term downward trajectory for GHG emissions in California through transportation and land use strategies.

Given the seriousness of the climate change problem, and the enormity of our GHG reduction task, we are greatly concerned that, when viewed in context, the RTP/SCS seems to be setting the region on a course that is inconsistent with the State's climate objectives. Specifically, per capita GHG emissions from cars and light-duty trucks increase as compared to the previous year after 2020 (see RTP, Table 301 at p. 3-3), while AB 32 requires that we must aggressively and steadily reduce total per capita GI-IG emissions during this time period. (See Exhibit A.) Moreover, the total number of vehicle miles travelled (VMT) driven in the San Diego region will steadily increase over the life of the RTP/SCS over the 2010 baseline by 10%, 32%, and 51% in 2020, 2035, and 2050, respectively. (DEIR, pp. 4.12-16, 4.12-21, 4.12-24;

²⁰ Cal. Health and Safety Code, § 38,500, *et seq.*

²¹ The DEIR states that the Executive Order "does not constitute a 'plan' for GHG reduction, and no state plan has been adopted to achieve the 2050 goal." (DEIR, pp. 4.8-29 to 4.8-30.) The DEIR therefore does not find the RTP/SCS's failure to meet the Executive Order's goals to be a significant impact. This position fails to recognize that Executive Order S-3-05 is an official policy of the State of California, established by a gubernatorial order in 2005, and designed to meet the environmental objective that is relevant under CEQA (climate stabilization). SANDAG thus cannot simply ignore it.

²² Available at http://www.arb.ca.gov/cc/scopingplan/document/adopted_scoping_plan.pdf. The Scoping Plan was readopted by ARB on August 24, 2011.

contrast with Table TA 3.1.) Under the most optimistic figures presented in the DEIR, total VMT will drop only 1% over current levels by 2050. Moreover, the DEIR predicts that the 14.33 million metric tons of greenhouse gases (expressed as MMT of carbon dioxide equivalent) emitted by cars and light duty trucks in 2010 (DEIR, p. 4.8-5) will fall to 12.04 MMT in 2020 (DEIR, p. 4.8-20), based largely on statewide tailpipe and fuel standards, but will then begin rising again, to 12.94 MMT in 2035 and 14.74 MMT in 2050. (DEIR, pp. 4.8-23, 4.8-25, respectively.) Thus, although SANDAO will meet the SB 375 goals for per capita OHO targets for cars and trucks set for it by ARB in 2020 and 2035, the DEIR shows that total OHO emissions from cars and light-duty trucks in 2050 will increase over the 2010 emissions level.

The DEIR finds the impact of the RTP/SCS on OHO emissions to be not significant in 2020 (DEIR, p. 4.8-20), significant in 2035 (DEIR, p. 4.8-23), and significant in 2050 (DEIR, p. 4.8-25). SANDAO must, however, make a determination whether the project as a whole has significant climate change impacts. We believe strongly that it does. What the DEIR shows is that the suite of strategies relied on by SANDAO, which include a heavy reliance on roadway expansion projects, does not deliver OHO reductions that are sustainable in the long term. In fact, infrastructure and land use decisions made in the early years of the RTP/SCS may lock in transportation inefficiencies and preclude any realistic possibility of meeting the Executive Order's goal of an 80% reduction in OHO emissions. The DEIR states that "[t]otal land-use based OHO emissions in 2050 are projected to be 21.85 MMT CO₂e, or 50 percent greater than OHO emissions in 2010 (Table 4.8-11)," (DEIR at p. 4.8-24.) The DEIR should address the impact of the draft RTP/SCS on this important long-term policy in greater detail.

The DEIR is legally deficient for the additional reason that it does not analyze potential changes to the project design or specific mitigation measures for the OHO emissions impacts from land use; it makes only a generalized promise to prepare future RTPs "to incorporate policies and measures that lead to reduced OHO emissions." (DEIR, p. 4.8-35.) Further, the DEIR proposes some mitigation measures for OHO emissions attributable to transportation, but does not include any transportation mitigation that relates to land use, nor does it show that any such measures would be infeasible. We believe that CEQA requires much more analysis of potential mitigation measures, and that postponing this discussion and analysis until future RTP/SCS's and individual projects is a violation of CEQA's substantive provisions. (Public Res. Code §§ 21002, 21081(a); see *Communities for a Better Environment v. City of Richmond* (2010) 184 Cal.App.4th 70, 89-96.) SANDAO has the authority to approve the RTP/SCS even if it will have substantial environmental impacts, and CEQA will not second-guess the wisdom of that choice, so long as substantial evidence supports SANDAO's findings. (Public Res. Code § 21081(b).) However, SANDAO may not approve an environmentally damaging project until and unless it has adopted all feasible mitigation measures or shown that further mitigation - including land use mitigation - is infeasible. The DEIR does not yet do so.

We recognize that this is the first SCS prepared in California, and that SANDAO is chaiting new territory. However, the legal requirements of CEQA, including the requirement to mitigate significant impacts to the extent feasible, are not satisfied simply because the RTP/SCS meets the targets contained in SB 375 for 2020 and 2035. CEQA demands a full analysis and all

Honorable Jerome Stocks
Chair, Board of Directors
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feasible mitigation of every significant impact resulting from the implementation of the RTP/SCS, throughout the full life of the Plan. The DEIR does not now provide this for GHG emissions.

Comments on RTP/SCS

Although we are not commenting directly on the legal adequacy of the RTP/SCS under SB 375, we concur in the comments submitted to SANDAG by the California Office of Planning and Research (QPR). As discussed above, we are particularly concerned that per capita greenhouse gas (GHG) emissions associated with cars and light-duty trucks (and associated co-pollutants like particulate matter) begin to rise after 2020. (See QPR comment letter at pp. 3-4; Draft RTP at p. 3-3, Table 3.1; see also DEIR at Tables 4.3-5, p. 4.3-25.) As OPR notes, this "implies that future growth will be unavoidably less transportation efficient, which counters SB 375's underlying purpose." (QPR comment letter at p. 3.) If the RTP/SCS in fact runs counter to SB 375's purpose to reduce transportation-related GHG emissions over time, this would bear on whether the effects of the plan should be considered significant under CEQA.

In addition, OPR's comments discuss a failure of the DEIR and RTP/SCS to fully disclose the methodology by which VMT was projected, making it difficult or impossible for the lay public to determine for itself whether the information presented in the two documents is accurate and supported by substantial evidence. This lack of transparency is also a crucial flaw under CEQA, a statute whose purposes include accountability as to governmental decisions that affect the environment. (*Laurel Heights Improvement Ass'n v. Regents of the University of California* (1989) 47 Cal.3d 376,392 [holding that "the EIR ... is a document of accountability" for the public officials who certify it].)

Conclusion

We appreciate the difficulty of preparing the first SCS in California. We believe that SANDAG has not yet prepared a DEIR on the RTP/SCS that fully satisfies CEQA's requirements, and urge SANDAG to redo several parts of the DEIR, as described in our comments herein. This RTP/SCS presents SANDAG with an opportunity to integrate transportation and land-use planning in a way that reduces GHG emissions and harmful air pollution, and that produces other benefits such as increased mobility and better public health for all the region's residents, particularly its sensitive and already overburdened communities. We

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would be happy to work with SANDAG to take the additional steps needed to take full advantage of this opportunity. We appreciate your consideration of our comments.

Sincerely,

/ *tf.A,,{4.,u.r-0*
TIMOTHY R TTERSON *4_et 8-L_!*)
Supervising Deputy Attorney General

SUSAN DURBIN
Deputy Attorney General

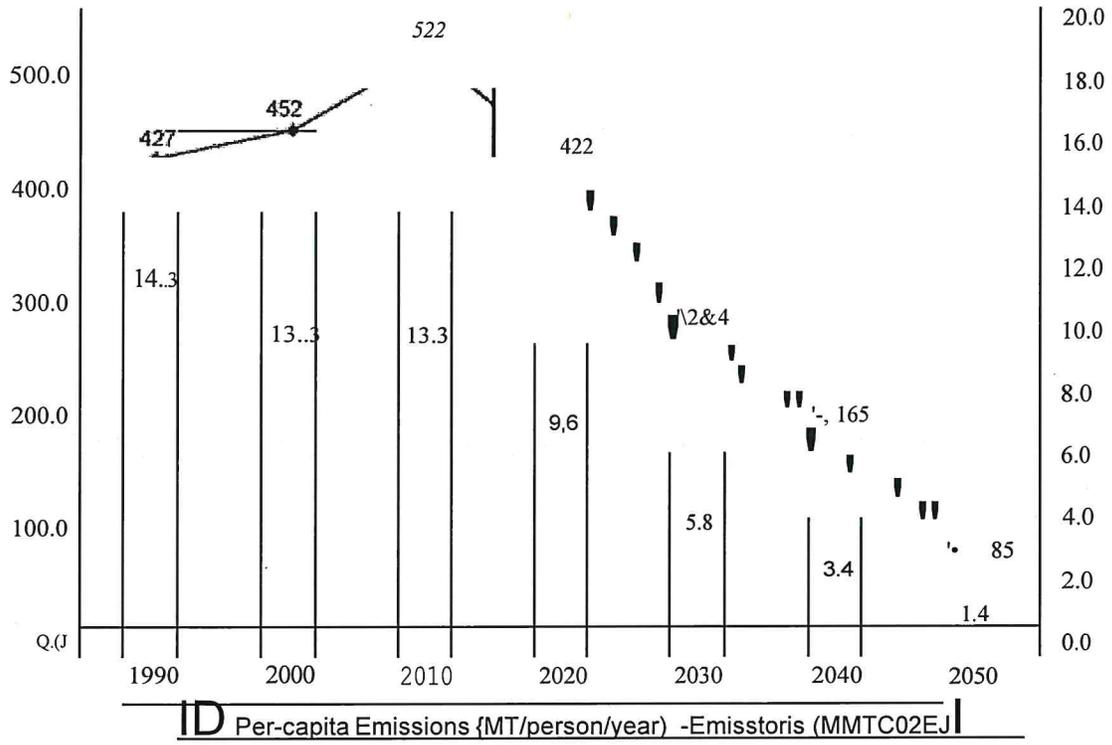
For KAMALA D. HARRIS
Attorney General

cc: Gary Gallegos, Executive Director, San Diego Association of Governments.
Julie D. Wiley, General Counsel, San Diego Association of Governments

Attachment

EXHIBIT A

Emissions Trajectory Towards 2050



(ARB, Scoping Plan, Figure 6, at p. 118.)

Climate Crisis, Leading to a Requirement to **Reduce** **Driving by**

- Increasing transit service
- Reforming how we pay to use roads
- Reforming Car Parking

The Reforms would increase equity and transparency AND reduce driving

The Parking reform would include Solar Panels, Charging, and Buying/Selling Electricity

Mike Bullock

mike_bullock@earthlink.net

760-421-9482

Reducing Driving

***Anthropogenic
Climate Change***

***From CA's official
plan to achieve CA's
official 2030 Climate
Mandate***

1. Why?

2. How much?

3. How?

Climate Literacy, CA Democratic Party Platform's Education Plank

- Work to ensure that all graduating high school students are climate literate, including knowing
 - **Reasons for** climate change and its potential for harm
 - The difference between climate stabilization and destabilization
 - Climate-stabilizing GHG reduction targets
 - The basis for those targets, and
 - The measures needed to achieve them; and
 - Primary categories of emissions, including the most problematic category: cars

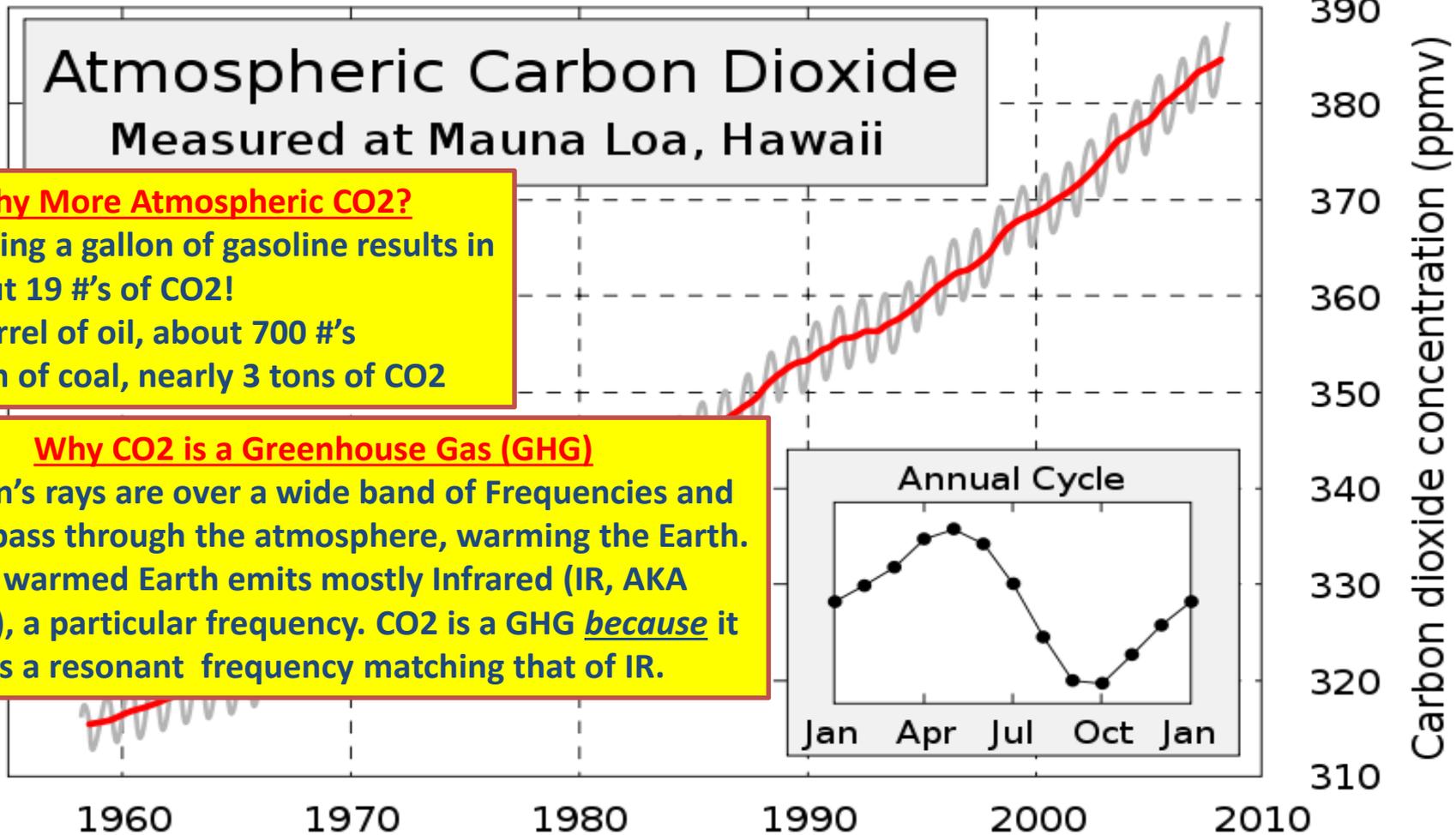
Why reduce driving?

Climate Data

Currently
420 PPM!

- Keeling Curve:

http://en.wikipedia.org/wiki/An_Inconvenient_Truth#Scientific_basis



Why More Atmospheric CO2?

- Burning a gallon of gasoline results in about 19 #'s of CO2!
- A barrel of oil, about 700 #'s
- A ton of coal, nearly 3 tons of CO2

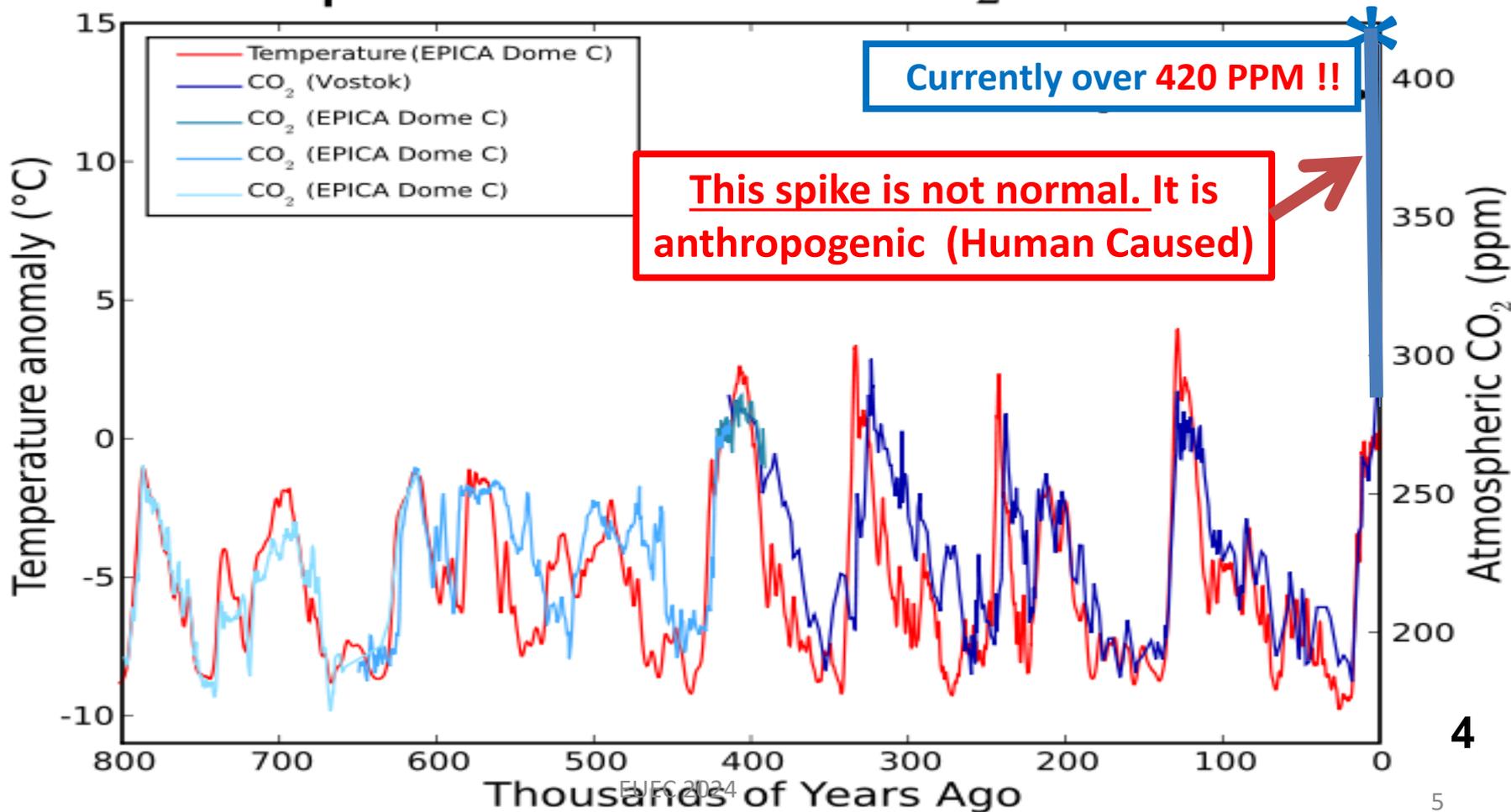
Why CO2 is a Greenhouse Gas (GHG)

The Sun's rays are over a wide band of Frequencies and mostly pass through the atmosphere, warming the Earth. The warmed Earth emits mostly Infrared (IR, AKA "Heat"), a particular frequency. CO2 is a GHG *because* it has a resonant frequency matching that of IR.

More detail on
Reason for

Climate Change, Mostly Normal

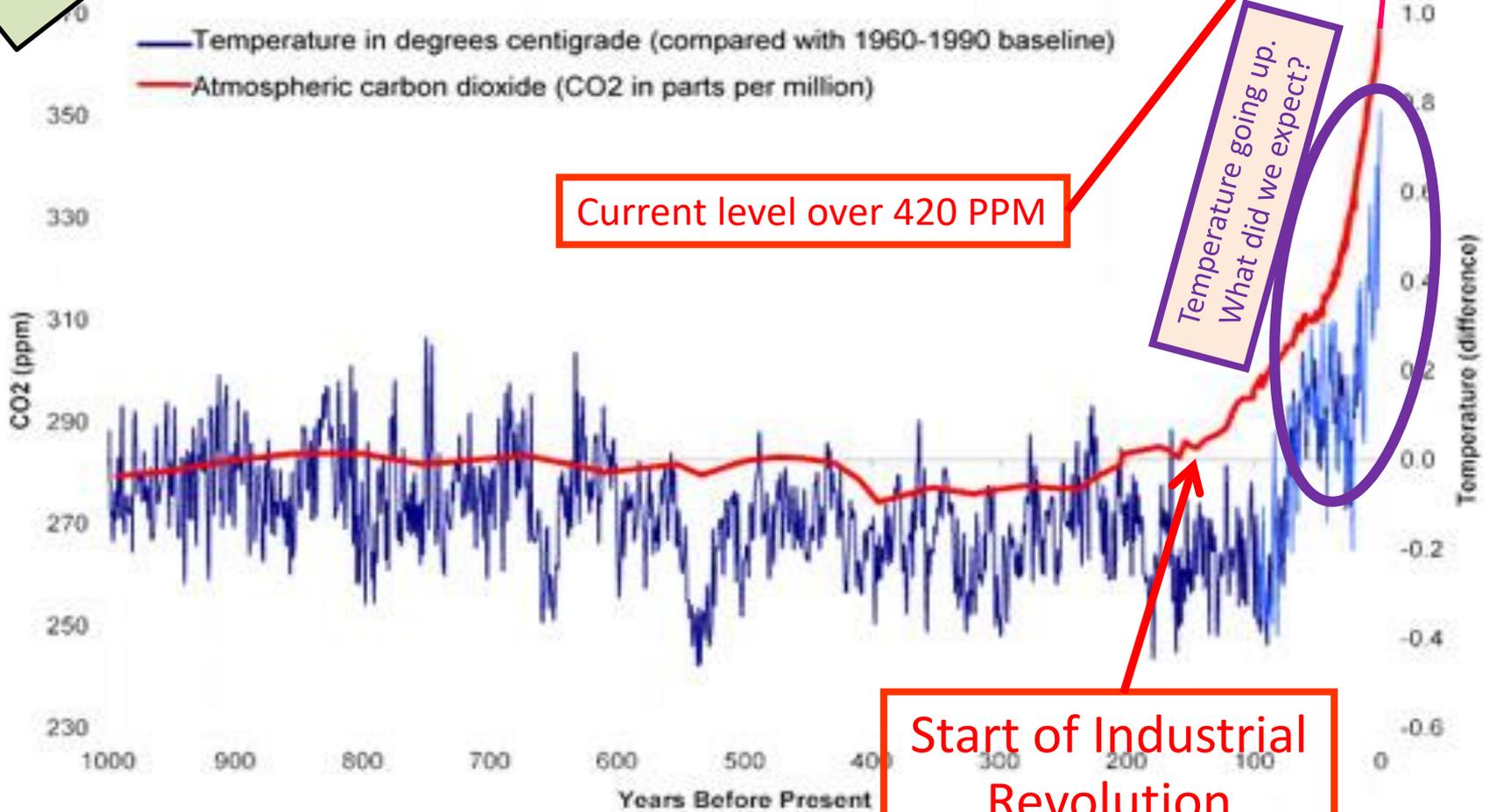
Temperature and CO₂ Records



Focusing on that Spike

Earth & Space Research (ESR) website:
http://www.esr.org/outreach/climate_change/mans_impact/man1.html

More detail on Reason for



How Bad Could It Get?

Governor Brown to the Pope:

Humanity must

***Reverse
Course****

or

***Face
Extinction***

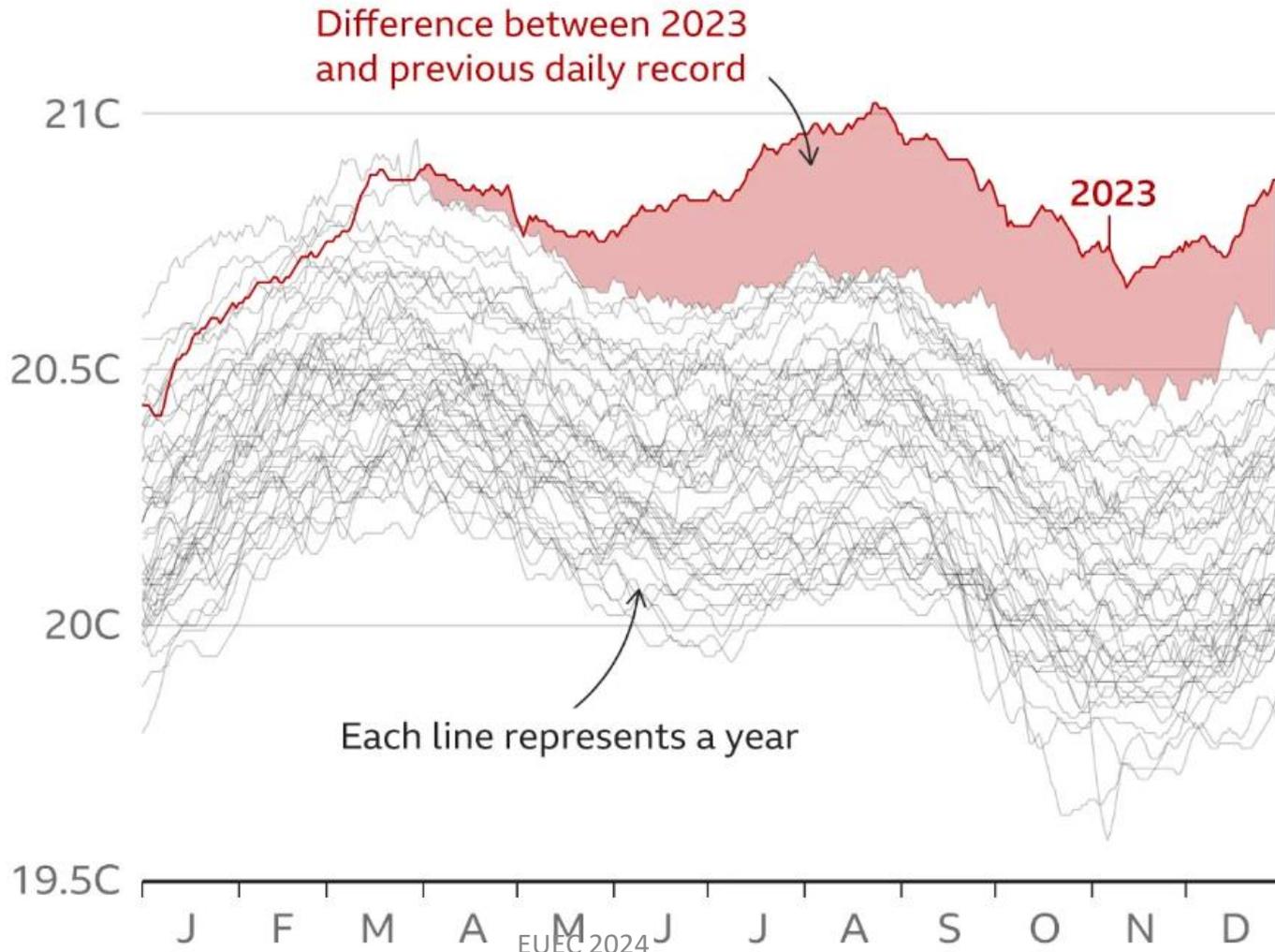
* These words should have been “***Adopt Sufficient
Mitigation Measures***”

How Bad Could It Get?

From a reliable 2012 source (then, same topic, *updated*) “Such a large temperature rise occurred ~~250~~ **252** million years ago and extinguished ~~90~~ **97%** of the life on Earth. The current rise is of the same magnitude but ***is occurring about 10 times faster!!!!!!!!!!***”

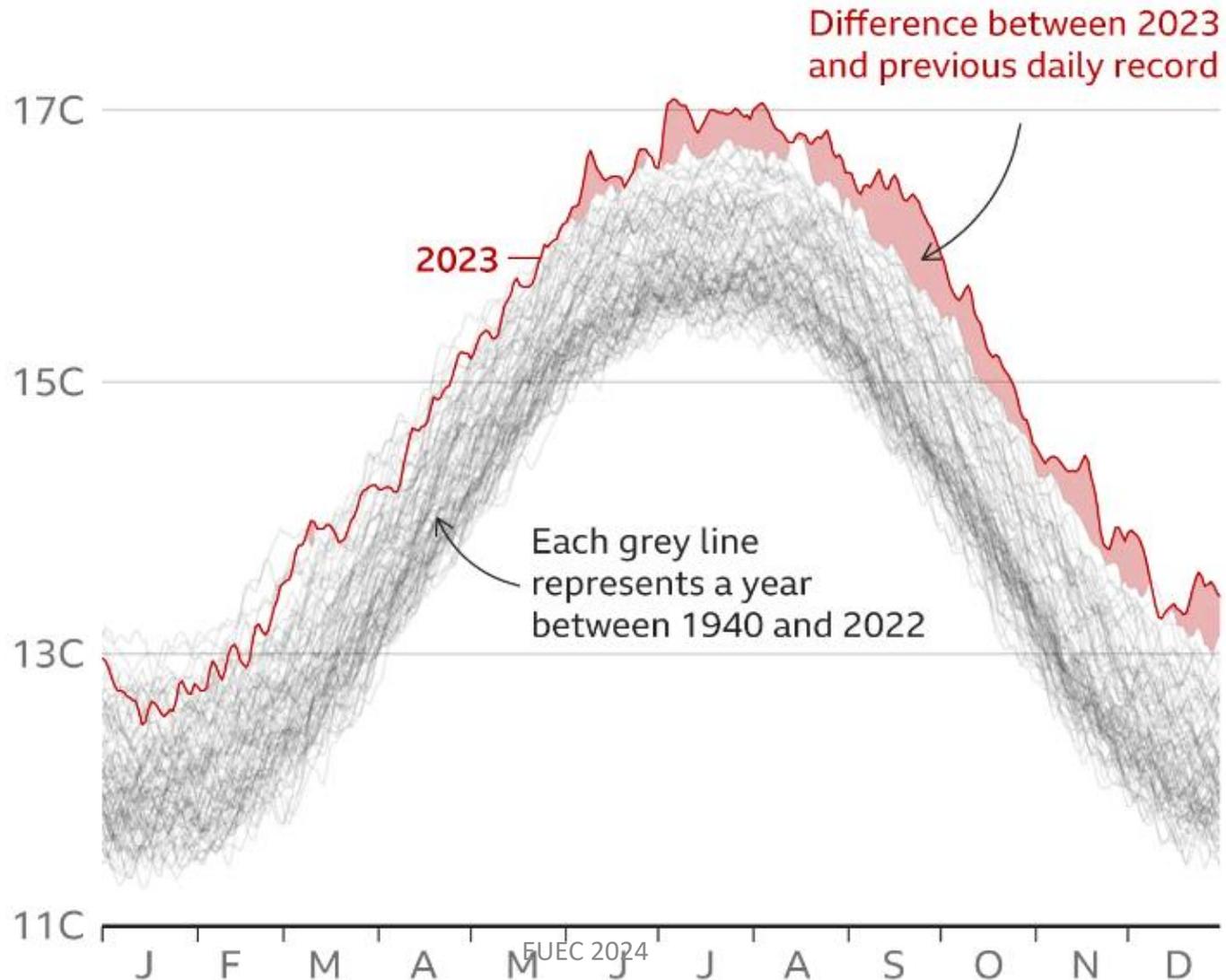
2023 Ocean Temperature

Daily average sea surface temperature, 1979-2023



2023 Air Temperature

Daily global average air temperature, 1940-2023



How Bad Could It Get?

Comments from the Secretary

General of the UN:

1. *We have a **Code Red** Climate Emergency.*
2. *We are solidly on a path to an unlivable planet.*
3. *We are driving toward a Climate Hell, with our foot on the accelerator.*
4. *We are dangerously close to a point of no return.*

Climate Destabilization & Climate Stabilization

Climate Destabilization

- A process with a large warming potential, that is also caused by warming, proceeds at a rate that is large enough to perpetuate warming, even if we stop our emissions
- One such process would trigger other such processes
- Outcome: human habitat destruction
 - High food prices, then mass starvation
 - Human extinction

Climate Destabilization Example

- Permafrost melting, at a sufficiently high rate
- The melting releases large amounts of Methane (CH₄, which happens to be what many use to fry eggs)
- The released methane (a very potent GHG) traps more atmospheric heat, accelerating the permafrost melting

Climate Stabilization

Avoiding Climate Destabilization

Human Survival Requires Climate Stabilization

2011 Letter to SANDAG from CA AG Harris (paraphrasing):

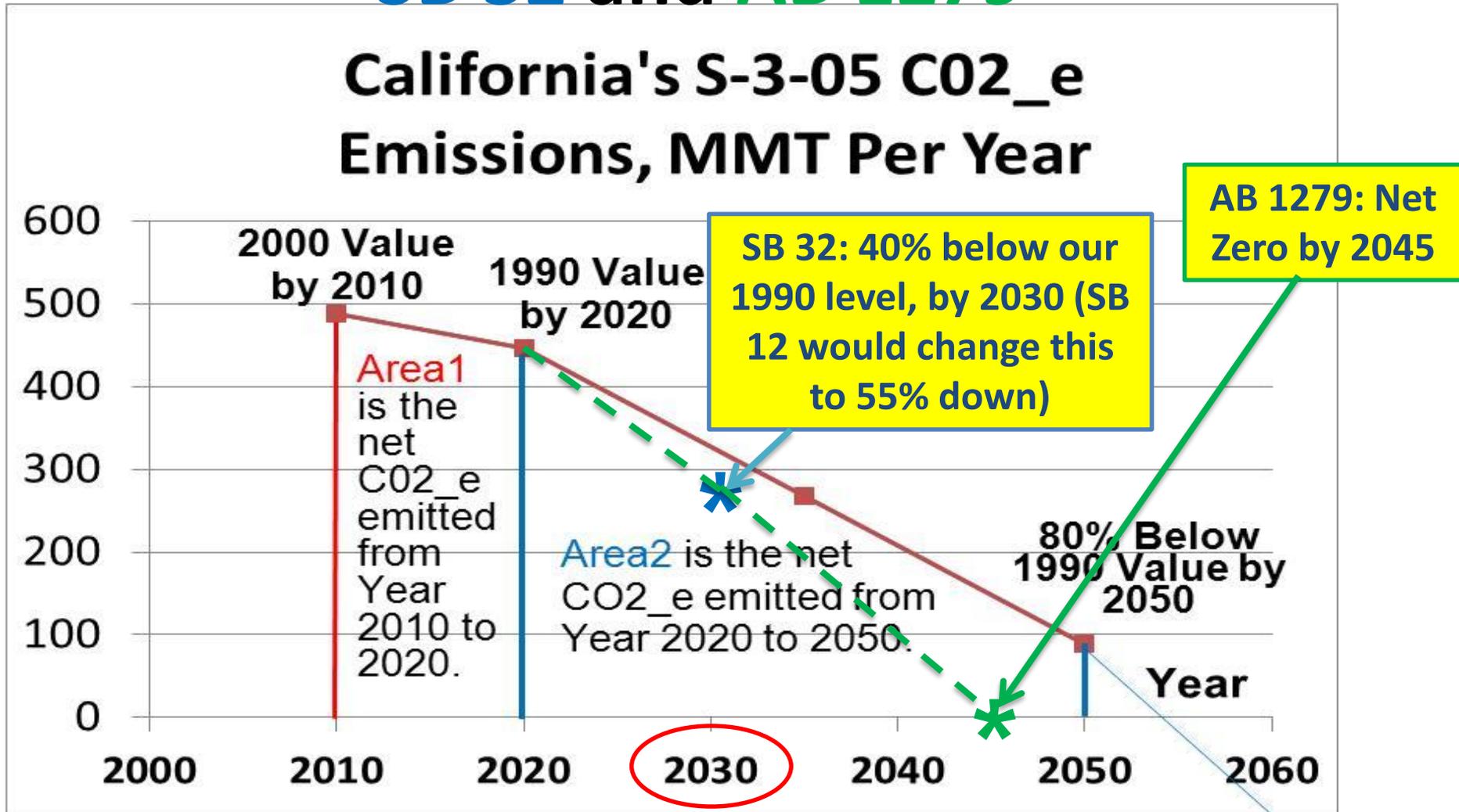
1. CA's GHG Climate Mandates represent the level scientists believe is necessary to ***stabilize climate***.
2. They are official policies of CA, designed to meet the environmental objective under CEQA, ***climate stabilization***.
3. SANDAG cannot ignore them. **(Court rulings agreed.)**

Conclusion: neither municipal governments nor MPOs (like SANDAG) can legally ignore CA's Climate Mandates and the Official Plan to achieve them. CEQA projects must include the Official Plan mitigation measures, if applicable.¹³

CA Climate Mandates

SB 32 and AB 1279

California's S-3-05 CO₂_e Emissions, MMT Per Year

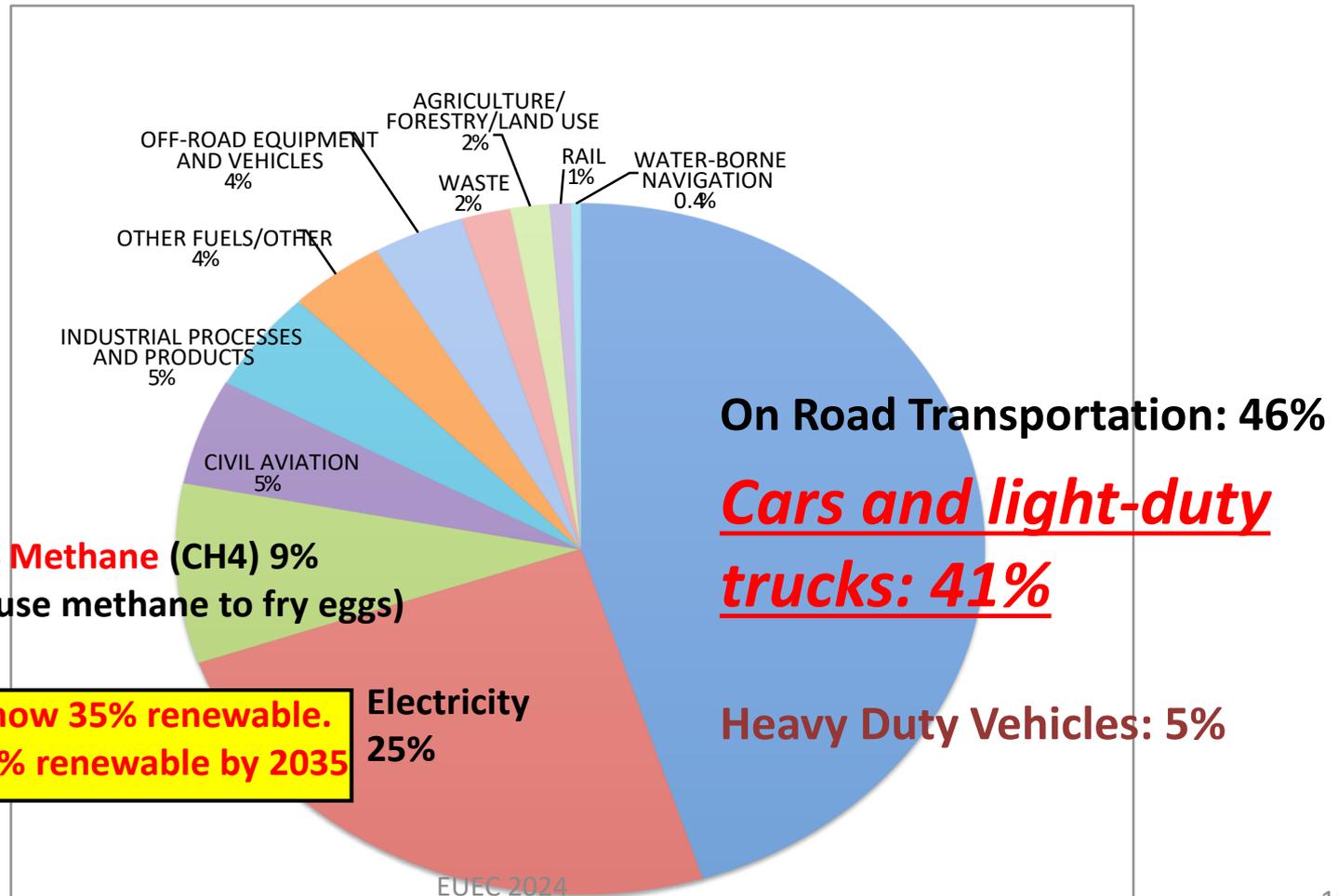


Why Pick on Cars?

Greenhouse Gas (GHG) Emissions, SD County

Source: Energy Policy Initiatives Center (EPIC, USD)

<http://www.sandiego.edu/EPIC/ghginventory/GHG-On-Road1.pdf.pdf>



CARB's 2022 Scoping Plan

The CARB (California Air Resources Board) *Scoping Plan* is CA's official Plan to achieve its Climate Mandates.

<https://ww2.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan/2022-scoping-plan-documents>

From Page 4 of Appendix E of the Scoping Plan

2.1 Zero-emission vehicles are not enough to solve the climate crisis.

*Contrary to popular belief, zero-emission vehicles (ZEVs) alone are not enough to solve the climate crisis. [It] also depends on reducing per capita vehicle-miles travelled (VMT.) [The] Scoping Plan proposes reducing VMT from 24.6 miles per day in 2019 to 18.4 miles per day by 2030 (a **25 percent reduction**).*

CARB's 2022 Scoping Plan

From Appendix E, **emphasis** added:

Page 12: **Double** local transit service frequencies by 2030.

As stated at the start of this presentation, there are three primary measures needed, by 2030, according to the ***Scoping Plan***:

1. Double transit service
2. Reform how we price the use of roads
3. Reform how we price the use of parking
 - a. "Managed Parking" (This Name is not in the Scoping Plan.)
 - b. "Priced Parking" is stated on the Scoping Plan.

CARB's 2022 Scoping Plan

From Appendix E, **emphasis added**:

Pricing strategies include fees for miles driven, **parking fees**, and dynamic fees on highway lanes. **Authorizing pricing strategies is essential** . . .

Actions

- California employs over 200,000 people. **End the State's subsidies for employee parking** and take additional actions to move away from subsidizing public spaces for car parking

CARB's 2022 Scoping Plan

From Appendix D (Local Actions)
emphasis added:

Table 1– Priority GHG Reduction Strategies

**VMT
Reduction**

Implement parking pricing or
transportation demand
management pricing strategies

CARB's 2022 Scoping Plan

What to do, regarding car parking

Having observed CARB for over 10 years, I believe that they have finally done the math and come to the correct conclusions. Although the conversion to battery-electric cars will be very fast, and although renewable electricity in CA will probably be over 80% by 2030, there will still be GHG from using electricity and there will still be Internal Combustion Engine cars on the roads in 2030. The 25% driving reduction CARB computes is reasonable. CA is very car centric. **Pricing is required.** *If someone wants to “shoot the messenger”, shoot the climate scientists.*

Regarding car parking policy, if we value human survival and understand the political difficulties of pricing, a good interpretation of the Scoping Plan is that it requests municipal governments to adopt an enforceable mitigation measure to procure *well-managed car parking* for their workers, in such a way that the parking system will spread to all places of employment, apartment complexes, shopping centers, train stations, and so on, for both on-street and off-street parking. “Well Managed” must incorporate economic equity, and social justice. It must reduce driving.

Car Parking Pricing Strategy

Not from the Scoping Plan

Managed Parking: provides earnings to those for whom it is built; is shared, value-priced (with congestion pricing), & automated

The first system would be installed by a third-party vendor, that is selected by an RFP (Request for Proposal) process, for municipal government employees, as part of a government's **Climate Action Plan**. It would be operated for the financial gain of the employees, such that the employees that drive every day would still at least break even. This would require an “add-in” payment. The vendor would be skilled at monetizing parking that is not being used by the employees, monetizing data, building solar canopies, operating charging stations, selling electricity, and expanding the parking system into nearby streets and developments. Managed Parking must increase economic equity and reduce driving alone to work.

An Important **Pricing** Strategy

Not from the Scoping Plan

A Road-Usage-Charge (RUC) Pricing & Payout System to Replace the State Gas Tax

THEREFORE, BE IT RESOLVED, that the Oceanside Bicycle and Pedestrian Committee supports replacing the state gas tax with a road-use charge (RUC) pricing and payout system that (1) would cover all road-use costs; (2) would protect the economic interests of low- and middle-income drivers by use of a progressive price structure that also recognizes the needs of rural drivers; (3) would protect privacy by requiring a search warrant to obtain location or travel information and has built in safeguards against unauthorized data use; (4) would include an instantaneous congestion-pricing algorithm; (5) would ensure that the per-mile price incentive to drive energy-efficient cars would still be sufficient to support necessary fleet electrification; (6) would ensure that cyclists & pedestrians are not charged under the system, since they contribute no emissions or wear-and-tear on the road system, and they help alleviate congestion.

Questions or Comments?

Unused, Background Slides

Dividend-Account Parking

A System Designed to Eliminate the Harm (less net take-home pay and no benefit from the parking for those that don't use the parking) of so-called "Free" Parking for Employees

- **Top-Level Outcome & Overview**
- **Some Top-Level Calculations**
- **Who gets to use the system**
- **Outcomes of a new incentive**

Top-Level Outcomes

- Employees that drive every day, “break even” (Lose no money!)
- Employees get *paid not to drive* (Make more money!)
- Fewer employees drive, reducing Greenhouse Gas (GHG) emissions (Less GHG!)

Overview

- Fully-automated parking system, implemented by a 3rd-party vendor (RFP selection process)
- Operated for the financial gain of employees
 - Earnings = Money Generated Minus Operational Cost
 - Operational Cost Would be Contractually Bounded
 - Earnings go to employees
- An employee's **Earnings** (“**Dividend**”) is proportional to their time at the work site
- Price is charged per minute
 - Such as 1.85 cents per minute (= \$1.11 per hour= \$10 per 9 hours at the workplace)

Calculations of an Employee's Earnings

- An employee's earning is proportional to time spent at work (automatic collection of enter/exit times, using employee RFID)

Definitions to Compute an Employee's Monthly Earnings	
T_{Employee}	The Employee's Monthly Time at the Work Site
T_{AllEmployees}	Total Monthly Time at the Work Site, All Employees
E_{AllEmployees}	Total Monthly Earnings from the Employee Parking

$$\text{Employee Earnings} = E_{\text{AllEmployees}} \times \left(T_{\text{Employee}} / T_{\text{AllEmployees}} \right)$$

“Add In” Payment so Those that Drive Every Day Will Lose No Money

Note: This is for an individual employee

The employee’s Parking Payment =

The employee’s Earnings – The employee’s parking charge + The employee’s “Add In”

“Add In” is zero, unless it must take on a positive value so that the employee loses nothing

In many cases, the “Add-In” payments will be covered by non-employees using the parking.

Charge, Earnings, & Add-In, Payment *For Each Employee*

- **Charge**
 - Total Minutes Parked x Cost per Minute
- **Earnings**
 - As shown on earlier slide (proportional to employee's time spent at work)
- **Add-In**
 - If **Charge** > **Earnings**, **Add-In** = **Charge** – **Earnings**
 - Otherwise, **Add-In** = zero
- **Payment** = **Earnings** – **Charge** + **Add-In**

Who Gets To Use Dividend-Account Parking

- **Anyone** (not necessarily an employee) driving a car registered in the system
 - There is a person with an account associated with the car
 - Note: (A CA Car's owner is in the CA system and can be billed, in any case.)
 - Typically, the car will be identified and associated with an account
 - License plate reader
 - An account could be established on the spot: credit card info and license number

Results of 3 Actions, Including Cash-out

Case (#1), Reference Patrick Siegman's article in Bicycle Pedestrian Federation

- Company: CH2M Hill
 - Location: Bellevue, WA (Seattle suburb)
 - Engineering Firm with 430 employees
- Actions
 - \$54/month (1995 \$'s), to not drive
 - Improved Transit
 - Improved Bike/Ped facilities

CH2M Hill Work Trips		
<i>Mode</i>	<i>Before</i>	<i>After</i>
Drive Alone	89%	54%
Carpool	9%	12%
Bus	1%	17%
Bike, Walk	1%	17%
	100%	100%

Since these changes are brought about by more than just cashout, this case is not used in the tabulation of cashout results

(next chart)

**Money Matters
!!!!**

Cash-Out Results

(11 Locations, 3 Groups, 1995 Dollars)

Impact of Financial Incentives on Parking Demand

Location	Scope	1995 dollars per mo.	Parking Use Decrease ¹
Group A: Areas with little or no public transportation			
CenturyCityDistrict, West Los Angeles	3500 employees at 100+ firms	\$81	15%
Cornell University, Ithaca, NY	9000 faculty & staff	\$34	26%
San Fernando Valley, Los Angeles	1 employer, 850 employees	\$37	30%
Costa Mesa, CA		\$37	22%
Average for Group		\$47	23%
Group B: Areas with fair public transportation			
Los Angeles Civic Center	10000+ employees, several firms	\$125	36%
Mid-Wilshire Blvd., Los Angeles	1 mid-size firm	\$89	38%
Washington DC Suburbs	5500 employees at 3 worksites	\$68	26%
Downtown Los Angeles	5000 employees, 118 firms	\$126	25%
Average for Group		\$102	31%
Group C: Areas with good public transportation			
University of Washington, Seattle Wa.	50,000 faculty, staff & students	\$18	24%
Downtown Ottawa, Canada	3500+ government staff	\$72	18%
Bellevue, WA	1 firm with 430 employees	\$54	39% ²
Average for Group, but not Bellevue Washington		\$45	21%
Over All Average, Excluding Bellevue Washington			25%

¹ Parking vacancy would be higher! ² Not used, since transit & walk/bike facilities also improved.

- Reference: *How to Get Paid to Bike to Work: A Guide to Low-traffic, High-Profit Development* by Patrick Siegman*. Published in *Bicycle Pedestrian Federation of America*, 1995.

- 3 Largest Responses

- 38%, 36%, 31%

- 3 Smallest Responses

- **15%**, 18%, 24%

- Responses are the change; car vacancy rates would be larger

* Patrick Siegman, of Nelson Nygaard



Difficult-to-Not-Drive Example

Fictional, Simplified Case with Pricing and Payout Considered per Day, [Page 1](#)

- Employment Center (factory and office)
- Outside Hemet, California
- 100 employees; parking lot has 100 spaces
- No Transit, 110-degree temperature with poor roads for biking, culture of not car-pooling
- Before installing
 - 99 drive
 - 1 bikes

Difficult-to-Not-Drive Example

Fictional, Simplified Case with

Pricing and Payout Considered per Day, [Page 2](#)

- Dividend-Account Parking charges \$10/day
- After installing
 - 99 drive
 - 1 bikes
- Total collected each day: \$990
- Each employee gets \$9.90 earnings per day (\$990/100)
- Each driver loses 10 cents per day
- The “crazy” bike rider gets \$9.90 per day extra

Hey, isn't this an improvement? I would say the “crazy” bike rider is earning his money!

If another employee bikes, the drivers would lose 20 cents per day and the bike riders would get \$9.80 per day. If the company president rented out the 2 extra spaces for \$10 per day, the drivers would lose nothing and the bike riders would get \$10 per day. Biking would increase by 100%! **What's wrong with that?**

Human survival requires climate stabilization

Therefore, *climate stabilization* is critically important.

However, the current 2030 CA Climate Mandate, is insufficient to support climate stabilization, based on an unambiguous statement from Dr. James Hansen, our preeminent climate scientist. SB 12 (Stern) would increase CA's 2030 mandate from 40% below our 1990 level to 55% below.

Human Survival Requires Climate Stabilization

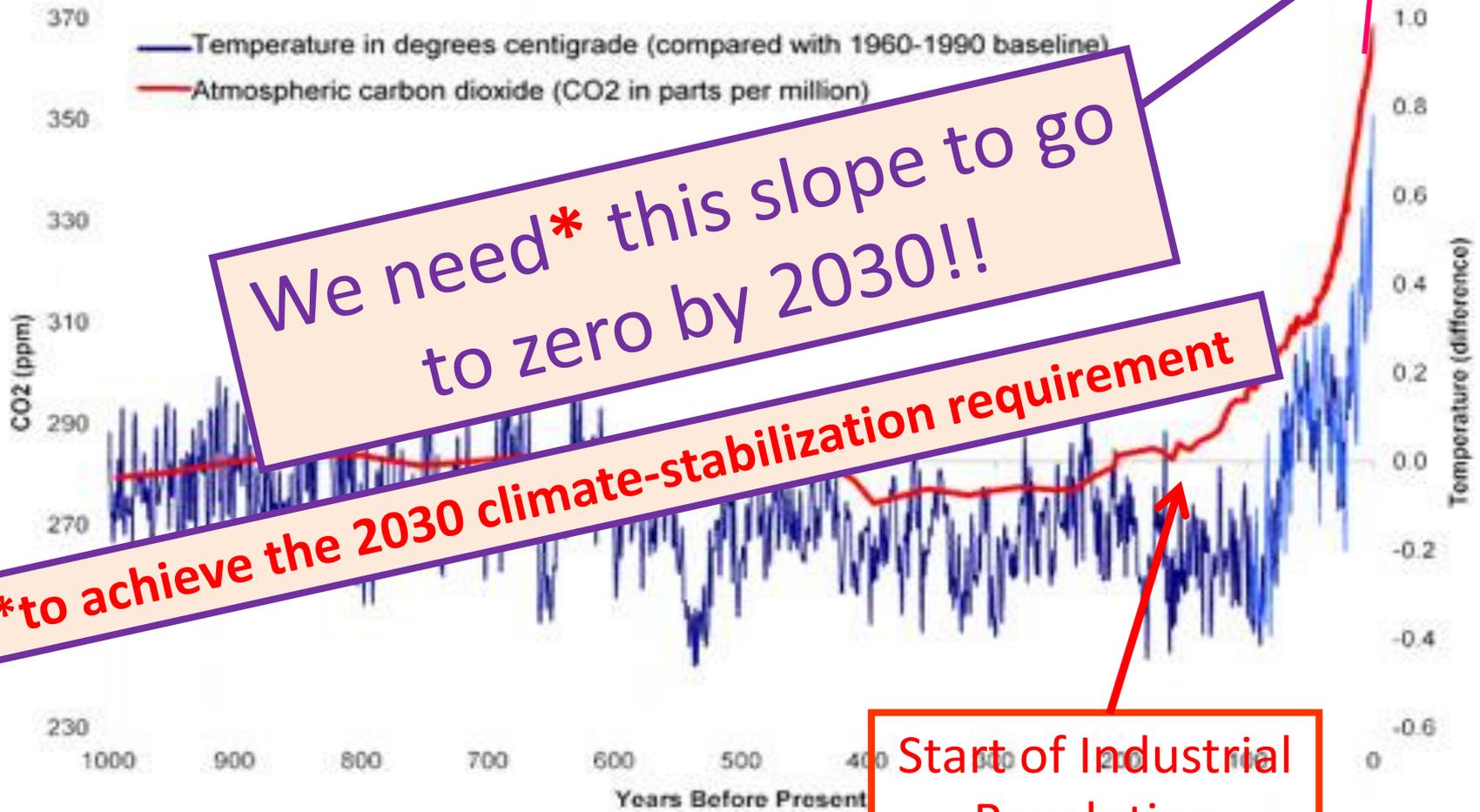
2023 CA Democratic Party Platform:

Support the requirement that all projects requiring California Environmental Quality Act (CEQA) analysis incorporate a climate impacts analysis incorporating and conforming to the policies and goals of the state's 2022 **Scoping Plan** for Achieving Carbon Neutrality.

CARB's **Scoping Plan** is the official
Plan to achieve CA's Climate Mandates

Refocusing on that Spike

- Earth & Space Research (ESR) website:
http://www.esr.org/outreach/climate_change/mans_impact/man1.html



2022 SCOPING PLAN FOR ACHIEVING CARBON NEUTRALITY

NOVEMBER 16, 2022



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Abbreviations

°F	Fahrenheit
°C	Celsius
AB	Assembly Bill
AQMD	Air Quality Management District
AR5	IPCC Fifth Assessment Report
BECCS	bioenergy with carbon capture and storage
CAISO	California Independent System Operator
CalEPA	California Environmental Protection Agency
CalGEM	California Geologic Energy Management Division
CalSTA	California State Transportation Agency
CAP	climate action plan
CARB	California Air Resources Board
CCR	California Code of Regulations
CCS	carbon capture and sequestration
CCUS	carbon capture, utilization, and storage
CDFA	California Department of Food and Agriculture
CDPH	California Department of Public Health
CDR	carbon dioxide removal
CE	common era
CEC	California Energy Commission
CEQA	California Environmental Quality Act
CES	CalEnviroScreen
CH ₄	methane
CMAQ	Community Multiscale Air Quality
CNRA	California Natural Resources Agency
CO ₂	carbon dioxide
COPD	chronic obstructive pulmonary disease

CORE	Clean Off-Road Equipment
CPUC	California Public Utilities Commission
CVM	Climate Vulnerability Metric
DAC	direct air capture
DPR	Department of Pesticide Regulation
Draft EA	Draft Environmental Analysis for this Scoping Plan
EA	Environmental Analysis
ED	emergency department
EIA	U.S. Energy Information Administration
EJ	environmental justice
EJ Advisory Committee	Environmental Justice Advisory Committee
EO	executive order
EV	electric vehicle
F-gas	fluorinated gas
FCEV	fuel cell electric vehicle
GCF	Governors' Climate and Forests Task Force
GDP	gross domestic product
GHG	greenhouse gas
GSP	gross state product
GW	gigawatt
GWh	gigawatt-hour
GWP	global warming potential
HDV	heavy-duty vehicle
HD ZEV	heavy-duty zero-emission vehicle
HFC	hydrofluorocarbon
IBank	Infrastructure and Economic Development Bank
ICE	internal combustion engine
IPCC	Intergovernmental Panel on Climate Change

IPT	incidence-per-ton
IWG	Interagency Working Group
LCFS	low-carbon fuel standard
LDV	light-duty vehicle
MDV	medium-duty vehicle
MMT	million metric tons
MMTCO _{2e}	million metric tons of carbon dioxide equivalent
MOU	memorandum of understanding
MRR	Mandatory Reporting of GHG Emissions
MTCO _{2e}	metric tons of carbon dioxide equivalent
MW	megawatt
N ₂ O	nitrous oxide
NEMS	National Energy Systems Model
NF ₃	nitrogen trifluoride
NOAA	National Oceanic and Atmospheric Administration
NO _x	nitrogen oxides
NRDC	National Resources Defense Council
NWL	Natural and Working Lands
OEHHA	Office of Environmental Health Hazard Assessment
OGV	Ocean-Going Vessel
OPR	Governor's Office of Planning and Research
OTC	once-through cooled
PFC	perfluorocarbon
PHMSA	Pipelines and Hazardous Materials Safety Administration
PM	particulate matter
PM _{2.5}	fine particulate matter
PPP	public-private partnership
RFS	renewable fuel standard

ROG	reactive organic gases
RPS	Renewables Portfolio Standard
SB	Senate Bill
SC-CH ₄	social cost of methane
SC-CO ₂	social cost of carbon
SC-GHG	social cost of greenhouse gases
SC-N ₂ O	social cost of nitrous oxide
SF ₆	sulfur hexafluoride
SGIP	Self-Generation Incentive Program
SLCP	short-lived climate pollutant
TSD	Technical Support Document
UC	University of California
UCLA	University of California, Los Angeles
UNFCCC	United Nations Framework Convention on Climate Change
U.S. EPA	United States Environmental Protection Agency
VMT	vehicle miles traveled
WUI	wildland-urban interface
ZEV	zero-emission vehicle

Executive Summary

This Scoping Plan lays out the sector-by-sector roadmap for California, the world's fifth¹ largest economy, to achieve carbon neutrality by 2045 or earlier, outlining a technologically feasible, cost-effective, and equity-focused path to achieve the state's climate target. This is a challenging but necessary goal to minimize the impacts of climate change. There have been three previous Scoping Plans. Previous plans have focused on specific greenhouse gas (GHG) reduction targets for our industrial, energy, and transportation sectors—first to meet 1990 levels by 2020, then to meet the more aggressive target of 40 percent below 1990 levels by 2030. This plan, addressing recent legislation and direction from Governor Newsom, extends and expands upon these earlier plans with a target of reducing anthropogenic emissions to 85 percent below 1990 levels by 2045. This plan also takes the unprecedented step of adding carbon neutrality as a science-based guide and touchstone for California's climate work. The plan outlines how carbon neutrality can be achieved by taking bold steps to reduce GHGs to meet the anthropogenic emissions target and by expanding actions to capture and store carbon through the state's natural and working lands and using a variety of mechanical approaches.

What this means for California is an ambitious and aggressive approach to decarbonize every sector of the economy, setting us on course for a more equitable and sustainable future in the face of humanity's greatest existential threat, and ensuring that those who benefit from this transformation include communities hardest hit by climate impacts and the ongoing pollution from the use of fossil fuels. The combustion of fossil fuels has polluted our air—particularly in low-income communities and communities of color—for far too long and is the root cause of climate change. This Scoping Plan helps us chart the path to a future where race and class are no longer predictors of disproportionate burdens from harmful air pollution and climate impacts.

The major element of this unprecedented transformation is the aggressive reduction of fossil fuels wherever they are currently used in California, building on and accelerating carbon reduction programs that have been in place for a decade and a half. That means rapidly moving to zero-emission transportation; electrifying the cars, buses, trains, and trucks that now constitute California's single largest source of planet-warming pollution. It also means phasing out the use of fossil gas used for heating our homes and buildings. It means clamping down on chemicals and refrigerants that are thousands of times more powerful at trapping heat than carbon dioxide (CO₂). It means providing our communities

¹ In October 2022, California was poised to become the world's fourth largest economy.

with sustainable options for walking, biking, and public transit to reduce reliance on cars and their associated expenses. It means continuing to build out the solar arrays, wind turbine capacity, and other resources that provide clean, renewable energy to displace fossil-fuel fired electrical generation. It also means scaling up new options such as renewable hydrogen for hard-to-electrify end uses and biomethane where needed. Successfully achieving the outcomes called for in this Scoping Plan would reduce demand for liquid petroleum by 94 percent and total fossil fuel by 86 percent in 2045 relative to 2022.² Despite these world-leading efforts, some amount of residual emissions will remain from hard-to-abate industries such as cement, internal combustion vehicles still on the road, and other sources of GHGs, including high global warming chemicals used as refrigerants.

The plan addresses these remaining emissions by re-envisioning our natural and working lands—forests, shrublands/chaparral, croplands, wetlands, and other lands—to ensure they play as robust a role as possible in incorporating and storing more carbon in the trees, plants, soil, and wetlands that cover 90 percent of the state’s 105 million acres while also thriving as a healthy ecosystem. Modeling indicates that natural and working lands will not, on their own, provide enough sequestration and storage to address the residual emissions. For that reason, it is necessary to research, develop, and deploy additional methods of capturing CO₂ that include pulling it from the smokestacks of facilities, or drawing it out of the atmosphere itself and then safely and permanently utilizing and storing it, as called for in recent legislation. Carbon removal also will be necessary to achieve net negative emissions to address historical GHGs already in the atmosphere.

This is a plan that aims to shatter the carbon status quo and take action to achieve a vision of California with a cleaner, more sustainable environment and thriving economy for our children. This ambitious plan will serve as a model for other partners around the world as they consider how to make their transition. As we have so often in the past, California can continue to serve as a leader in innovation that has produced not only the fifth largest economy on the planet, but ultimately one of the most energy-efficient economies, with a track record of demonstrating the ability to decouple economic growth from carbon pollution. This plan also builds upon current and previous environmental justice efforts to integrate environmental justice directly into the plan, to ensure that all communities can reap the benefits of this transformational plan. Specifically, this plan:

² See <https://ww2.arb.ca.gov/sites/default/files/2022-11/2022-sp-PATHWAYS-data-E3.xlsx> for energy demand reductions.

- Identifies a path to keep California on track to meet its SB 32 GHG reduction target of at least 40 percent below 1990 emissions by 2030.
- Identifies a technologically feasible, cost-effective path to achieve carbon neutrality by 2045 and a reduction in anthropogenic emissions by 85 percent below 1990 levels.
- Focuses on strategies for reducing California’s dependency on petroleum to provide consumers with clean energy options that address climate change, improve air quality, and support economic growth and clean sector jobs.
- Integrates equity and protecting California’s most impacted communities as driving principles throughout the document.
- Incorporates the contribution of natural and working lands (NWL) to the state’s GHG emissions, as well as their role in achieving carbon neutrality.
- Relies on the most up-to-date science, including the need to deploy all viable tools to address the existential threat that climate change presents, including carbon capture and sequestration, as well as direct air capture.
- Evaluates the substantial health and economic benefits of taking action.
- Identifies key implementation actions to ensure success.

The path forward is informed by robust science. The recent Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) summarizes the latest scientific consensus on climate change. It finds that atmospheric concentrations of CO₂ have increased by 50 percent since the industrial revolution and continue to increase at a rate of two parts per million each year.³ By the 2030s, and no later than 2040, the world will exceed 1.5°C warming unless there is drastic action. While every tenth of a degree matters—every incremental increase in warming brings additional negative impacts—climate-related risks to human health, livelihoods, and biodiversity are projected to increase further under 2°C warming, compared to 1.5°C.⁴ For example, at 1.5°C of global warming, we would experience increasing heat waves, longer warm seasons, and shorter cold seasons, but at 2°C of global warming, heat extremes would more often reach critical tolerance thresholds for human health and agriculture.⁵ We are already seeing unprecedented climate change impacts, such as continued sea level rise, that are

³ IPCC. 2021. *Climate Change 2021: The Physical Science Basis*. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. [Masson-Delmotte, V., P. Zhai, A. Pirani, S. L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M. I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J. B. R. Matthews, T. K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press. In Press. <https://www.ipcc.ch/report/ar6/wg1/>.

⁴ IPCC. 2018. *Global Warming of 1.5°C*. World Meteorological Organization. Geneva, Switzerland. 32 pp. <https://www.ipcc.ch/sr15/>.

⁵ IPCC. 2021. Climate change widespread, rapid, and intensifying – IPCC. August. <https://www.ipcc.ch/2021/08/09/ar6-wg1-20210809-pr/>.

“irreversible” for centuries to millennia, and we are dangerously close to hitting 1.5°C in the near term.⁶ To avoid climate catastrophe and remain below 1.5°C with limited or no overshoot of that threshold, global net anthropogenic CO₂ emissions need to reach net zero by 2050.

It has been 16 years since the Global Warming Solutions Act of 2006 was passed and signed into law. In 2017, the second update to the Assembly Bill (AB) 32 Climate Change Scoping Plan⁷ (2017 Scoping Plan) laid out a cost-effective and technologically feasible path to achieve the 2030 GHG reduction target. At the time, many characterized the plan and the AB 32 target as unachievable, citing that it would lead to massive business and job loss, and excessive costs. Those predictions proved to be incorrect as California achieved its AB 32 target years ahead of schedule, all the while growing our economy, with the state distinguishing itself as a hub for green technology investment. This Scoping Plan draws on a decade and a half of proven successes and additional new approaches to provide a balanced and aggressive course of effective actions to achieve carbon neutrality in 2045, if not before, in addition to the 2030 goal.

California’s economy is projected to grow vigorously in the coming years and decades. In 2045, under a Reference Scenario, the gross state product would be \$5.1 trillion, nearly \$2 trillion more than in 2021, and allow growth that would add hundreds of thousands of jobs. Under the Scoping Plan scenario, impacts to economic and job growth would be negligible in both 2035 and 2045, while delivering \$199 billion of benefits in the form of reduced hospitalizations, asthma cases, and lost work and school days due to the cleaner air supported by this plan. This should come as no surprise given the tremendous growth of California’s economy since the Great Recession of 2007–2009, even as the state has taken drastic measures to lower emissions. As noted, the savings associated with ambitious climate action are extensive, both in terms of avoided climate impacts and health costs. As described in Chapter 1, the health costs of climate and air pollution in the U.S. are well over \$800 billion today and will continue to grow in the coming years⁸ without robust action. Similarly, the costs of delayed or insufficient climate action could cost the

⁶ United Nations. 2021. IPCC report: ‘Code red’ for human driven global heating, warns UN chief. August 9. <https://news.un.org/en/story/2021/08/1097362>.

⁷ CARB. 2017. *California's 2017 Climate Change Scoping Plan*.

https://ww2.arb.ca.gov/sites/default/files/classic/cc/scopingplan/scoping_plan_2017.pdf.

⁸ Alwis, D. D., and V. S. Limaye. No date. *The Costs of Inaction: The Economic Burden of Fossil Fuels and Climate Change on Health in the United States*. NRDC, The Medical Society Consortium on Climate and Health, and WHPCA. <https://www.nrdc.org/sites/default/files/costs-inaction-burden-health-report.pdf>.

U.S. upwards of \$14.5 trillion over the next 50 years.⁹ We can either take action now or pay the cost of inaction, both now and later.

We cannot take on this unprecedented challenge alone. Collaboration with the federal government, other U.S. states, and other jurisdictions around the world will continue to be fundamental for California to succeed in achieving its climate targets, especially as the pace of our efforts increases in the coming years. We believe this collaboration and coordination also creates a race to the top, encouraging and enabling other jurisdictions to achieve climate and air quality goals as well, and often providing lessons for national action.

One example of fruitful collaboration is California's longstanding vehicle emissions standards programs, which have repeatedly been freely adopted by other states, consistent with the federal Clean Air Act. California's programs frequently pioneer more rigorous standards or new technologies—such as the now-standard catalytic converter and the rules that led directly to the nation-leading numbers of zero-emission vehicles on our roads today. From initial standards for cars and trucks decades ago to the world-leading Advanced Clean Trucks program currently helping to electrify heavy-duty vehicles, this partnership continues to offer regulatory options and spread innovative technologies. A major example of future work is the Advanced Clean Cars II program, which lays out California's legally binding path to achieving 100 percent zero emission vehicle (ZEV) sales in 2035.¹⁰ The California Air Resources Board (CARB) continues to work closely with many other states that also see zero-emission vehicles as critical to their climate and public health goals and expects many states to choose to adopt this regulation as well. This partnership with other states also creates market certainty for automakers, which in turn helps to ensure that California consumers have access to a variety of ZEVs at multiple price points.

The Scoping Plan Process

Four scenarios were extensively modeled to develop this Scoping Plan, with the objective of informing the most viable path to remain on track to achieve our 2030 GHG reduction target: a reduction in anthropogenic emissions by 85% below 1990 levels and carbon neutrality by 2045. All four have their merits and are informed by stakeholder input. The scenario ultimately chosen as the basis of this Scoping Plan is the alternative that most

⁹ Deloitte. 2022. *The Turning Point: A New Economic Climate in the United States*. <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/about-deloitte/us-the-turning-point-a-new-economic-climate-in-the-united-states-january-2022.pdf?id=us:2el:3dp:wsjspon:awa:WSJSBJ:2021:WSJFY22>.

¹⁰ Executive Department. State of California. Executive Order N-79-20. <https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-79-20-Climate.pdf>.

closely aligns with existing statute and Executive Orders. It was selected because it best achieves the balance of cost-effectiveness, health benefits, and technological feasibility.

For the first time, this Scoping Plan includes modeling and quantification of GHG emissions and carbon sequestration in natural and working lands (NWL). To date, the focus has been only on reducing the emissions of GHGs from our transportation, energy, and industrial sectors. The state's 2020 and 2030 GHG reductions targets only include these sources, as they are the primary drivers of climate change and disproportionate harmful air pollution in our vulnerable communities. This Scoping Plan, through the lens of carbon neutrality, expands the scope to more meaningfully consider how our NWL contribute to our long-term climate goals. For the first time, new and cutting-edge modeling tools allow us to estimate the quantitative ability of our forests and other landscapes to remove and store carbon under different scenarios. These cutting-edge tools were developed through a stakeholder process and in coordination with other agencies for the purpose of this update and will continue to be refined over time and made available to others seeking to do similar work.

As recent data and Scoping Plan modeling shows, our NWL also can act as a source of emissions, principally in the form of wildfires. California's forests are experiencing a deadly combination of drought and heat combined with a century of misguided fire suppression management. Scoping Plan modeling shows that, at this time and until our forests reach a balance through appropriate treatments, California's NWL will act as a net source of emissions, not a sink. As such, the Scoping Plan includes policy direction and actions intended to quickly move the sector toward being a net sink and a more natural state, where wildfires will continue to be an important part of the healthy forest cycle but not at the intensity and frequency observed in recent years.

Development of this Scoping Plan also includes careful consideration of, and coordination with, other state agencies, consistent with Governor Gavin Newsom's whole-of-government approach to tackling climate change. State agency plans and regulations, including the SB 100 Joint Agency Report,¹¹ State Implementation Plan, Climate Action Plan for Transportation Infrastructure,¹² AB 74 Studies on Vehicle Emissions and Fuel

¹¹ California Public Utilities Commission (CPUC), California Energy Commission (CEC), and CARB. 2021. *SB 100 Joint Agency Report*. <https://www.energy.ca.gov/sb100>.

¹² California State Transportation Agency (CalSTA). 2021. *Climate Action Plan for Transportation Infrastructure*. <https://calsta.ca.gov/subject-areas/climate-action-plan>.

Demand and Supply,^{13,14,15} Short-Lived Climate Pollutant Strategy (SLCP Strategy),¹⁶ CARB's Achieving Carbon Neutrality Report,¹⁷ Climate Smart Lands Strategy,¹⁸ Natural Working Land Implementation Plan,¹⁹ and the California Climate Insurance Report: *Protecting Communities, Preserving Nature, and Building Resiliency*,²⁰ among others, provided critical inputs and data points for this plan. This Scoping Plan is the product of work by multiple agencies across the Administration, including dozens of public workshops and years of rigorous analysis and economic modeling by California's leading institutions. This cooperation on planning lays the foundation for even closer coordination among and between state agencies to put the plan into effect.

The plan is also the product of tireless efforts of, and recommendations from, the AB 32 Environmental Justice Advisory Committee (EJ Advisory Committee). The EJ Advisory Committee, created by statute, plays a critical role to inform the development of each Scoping Plan and helps to ensure environmental justice is integrated throughout the plan. CARB reconvened the EJ Advisory Committee in early 2021 to advise on the development of this Scoping Plan. In their advisory role, the EJ Advisory Committee has worked together to provide inputs to CARB to inform the development of scenarios and the associated modeling. And in April 2022, the EJ Advisory Committee provided draft preliminary recommendations in advance of the Draft 2022 Scoping Plan to help ensure the draft plan meaningfully addresses environmental justice. The CARB Board and EJ Advisory Committee held a joint board hearing on September 1, 2022, where the EJ Advisory Committee presented their final recommendations on the Scoping Plan. Over five dozen of the recommendations are reflected in the Scoping Plan. Going forward, as this plan is ultimately acted on by the Board, ongoing input from the EJ Advisory

¹³ California Environmental Protection Agency (CalEPA). 2021. Carbon Neutrality Studies. <https://calepa.ca.gov/climate/carbon-neutrality-studies/>.

¹⁴ Brown, A. L., et. al. 2021. *Driving California's Transportation Emissions to Zero*. University of California Institute of Transportation Studies. <https://escholarship.org/uc/item/3np3p2t0>.

¹⁵ Deschenes, O. 2021. *Enhancing equity while eliminating emissions in California's supply of transportation fuels*. University of California Santa Barbara. <https://zenodo.org/record/4707966#.YKPiaKhKi73>.

¹⁶ CARB. Short-Lived Climate Pollutants. <https://ww2.arb.ca.gov/our-work/programs/slcp>.

¹⁷ Energy and Environmental Economics, Inc. 2020. *Achieving Carbon Neutrality in California: PATHWAYS Scenarios Developed for the California Air Resources Board*. October. https://ww2.arb.ca.gov/sites/default/files/2020-10/e3_cn_final_report_oct2020_0.pdf.

¹⁸ California Natural Resources Agency (CNRA). 2021. Draft Climate Smart Lands Strategy. <https://resources.ca.gov/Initiatives/Expanding-Nature-Based-Solutions>.

¹⁹ CARB. 2019. *Draft California 2030 Natural and Working Lands Climate Change Implementation Plan*. <https://ww2.arb.ca.gov/resources/documents/nwl-implementation-draft>.

²⁰ California Department of Insurance. 2021. *Protecting Communities, Preserving Nature, and Building Resiliency*. [climate-insurance-report.pdf \(ca.gov\)](https://www.insurance.ca.gov/0400-climate/0400-climate-insurance-report.pdf).

Committee will be essential to address environmental justice and achieve the ambitious vision outlined in the plan throughout its implementation in the coming years.

Importantly, per legislative direction, the Scoping Plan development includes modeling and analyses of emissions, economics, air quality, health, jobs, and public health. This work is important to inform the discussion around trade-offs and how to balance the various legislative direction in identifying a path to achieve the state's climate goals. The technical work serves as a backdrop to what this means to Californian's daily lives—to how they will work, play, and live as we act to eliminate fossil fuel combustion and achieve the many public health and environmental benefits that will result from that action.

Ensuring Equity and Affordability

The state has a long history of public health and environmental protection. However racist and discriminatory practices such as redlining have resulted in low-income communities and communities of color being disproportionately exposed to health hazards and pollution burdens.²¹ These communities are often located adjacent to major roadways and large stationary sources that not only emit GHGs, but also harmful localized air pollution. The plan delivers on the promise to transform the way we move, live, and work by nearly eliminating our dependence on fossil fuels. It includes effective actions to move with all possible speed to clean energy, zero-emission cars and trucks, energy-efficient homes, sustainable agriculture, and resilient NWL. And it prioritizes working with the communities most impacted to ensure that these strategies address their needs.

An important part of our equity consideration is ensuring the transition to a zero-emission economy is affordable and accessible, and that it uplifts disadvantaged, low-income communities and communities of color. Some aspects of the transition will have associated costs (e.g., escalating efforts to retrofit existing homes and businesses to support electric appliances and vehicles and increased costs of insurance). The state must ensure that these costs do not disproportionately burden consumers. In addition, the state has an important role to play in providing financial incentives, especially to low-income consumers, to allow for uptake of clean technologies. The Department of Community Services and Development's Low Income Weatherization Program is a prime example of this approach, enabling low-income Californians to be part of the zero-emission transition, all while lowering energy bills. The program provides low-income households with solar photovoltaic systems and energy efficiency upgrades at no cost to residents, helping cushion the impact of climate change on vulnerable communities.

²¹ CalEPA. 2021. Pollution and Prejudice: Redlining and Environmental Injustice in California. August 16. <https://storymaps.arcgis.com/stories/f167b251809c43778a2f9f040f43d2f5>.

With this Scoping Plan, the state also adds another tool to help identify and close climate change impact gaps that will emerge over time. As California invests in climate mitigation and adaptation, it is essential to understand the relative impact of climate change across the state's diverse communities. We know not all communities are equally resilient in the face of climate impacts due to persisting health and opportunity gaps. We also know that a global metric such as the Social Cost of Carbon cannot adequately capture the incremental additional impact faced by overly burdened communities. The Climate Vulnerability Metric (CVM) is specifically focused on quantifying the community-level impacts of a warming climate on human welfare.

Energy and Technology Transitions

To support the transformation needed, we must build the clean energy production and distribution infrastructure for a carbon-neutral future. The solution will have to include transitioning existing energy production and transmission infrastructure to produce zero-carbon electricity and hydrogen, and utilizing biogas resulting from wildfire management or landfill and dairy operations, among other substitutes. In almost all sectors, electrification will play an important role. That means that the grid will need to grow at unprecedented rates and ensure reliability, affordability, and resiliency through the next two decades and beyond. It also means we need to keep all options on the table, as it will take time to fully grow the electricity grid to be the backbone for a decarbonized economy. We also know that electrification is not possible in all situations. As such, this plan systematically evaluates and identifies feasible clean energy and technology options that will bring both near-term air quality benefits and deliver on longer-term climate goals.

This transition will not happen overnight. It will take time and planning to ensure a smooth transition of existing energy infrastructure and deployment of new clean technology. And while this Scoping Plan has the longest planning horizon of any Scoping Plan to date, this 25-year horizon is still relatively short in terms of transforming California's economy. We must avoid making choices that will lead to stranded assets and incorporate new technologies that emerge over time. Importantly, given the pace at which we must transition away from fossil fuels, we absolutely must identify and address market and implementation barriers to be successful. The scale of transition includes adding four times the solar and wind capacity by 2045 and about 1,700 times the amount of current hydrogen supply.

As we transition our energy systems, we must also rapidly deploy the clean technologies that rely on a decarbonized grid. As called for in Executive Order N-79-20, all new passenger vehicles sold in California will be zero-emission by 2035, and all other fleets will have transitioned to zero-emission as fully possible by 2045. This means the percentage of fossil fuel combustion vehicles will continue to rapidly decrease, becoming a fading vision of the past. Successful implementation of this Executive Order (EO) and other zero-emission priorities will have to be attractive to consumers. As an example,

electric and hydrogen transportation refueling must be readily accessible, and active transportation and clean transit options must be cheaper and more convenient than driving.

Cost-Effective Solutions Available Today

Ultimately, to achieve our climate goals, urgent efforts are needed to slash GHG emissions. Fortunately, cost-effective solutions are available to do so in many cases. In short, this plan relies on existing technologies—it does not require major technological breakthroughs that are highly uncertain.

For example, targeted action to reduce methane emissions can be achieved at low or negative cost, and with significant near-term climate and public health benefits. In many cases, renewable energy and energy storage are cheaper than polluting alternatives, and are already firmly part of our business-as-usual approach; modeling related to the most recent integrated resource planning process at the California Public Utilities Commission (CPUC) has shown that scenarios associated with the best emissions outcomes had the lowest average rates. As another example, research from Energy Innovation shows that the U.S. can achieve 100 percent zero-carbon power by 2035 without increasing customer costs.²²

The same is either already true, or soon to be true, for zero-emission vehicles as well. Myriad studies show cost parity for light-duty and heavy-duty ZEVs being achieved by mid-decade or shortly thereafter. A carbon neutrality study conducted by the University of California (UC) Institute of Transportation Studies and funded by the California Environmental Protection Agency (CalEPA) shows that achieving carbon neutrality in the transportation sector will save Californians \$167 billion through 2045.²³ Similar research from the Goldman School of Public Policy at UC Berkeley finds that achieving 100 percent light-duty ZEV sales nationwide would save consumers \$2.7 trillion through 2050; equivalent to \$1,000 per household, per year, for 30 years.²⁴

Many of these outcomes are a direct result of California’s vision and policy development to advance clean energy and climate solutions, including through the Renewables Portfolio Standard, Advanced Clean Cars II regulations, SLCP Reduction Strategy, and

²² Phadke, A. et al. 2020. “Illustrative Pathways to 100 Percent Zero Carbon Power by 2035 Without Increasing Customer Costs, Energy Innovation.” September. <https://energyinnovation.org/wp-content/uploads/2020/09/Pathways-to-100-Zero-Carbon-Power-by-2035-Without-Increasing-Customer-Costs.pdf>.

²³ Brown, A. L., et al. 2021. *Driving California’s Transportation Emissions*.

<http://dx.doi.org/10.7922/G2MC8X9X>. Retrieved from <https://escholarship.org/uc/item/3np3p2t0>.

²⁴ Goldman School of Public Policy. 2021. *2035: The Report: Transportation*. UC Berkeley. April. <https://www.2035report.com/transportation/>.

others. While the world collectively has not yet fully deployed clean energy and climate solutions at the scale needed to adequately address climate change, California has made tremendous progress—even since the last Scoping Plan update in 2017. Continued ambition, leadership, and climate policy development from California will help the state achieve the scale of emissions reductions needed from technologies and strategies that are already cost-effective or close to it today, and will move additional technologies and strategies to that point in the near future. Achieving those outcomes and reducing costs for the entire array of climate solutions needed to achieve carbon neutrality and then maintain net-negative emissions will prove the true measure of California’s success. This will enable California to not just meet our own climate targets, but to ultimately develop the replicable solutions that can scale globally to address global warming.

Continue with a Portfolio Approach

Over the past decade and a half, the state has undertaken a successful three-pronged approach to reducing GHGs: incentives, regulations, and carbon pricing. The 2017 Scoping Plan leveraged existing programs such as the Renewables Portfolio Standard, Advanced Clean Cars, Low Carbon Fuel Standard, Short-lived Climate Pollutant Strategy, mobile source measures to achieve federal air quality targets, and a Cap-and-Trade Program, among others, to lay out a technologically feasible and cost-effective path to achieve the 2030 GHG reduction target. When looking toward the 2045 climate goals and the deeper GHG reductions needed across the AB 32 GHG Inventory sectors, all of the existing programs must be evaluated and, as necessary, strengthened to support the rapid production and deployment of clean technology and energy, as well as the increased pace and scale of actions on our natural and working lands.

The challenge before us requires us to keep all tools on the table. Given the climate mitigation co-benefits, critical actions to deliver near-term air quality benefits, such as those included in the State Implementation Plan to achieve the federal air quality standards, are incorporated into this Scoping Plan, as are new legislative mandates to decarbonize the electricity and cement sectors. And, if additional gaps are identified, new programs and policies must be developed and implemented to ensure all sectors are on track to reduce emissions. Opportunities to leverage these programs to address ongoing air quality disparities must also be considered, along with targeted environmental justice policies such as the AB 617 Community Air Protection Program and the investments made possible through the California Climate Investments Program.

Conclusion

California has never undertaken such a comprehensive, far-reaching, and transformative approach to fighting climate change as that called for in this plan. Once implemented, it will place every aspect of how we live, work, play, and travel in California on a more sustainable footing, with a focus on directly benefitting those communities already most burdened by pollution. This comprehensive approach reflects how climate change is

already changing life in California. We have all experienced the impacts of devastating wildfires, extreme heat, and drought. Despite much progress, California still has some of the worst air pollution in the nation, especially in the San Joaquin Valley and the Los Angeles Basin, which is driven by the continued use of fossil fuel-powered trucks and cars.

This Scoping Plan provides a solution; a way forward and a vision of a California where we can and will address those impacts. This plan is fundamentally based on hope. It is a hope grounded in experience and science that we can fundamentally improve the California we leave to future generations. The plan is built on the legacy of effective actions and on the conviction that we can effectively marshal the combined capabilities of California—from state, regional, tribal, and local governments to industry to our research institutions, and most importantly, to the nearly 40 million Californians who will benefit from the actions laid out in the plan. It addresses the challenge of our generation by laying out a pathway and guideposts for action across three decades. But the Scoping Plan is only that: a plan. The hard work—and hopeful work—is putting its recommendations into action. And there is no time to waste.

Post-adoption of the Scoping Plan

As with previous Scoping Plans, CARB Board approval is the beginning of the next phase of climate action. Specifically, approval of this plan catalyzes a number of efforts, including the development of new regulations as well as amendments to strengthen regulations and programs already in place, not just at CARB but across state agencies. The unprecedented rate of transition will also require the identification and removal of market and implementation barriers to the production and deployment of clean technology and energy. All of these actions and more will be needed if we are to achieve our climate goals.

Chapter 1: Introduction

“The debate is over around climate change. Just come to the state of California. Observe it with your own eyes.”

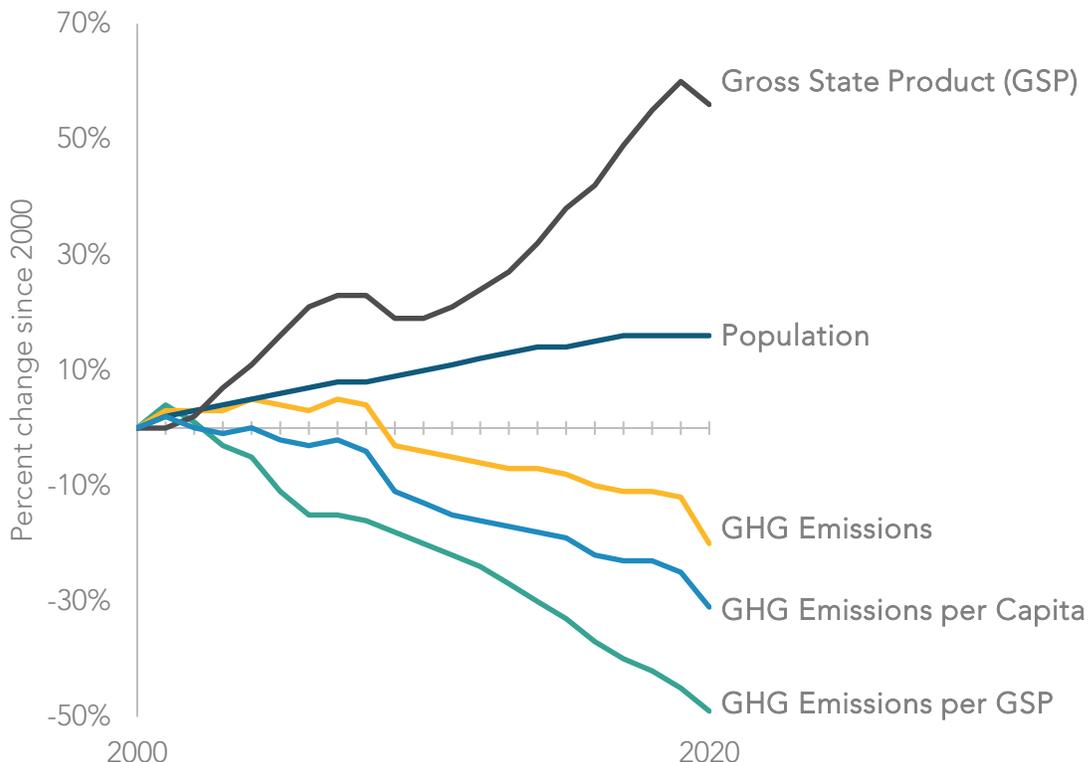
- California Governor Gavin Newsom in September 2020 after surveying the devastation caused by catastrophic wildfires

The impacts of climate change are no longer a distant threat on the horizon—they are right here, right now, with a growing intensity that is adversely affecting our communities and our environment, here in California and across the globe. The science that, decades ago, predicted the impacts we are currently experiencing is even stronger today and unambiguously tells us what we must do to limit irreversible damage: we must act with renewed commitment and focus to do more and do it sooner. That science is indisputable. Unless we increase ambition, we will be faced with more fire, more drought, more temperature extremes, and deadly, choking air pollution. The future of our state—our communities, economy, and ecosystems—is inextricably tied to the way we respond in this decade and the partnerships we forge along the way.

The impacts of climate change fall most heavily on frontline communities that bear the brunt of extreme heat, drought, wildfires, and other effects. Low-income communities and communities of color are also disproportionately impacted by fossil fuel combustion-related air pollution and related health problems. The continued phaseout of fossil fuel combustion will advance both climate and air quality goals and will deliver the greatest health benefits to the most impacted communities.

As it has responded to this climate crisis, California has established itself as a global leader in science-based, public health-focused climate change mitigation and air quality control. The California Legislature has worked with both Republican and Democratic governors to advance action on public health and environmental protections—and California has made progress on addressing climate change during periods of both Republican and Democratic federal administrations. Since the passage of Assembly Bill 32 (AB 32) (Núñez and Pavley, Chapter 488, Statutes of 2006), California has developed bold, creative, and durable policy solutions to protect our environment and public health, all while growing our economy. In fact, California met the target established in AB 32—a return of greenhouse gas (GHG) emissions to 1990 levels by 2020—years ahead of schedule, even as the state established itself as the one of the largest economies in the world. As Figure 1-1 below shows, California’s emissions and economic growth have continued to decouple, and California is now the fifth largest economy in the world.

Figure 1-1: California total and per capita GHG emissions²⁵



Recognizing both California’s early successes in achieving GHG emissions reductions while growing the economy, as well as the worsening impacts of climate change, our governors and legislators have continued to enact ambitious goals. California’s unwavering commitment to address climate change is based on indisputable science and data. This commitment is also informed by our collective efforts to address environmental justice and advance racial equity, such that race will no longer be a predictor for disproportionate environmental burdens faced by low-income communities and communities of color. As the Office of Environmental Health Hazard Assessment’s

²⁵ Due to the global pandemic, 2020 is an outlier year and should not be considered indicative of a trend; emissions are likely to increase as economies recover from the impacts of the pandemic.

(OEHHA's) recent analysis of race/ethnicity and air pollution vulnerability and CalEnviroScreen 4.0 scores demonstrate, much work remains to be done.²⁶

Many of California's environmental policies have served as models for similar policies in other U.S. states, and at national and international levels. Moving forward, California will continue its pursuit of collaborations and advocacy for action to address climate change at all levels of government. While California is responsible for just one percent of global GHG emissions, and we must do our part, we also play an important role in exporting both political will and technical solutions to address the climate crisis globally.

Today, we have a chance to re-envision California's future and set the state on a path to be carbon neutral no later than 2045 while advancing equity, addressing environmental justice, and continuing to grow our economy. This Scoping Plan provides a roadmap outlining key policies we can implement to achieve our climate goals while improving the health and welfare of Californians and addressing disparities in health outcomes to create a more equitable future. It will enable us to turn the corner in our efforts to protect and preserve our critical natural and public resources, all while providing unparalleled opportunities for clean, pollution-free economic growth.

Severity of Climate Change Impacts

With the increasing severity and frequency of drought, wildfire, extreme heat, and other impacts, Californians just have to look out their windows to know that climate change is real and rapidly getting worse. The impacts we thought we would see in the decades to come are happening now. We must act decisively to both reduce our GHG emissions and build resilience to these impacts for ourselves, future generations, and our iconic landscapes.

Wildfires

Of the twenty largest wildfires ever recorded in California, nine occurred in 2020 and 2021. The worst wildfire season in California's recorded history was in 2018, with over 24,226 structures damaged or destroyed and over 100 lives lost. The largest wildfire season ever recorded in state history was in 2020, where more than 4.3 million acres burned, albeit at different intensity and with varying ecological impacts, and over 112 million metric tons of

²⁶ OEHHA and CalEPA. 2021. Analysis of Race/Ethnicity and CalEnviroScreen 4.0 Scores. <https://oehha.ca.gov/media/downloads/calenviroscreen/document/calenviroscreen40raceanalysisf2021.pdf>.

carbon dioxide (CO₂) emitted into the atmosphere.²⁷ The economic damage of these fires was estimated to be over \$10 billion in property damage and over \$2 billion in fire suppression costs.²⁸ The Camp Fire, which destroyed much of Paradise, California, was the world's costliest natural disaster in 2018, with overall damages of \$16.5 billion.²⁹ It was also the deadliest fire in California history, with 85 civilian fatalities. Wildfires have always been part of California's natural ecology and will continue to be. However, changes to the state's climate and precipitation expands the footprint of wildfire threat, severity, and intensity, with one quarter of California—more than 25 million acres—now classified as being under very high or extreme fire threat.³⁰

The impacts of wildfire smoke have been linked to respiratory infections, cardiac arrests, low birth weight, mental health conditions, and exacerbated asthma and chronic obstructive pulmonary disease.³¹ In 2020, with all of California covered by wildfire smoke for over 45 days—and 36 counties for at least 90 days—maximum fine particulate (PM_{2.5}) levels persisted in the “hazardous” range of the Air Quality Index for weeks in several areas of the state.^{32,33}

Catastrophic wildfire damages extend beyond human health and the economy. The Castle Fire in 2020 and the KNP Complex and Windy Fires in 2021 led to the loss of an unprecedented number of giant sequoias: an estimated 13 to 19 percent of the giant

²⁷ CARB. 2020. Public Comment Draft Greenhouse Gas Emissions of Contemporary Wildfire, Prescribed Fire, and Forest Management Activities.

https://ww3.arb.ca.gov/cc/inventory/pubs/ca_ghg_wildfire_forestmanagement.pdf.

²⁸ News18. 2021. San Francisco Bay Area Receives its First Wildfire Warning of 2021, After California Concludes its Driest Year. <https://www.news18.com/news/buzz/san-francisco-bay-area-receives-its-first-wildfire-warning-of-2021-after-california-concludes-its-driest-year-3722897.html>.

²⁹ Munich RE. 2019. Extreme Storms, Wildfires and Droughts Cause Heavy Nat Cat Losses In 2018. <https://www.munichre.com/en/company/media-relations/media-information-and-corporate-news/media-information/2019/2019-01-08-extreme-storms-wildfires-and-droughts-cause-heavy-nat-cat-losses-in-2018.html#-1808457171>.

³⁰ CARB. No date. Wildfires. <https://ww2.arb.ca.gov/our-work/programs/wildfires/about>.

³¹ Reid, C. E., M. Brauer, F. H. Johnston, M. Jerrett, J. R. Balmes, and C. T. Elliott. 2016. “Critical Review of Health Impacts of Wildfire Smoke Exposure.” *Environmental Health Perspectives* <http://dx.doi.org/10.1289/ehp.1409277>.

³² Vargo J. A. 2020 (updated in 2021 using the [NOAA Hazard Mapping System](#)). “Time Series of Potential US Wildland Fire Smoke Exposures.” *Frontiers in Public Health* <https://doi.org/10.3389/fpubh.2020.00126>.

³³ CalFire. 2020 *Fire Siege Report*. <https://www.fire.ca.gov/media/hsviuuv3/cal-fire-2020-fire-siege.pdf>.

sequoia population in the Sierra Nevada. An iconic species, giant sequoias are the largest trees on earth, with exceptional longevity outside of climate extremes.^{34,35}

It is clear that we must take drastic measures to prepare for future wildfires, which is why California invested \$2.7 billion in wildfire resilience from fiscal years 2020 to 2023. The exponential increase in funding launched more than 552 wildfire resilience projects in less than a year, and CAL FIRE met its 2025 goal of treating 100,000 acres a full three years ahead of schedule. Since Fiscal Year 2019–20, treatment work has significantly increased, and CAL FIRE has averaged 100,000 acres treated each fiscal year.

Although we are making progress, we have a lot more work to do in order to achieve our goal of treating one million acres annually by 2025. The Governor’s Wildfire and Forest Resilience Strategy details 99 actions needed to address the key drivers of catastrophic wildfires, ramp up the pace and scale of forest management, and make threatened communities more resilient to catastrophic fires. It is also important to note that natural wildfire cycles are a part of a sustainable forest ecosystem and will continue to play a role in a healthy forests’ future. We should not expect wildfires to cease, but we must manage our lands to address catastrophic wildfires that result from buildup of carbon stocks due to our interventions to suppress wildfires and from climate change resulting from fossil fuel combustion.

Drought

Drought is a recurring feature of the California climate that has been intensified by increasingly warmer average temperatures. Anthropogenic climate trends have exacerbated drought conditions; human-caused climate change accounts for 19 percent of drought severity and 42 percent of the soil moisture deficit in this region since 2000. The governor declared a drought state of emergency in October 2021, and as of September 2022, 94 percent of California was in severe drought, and 99.8 percent³⁶ of the state was in at least moderate drought. The first three months of 2022 were the driest January, February, and March on record in California.³⁷ The harsh drought conditions affecting California are part of a larger megadrought—a drought lasting more than two

³⁴ Shive, K., C. Brigham, T. Caprio, and P. Hardwick. 2021. 2021 Fire Season Impacts to Giant Sequoias. The Nature Conservancy and National Park Service. <https://www.nps.gov/articles/000/2021-fire-season-impacts-to-giant-sequoias.htm>.

³⁵ Shive, K. L., A. Wuenschel, L. J. Hardlund, S. Morris, M. D. Meyer, and S. M. Hood. 2022. “Ancient Trees and Modern Wildfires: Declining Resilience to Wildfire in the Highly Fire-adapted Giant Sequoia.” *Forest Ecology and Management* 511, 120110. <https://doi.org/10.1016/j.foreco.2022.120110>.

³⁶ Drought.gov. California. National Oceanic and Atmospheric Administration (NOAA) and the National Integrated Drought Information System. <https://www.drought.gov/states/california>.

³⁷ Drought.ca.gov. September 26, 2022. California Drought Update. <https://drought.ca.gov/media/2022/09/Weekly-CA-Drought-Update-09262022-FINAL.pdf>.

decades—that has been ongoing in the Southwestern region of North America since 2000. The past 22 years have been the region’s driest period since at least 800 CE.³⁸

While large urban water districts with diversified sources of water supply have maintained water deliveries to customers through the drought, hundreds of individual well owners and some small water systems have suffered disruption. The state is providing funding for water system consolidation and modernization projects in small communities, emergency repairs and replacements for dry wells, and bottled and hauled water deliveries. A 2021 law requires small suppliers to create drought contingency plans. During the drought of the last three years the state has delivered emergency drinking water assistance to nearly 10,000 households and 150 water systems.

California agriculture is responsible for more than half of all U.S. domestic fruit and vegetable production, and in 2021 drought resulted in the fallowing of nearly 400,000 acres of fields.³⁹ Direct crop revenue losses were approximately \$962 million, and total economic impacts were more than \$1.7 billion, with over 14,000 full- and part-time job losses.⁴⁰ During the 2011–2017 drought, California’s agricultural industry suffered at least \$5 billion in losses.⁴¹ The 2022–23 budget includes \$100 million to support agricultural water conservation practices, provide on-farm technical assistance, and provide direct relief to small farm operators.

Though native California species are adapted to drought, human engineering has altered most streams and wetlands in the state, making drought increasingly stressful to fish and wildlife. The state has conducted hundreds of fish and amphibian rescues in this drought to move creatures from diminished habitat, upgraded hatcheries, and boosted hatchery production, and has hauled millions of young hatchery salmon to San Francisco Bay to avoid adverse river conditions. State biologists monitor dozens of streams statewide and have negotiated voluntary agreements with landowners and water users to improve stream flows and temperatures.

California has started to implement major policies to build resilience to combat drought—such as the Sustainable Groundwater Management Act of 2014, the governor’s Water Resilience Portfolio (2020), the governor’s Water and Supply Strategy (August 2022), and

³⁸ Williams, A. P., B. I. Cook, and J. E. Smerdon. 2022. “Rapid Intensification of The Emerging Southwestern North American Megadrought in 2020–2021.” *Nature Climate Change* <https://doi.org/10.1038/s41558-022-01290-z>.

³⁹ Medellín-Azuara, J. 2022. *Economic Impacts of the 2021 Drought on California Agriculture*. University of California Merced. https://wsm.ucmerced.edu/wp-content/uploads/2022/02/2021-Drought-Impact-Assessment_20210224.pdf.

⁴⁰ Medellín-Azuara. *Economic Impacts of the 2021 Drought*.

⁴¹ National Resources Defense Council (NRDC). 2019. *Climate Change and Health in California*. Issue Brief. <https://www.nrdc.org/sites/default/files/climate-change-health-impacts-california-ib.pdf>.

new standards for indoor, outdoor, and industrial water use. However, it is crucial that we take further actions to minimize the impacts of drought in the years to come.

Extreme Heat

California's hottest summer on record was 2021.⁴² Death Valley recorded the world's highest reliably measured temperature (130°F) in July 2021, breaking its own record (129°F) from summer 2020.⁴³ Meanwhile, Fresno also broke one of its own records, with 64 days over 100°F in 2021.⁴⁴ This is part of a trend: the daily maximum average temperature, an indicator of extreme temperature shifts, is expected to rise 4.4°F–5.8°F by 2050 and 5.6°F–8.8°F by 2100.⁴⁵ Heat waves that result in public health impacts are also projected to worsen throughout the state. By 2050, these heat-related health events are projected to last two weeks longer in the Central Valley and occur four to ten times more often in the Northern Sierra region.⁴⁶

Heat ranks among the deadliest of all climate hazards in California, and heat waves in cities are projected to cause two to three times more heat-related deaths by mid-century.⁴⁷ Climate vulnerable communities⁴⁸ will experience the worst of these effects, as heat risk is associated and correlated with physical, social, political, and economic factors. Aging populations, infants and children, pregnant people, and people with chronic illness are especially sensitive to heat exposure.^{49,50} Combining these characteristics and existing health inequities with additional factors such as poverty, linguistic isolation,

⁴² NOAA. 2022. Climate at a Glance. https://www.ncdc.noaa.gov/cag/statewide/time-series/4/tavg/3/8/1895-2021?base_prd=true&firstbaseyear=1901&lastbaseyear=2000.

⁴³ Masters, J. 2021. Death Valley, California, breaks the all-time world heat record for the second year in a row. Yale Climate Connections. <https://yaleclimateconnections.org/2021/07/death-valley-california-breaks-the-all-time-world-heat-record-for-the-second-year-in-a-row/>.

⁴⁴ NOAA. Climate Data Online Search. Accessed on 16 March 2022. <https://www.ncdc.noaa.gov/cdo-web/search>.

⁴⁵ Governor's Office of Planning and Research (OPR), CEC, and CNRA. 2018. *California's Fourth Climate Change Assessment*. Page 23. https://www.energy.ca.gov/sites/default/files/2019-11/Statewide_Reports-SUM-CCCA4-2018-013_Statewide_Summary_Report_ADA.pdf.

⁴⁶ OPR, CEC, and CNRA. *California's Fourth Climate Change Assessment - Statewide Summary Report*. https://www.energy.ca.gov/sites/default/files/2019-11/Statewide_Reports-SUM-CCCA4-2018-013_Statewide_Summary_Report_ADA.pdf.

⁴⁷ Ostro, B., S. Rauch, and S. Green. 2011. "Quantifying the health impacts of future changes in temperature in California." National Library of Medicine. <https://pubmed.ncbi.nlm.nih.gov/21975126/>.

⁴⁸ CARB. Priority Populations. California Climate Investments. <https://www.caclimateinvestments.ca.gov/priority-populations>.

⁴⁹ Basu, R. 2009. "High Ambient Temperature and Mortality: A Review of Epidemiologic Studies from 2001 to 2008." National Library of Medicine. <https://pubmed.ncbi.nlm.nih.gov/19758453/>.

⁵⁰ Basu, R., and B. Malig. 2011. "High Ambient Temperature and Mortality in California: Exploring the Roles of Age, Disease, and Mortality Displacement." National Library of Medicine. <https://pubmed.ncbi.nlm.nih.gov/21981982/>.

housing insecurity, and the legacy of racist redlining practices, can put individuals at a disproportionately high risk of heat-related illness and death.^{51,52} Rising temperatures will also speed up smog-forming chemical reactions, leading to worse asthma, reduced lung function, cardiac arrest, and cognitive decline. African American, American Indian/Alaskan Native, and Puerto Rican Californians are particularly sensitive to smog, as they are between 28.6 and 132.5 percent more likely to be diagnosed with asthma than white Californians.⁵³

In addition to the dangers to public health, California's September 2022 heat wave is particularly illustrative of how more frequent extreme heat strains the state's infrastructure we depend on to adapt to a changing climate. For example, as all-time high temperature records were broken in Sacramento, San Jose, Santa Rosa and Fairfield, electricity demand for air conditioning threatened to overwhelm the state power supply.⁵⁴

California has taken major steps to protect communities from the impacts of extreme heat. Our recent budgets invest \$800 million to cool our schools and neighborhoods, including projects to reduce urban overheating. The Extreme Heat Action Plan, released in April 2022, outlines the all-of-government approach California is taking to reduce urgent risks and build long-term resilience to the impacts of extreme heat. In September 2022, Governor Newsom signed multiple bills addressing extreme heat, including AB 2238 (Rivas, Chapter 264, Statutes of 2022), which will create the nation's first extreme heat advance warning and ranking system to better prepare communities ahead of heat waves. The Administration is committed to addressing extreme heat, but we still have a lot of work to do.

Wildfires, drought, and extreme heat are some of the most pronounced climate impacts California is experiencing, but they are not the only ones. Sea level rise, rising ocean temperatures, ocean acidification, and inland flooding are also already having devastating impacts on our communities, ecosystems, and economy, and will continue to do so in the years and decades to come. The decisions and actions that we take today will determine how strongly we will feel the impacts of climate change in the future.

⁵¹ Hoffman, J. S., V. Shandas, and N. Pendleton. 2020. "The Effects of Historical Housing Policies on Resident Exposure to Intra-Urban Heat: A Study of 108 US Urban Areas." MDPI.

<https://www.mdpi.com/2225-1154/8/1/12/htm>.

⁵² U.S. Climate Resilience Toolkit. No date. Heat and Social Inequity in the United States.

<https://toolkit.climate.gov/tool/heat-and-social-inequity-united-states>.

⁵³ NRDC. 2019. Climate Change and Health. Issue Brief. <https://www.nrdc.org/sites/default/files/climate-change-health-impacts-california-ib.pdf>.

⁵⁴ Samenow, Jason. 2022. No September on record in the West has seen a heat wave like this. *The Washington Post*. September 9. <https://www.washingtonpost.com/climate-environment/2022/09/08/western-heatwave-records-california-climate/>.

Imperative To Act

Consequences of Further Warming

The Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) found that it will not be possible to keep global warming within the threshold of 1.5°C to avoid the most severe impacts of climate change unless we make immediate and large-scale reductions in GHG emissions. It finds that atmospheric concentrations of CO₂ have increased by 50 percent since the industrial revolution, and that they continue to increase at a rate of two parts per million each year.⁵⁵ Without immediate action, the world will exceed 1.5°C (or 2.7°F) warming by the 2030s, and no later than 2040.

While every tenth of a degree matters—every incremental increase in warming brings additional negative impacts—climate-related risks to human health, livelihoods, and biodiversity are projected to increase further under 2°C (or 3.6°F) warming, compared to 1.5°C.⁵⁶ To remain below 1.5°C with limited or no overshoot of that threshold, global net anthropogenic CO₂ emissions need to be cut by about half by 2030 and reach net-zero by 2050.

If we fail to make rapid changes, we may not be able to limit global warming to 2°C,⁵⁷ and the consequences of inaction would be catastrophic. Our planet is already 1.2°C warmer than pre-industrial times due to human-induced warming, and many impacts we are already experiencing, such as sea level rise, are “irreversible” for centuries to millennia.⁵⁸ Californians with the fewest resources, who are disproportionately low-income communities and communities of color, are the most vulnerable to the impacts of climate change. While the human costs associated with health impacts can never be fully monetized, a recent report finds that the health costs of climate and air pollution in the U.S. are well over \$800 billion today and will continue to grow in the coming years.⁵⁹

⁵⁵ IPCC. 2021. *Climate Change 2021: The Physical Science Basis*. <https://www.ipcc.ch/report/ar6/wg1/>.

⁵⁶ IPCC. 2018. *Special Report: Global Warming of 1.5°C*. World Meteorological Organization. <https://www.ipcc.ch/sr15/>.

⁵⁷ IPCC. 2021. Summary for Policymakers. In: *Climate Change 2021: The Physical Science Basis*. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S. L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M. I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J. B. R. Matthews, T. K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. In Press. https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_SPM_final.pdf.

⁵⁸ United Nations. 2021. IPCC report: ‘Code red.’

<https://news.un.org/en/story/2021/08/1097362#:~:text=%27Code%20red%20for%20humanity%27&text=We%20are%20at%20imminent%20risk,%2C%20to%20keep%201.5%20alive.%22>.

⁵⁹ Alwis, D. D., and V. S. Limaye. No date. *The Costs of Inaction*.

<https://www.nrdc.org/sites/default/files/costs-inaction-burden-health-report.pdf>.

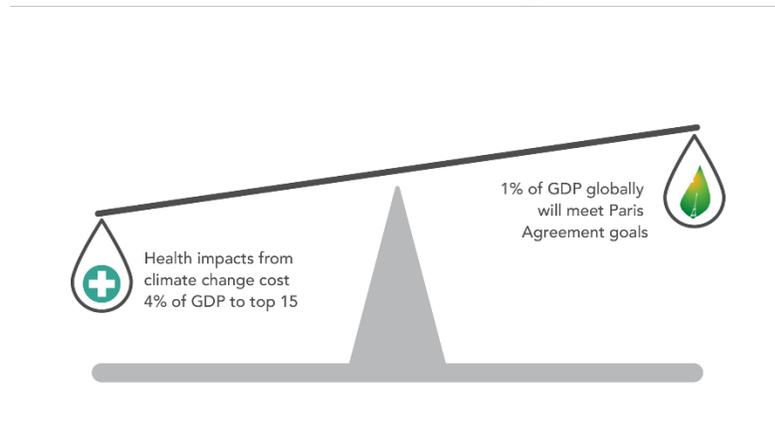
Any delays in action or insufficient action are a threat to public health and the environment. The impacts to our economy would be devastating as well. While not specific to California, a 2022 report from Deloitte Economics Institute finds that failing to take sufficient action to reduce emissions could result in economic losses to the U.S. of more than \$14.5 trillion over the next 50 years.⁶⁰ On a hopeful note, however, the report finds that if the country invests now and in the coming years in a net-zero economy, \$3 trillion could be added to the economy over the next 50 years. The U.S. annual gross domestic product (GDP) would be 2.5 percent higher in 2070 in this fast-action scenario than in the delayed action scenario. The lessons for California from these analyses are clear: invest now or pay the price later. As shown in Figure 1-2, inaction can lead to negative consequences for individuals, communities, the economy, and society as a whole. As discussed later, Governor Newsom and the Legislature have accepted this imperative and made significant investments in climate action. This Scoping Plan combined with the historic investments and policy direction from the governor and Legislature, will result in unprecedented action to address the climate crisis.

⁶⁰ Deloitte. 2022. *The Turning Point*.

<https://www2.deloitte.com/content/dam/Deloitte/us/Documents/about-deloitte/us-the-turning-point-a-new-economic-climate-in-the-united-states-january-2022.pdf?id=us:2el:3dp:wsjspon:awa:WSJSBJ:2021:WSJFY22>.

Figure 1-2: The real costs of inaction⁶¹

Costs of Inaction Outweigh Costs of Action for World's Largest 15 GHG Emitters



Exposure to air pollution causes 7 million deaths worldwide every year and costs an estimated US\$5.11 trillion in welfare losses globally. In the 15 countries that emit the most greenhouse gas emissions, the health impacts of air pollution are estimated to cost more than 4% of their GDP. Fossil fuel combustion contributes to both air pollution and climate change. Actions to meet the Paris goals would cost about 1% of global GDP.

Scoping Plan Overview

Previous Scoping Plans

The Scoping Plan is a strategy the California Air Resources Board (CARB) develops and updates at least one every five years, as required by AB 32. It lays out the transformations needed across our society and economy to reduce emissions and reach our climate targets. This Scoping Plan is the third update to the original plan that was adopted in 2008. The initial Scoping Plan laid out a path to achieve the AB 32 2020 limit of returning to 1990 levels of GHG emissions, a reduction of approximately 15 percent below business as usual.⁶² The 2008 Scoping Plan included a mix of incentives, regulations, and carbon pricing, laying out the portfolio approach to addressing climate change and clearly making the case for using multiple tools to meet California's GHG targets. The 2013 Scoping Plan assessed progress toward achieving the 2020 limit and made the case for addressing

⁶¹ Katowice, P. 2018. *Health benefits far outweigh the costs of meeting climate change goals*. WHO. <https://www.who.int/news/item/05-12-2018-health-benefits-far-outweigh-the-costs-of-meeting-climate-change-goals>.

⁶² CARB. 2008. *Climate Change Scoping Plan*. https://ww2.arb.ca.gov/sites/default/files/classic/cc/scopingplan/document/adopted_scoping_plan.pdf.

short-lived climate pollutants (SLCPs).⁶³ The most recent update, the 2017 Scoping Plan,⁶⁴ also assessed the progress toward achieving the 2020 limit and provided a technologically feasible and cost-effective path to achieving the Senate Bill 32 (SB 32, Pavley, Chapter 249, Statutes of 2016) target of reducing GHGs by at least 40 percent below 1990 levels by 2030.

Overview of this Scoping Plan

It is paramount that we continue to build on California's success by taking effective actions and doubling down on implementation of the strategies outlined here. As such, this Scoping Plan builds on and integrates efforts already underway to reduce the state's GHG, criteria pollutant, and toxic air contaminant emissions by identifying the clean technologies and fuels that should be phased in as the state transitions away from combustion of fossil fuels. By selecting and pursuing a sustainable and clean economic path, the state will continue to successfully execute existing programs, work to eliminate air pollution inequities, demonstrate the coupling of economic growth and environmental progress, and enhance new opportunities for engagement within the state to address and prepare for climate change.

The 2022 Scoping Plan for Achieving Carbon Neutrality (Scoping Plan) is the most comprehensive and far-reaching Scoping Plan developed to date. It identifies a technologically feasible and cost-effective path to achieve carbon neutrality by 2045 while also assessing the progress California is making toward reducing its GHG emissions by at least 40 percent below 1990 levels by 2030, as called for in SB 32 and laid out in the 2017 Scoping Plan.⁶⁵ The 2030 target is an interim but important stepping stone along the critical path to the broader goal of deep decarbonization by 2045. Modeling for this Scoping Plan shows that this decade must be one of transformation on a scale never seen before to set us up for success in 2045.

The relatively longer path assessed in this Scoping Plan incorporates, coordinates, and leverages many existing and ongoing efforts to reduce GHGs and air pollution, while identifying new clean technologies and energy. Given the focus on carbon neutrality, this Scoping Plan also includes discussion for the first time of the Natural and Working Lands (NWL) sectors as both sources of emissions and carbon sinks. Chapter 2 of this document

⁶³ CARB. 2014. *First Update to the Climate Change Scoping Plan*.

https://ww2.arb.ca.gov/sites/default/files/classic/cc/scopingplan/2013_update/first_update_climate_change_scoping_plan.pdf.

⁶⁴ CARB. 2017. *California's 2017 Climate Change Scoping Plan*.

https://ww2.arb.ca.gov/sites/default/files/classic/cc/scopingplan/scoping_plan_2017.pdf.

⁶⁵ CARB. 2017. *California's 2017 Climate Change Scoping Plan*.

https://ww2.arb.ca.gov/sites/default/files/classic/cc/scopingplan/scoping_plan_2017.pdf.

includes a description of a suite of specific actions to drastically reduce GHGs across all sectors. Chapter 3 provides the air quality and economic evaluations of the actions. Chapter 4 provides a broader description of the many actions needed across all sectors to achieve carbon neutrality. Chapter 5 provides an overview of the next steps and partnerships needed to implement this Scoping Plan. Guided by legislative direction, the actions identified in this Scoping Plan reduce overall GHG emissions in California and deliver policy signals that will continue to drive investment and certainty in a low carbon economy. This Scoping Plan builds upon the successful framework established by the Initial Scoping Plan and subsequent updates while identifying new, technologically feasible, and cost-effective strategies.

Principles That Inform Our Approach to Addressing the Climate Challenge

California has decades of experience addressing the climate challenge. Through this experience, and based on extensive engagement with stakeholders through our regulatory and program development processes, we have developed a set of principles to inform our approach.

Unprecedented Investments in a Sustainable Future

The scale of transformation needed over this decade to avoid the worst impacts of climate change and meet our ambitious climate goals is extraordinary. This is why Governor Newsom and the Legislature invested over \$15 billion in climate action through the 2021–2022 California Comeback Plan, and why the 2022–2023 budget marks the beginning of the California Climate Commitment—the governor’s multi-year plan to invest \$54 billion in climate action. The enacted budgets (Figure 1-3) and the California Climate Commitment represent investments of a historic scale and will advance precisely the type of all-of-government approaches necessary to create the whole-of-society changes described in this Scoping Plan that will enable us to avert the worst impacts of climate change.

Figure 1-3: Comprehensive California climate change investments



The [California Climate Commitment](#) includes the following game-changing elements:

- \$10 billion for zero-emission vehicles (ZEVs), including \$1.5 billion for electric school buses to protect students’ health and \$3 billion to build an accessible charging network. ZEV investments will particularly focus on programs such as heavy-duty vehicle and port electrification that will reduce emissions and protect public health in low-income communities.
- \$2.1 billion for clean energy investments, such as long duration storage, offshore wind, green hydrogen,⁶⁶ and industrial decarbonization.
- \$13.8 billion for programs that reduce emissions from the transportation sector, such as improving public transportation while also funding walking, biking, and adaptation projects.
- Over \$720 million for California’s higher education institutions and research that will support the next generation of climate innovations.

⁶⁶ For the purposes of this Scoping Plan, “renewable hydrogen” and “green hydrogen” are interchangeable and are not limited to only electrolytic hydrogen produced from renewables.

- Nearly \$1 billion to build sustainable, affordable housing and over \$1 billion to help low-income Californians realize energy cost savings through building decarbonization.
- Nearly \$9 billion for wildfire risk reduction, drought mitigation, extreme heat resilience, and nature-based solutions.

These investments are incredibly important in the context of this Scoping Plan in that they accompany and help support implementation of the many policies and regulations that will continue to be necessary to achieve our 2030 and carbon neutrality targets. In addition, these incentive programs jump-start emission reduction strategies for priority sectors, sources, and technologies, leveraging private-sector investment and building sustainable, growing markets for clean and efficient technologies. Many of California's incentive programs work in concert with federal and other state programs to drive emission reductions. As an example, as California pushes to move to 100% sales of new zero emission-vehicles, including plug-in hybrid vehicles, the Newsom Administration continues to invest heavily in incentive programs that allow families, communities, and businesses to choose zero-emission vehicles. This is done while simultaneously working with the federal government, other states, and jurisdictions around the world to align policies, regulations, and incentives, creating market certainty for the automakers that serve our markets.

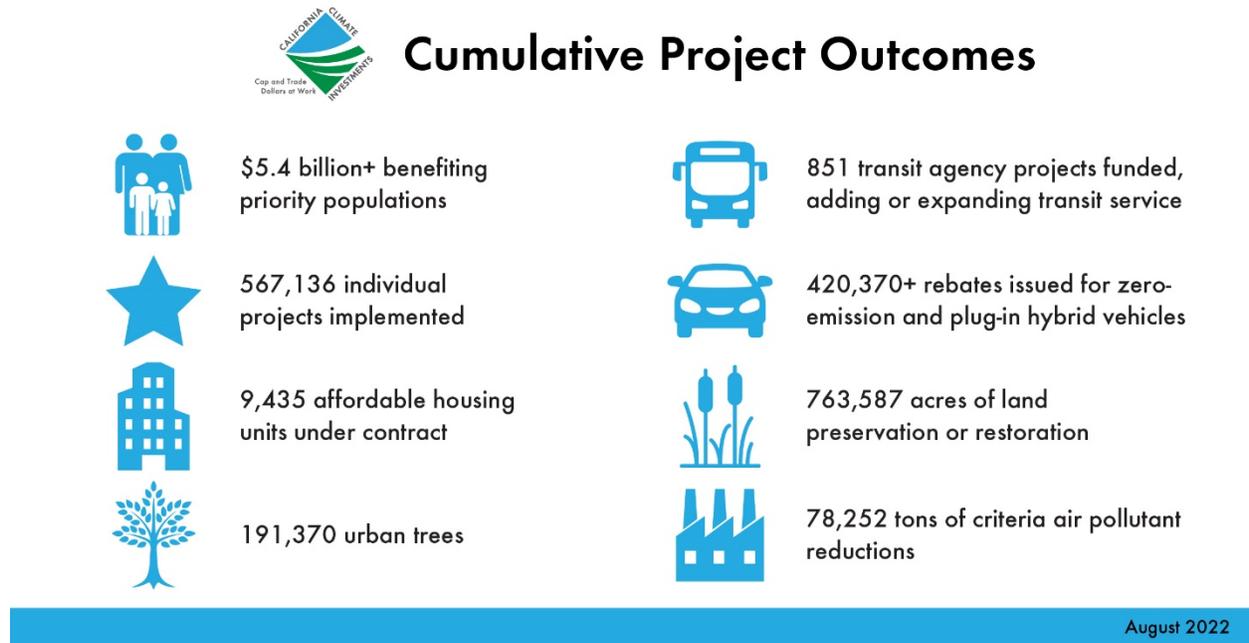
Centering Equity

Prioritizing equity is just as important as the magnitude of the climate investments California is making. Addressing climate change and advancing our equity and economic opportunity goals cannot be decoupled. In line with the governor's Executive Order⁶⁷ to take additional actions to embed equity analysis and considerations, this plan works to center equity by addressing disparities for historically underserved and marginalized communities. California strives to ensure that our climate and air research, regulations, investments, and plans include provisions that specifically address and advance equity. This includes reducing and eliminating air pollution disparities, removing barriers that can prevent frontline communities from accessing benefits, lowering costs for low-income Californians, and promoting high-quality jobs. CARB's incentive programs regularly surpass their mandated equity targets, and CARB has incorporated equity-focused provisions in our research, planning, and regulatory efforts. For instance, statute requires that a minimum of 35 percent of California Climate Investments benefit low-income households along with disadvantaged and low-income communities (referred to as *priority*

⁶⁷ Executive Department. State of California. 2022. Executive Order N-16-22. [GSS 9320 2-20220912152941 \(ca.gov\)](https://www.ca.gov/gss/9320-2-20220912152941).

populations). However, 48 percent—over \$5.4 billion—of implemented California Climate Investments project funding is benefiting priority populations, greatly exceeding the statutory minimums (see Figure 1-4). Senate Bill 535 (De León, Chapter 830, Statutes of 2012) and AB 1550 (Gomez, Chapter 369, Statutes of 2016) direct state and local agencies to make significant investments using auction proceeds to assist California’s most vulnerable communities. Under these laws, a minimum of 25 percent of the total investments are required to be located within and provide benefits to disadvantaged communities, and at least 10 percent of the total investments must benefit low-income communities and households. Moving forward, the state will continue to devote a greater share of incentive funding to priority populations, with the light-duty vehicle incentive program as just one example. We can simultaneously confront the climate crisis and build a more resilient, just, and equitable future for all communities.

Figure 1-4: California climate investments cumulative outcomes^{68,69}



Role of the Environmental Justice Advisory Committee

To inform the development of the Scoping Plan, AB 32 calls for the convening of an Environmental Justice Advisory Committee (EJ Advisory Committee) to advise CARB in developing the Scoping Plan, and any other pertinent matter in implementing AB 32. It requires that the Committee be comprised of representatives from communities with the most significant exposure to air pollution, including communities with minority populations and/or low-income populations. On January 25, 2007, CARB appointed the first

⁶⁸ CARB. 2022. California Climate Investments program implements \$10.5 billion in greenhouse gas-reducing programs, expected to reduce 76 million metric tons of emissions. April 11. <https://ww2.arb.ca.gov/news/california-climate-investments-program-implements-105-billion-greenhouse-gas-reducing-projects>.

⁶⁹ SB 535 and AB 1550 require investments located in and benefiting low-income communities and households, which are termed *priority populations*. *Disadvantaged communities* are currently defined by CalEPA as the top 25 percent of communities experiencing disproportionate amounts of pollution, environmental degradation, and socioeconomic and public health conditions according to the Office of Environmental Health Hazard Assessment's [CalEnviroScreen tool](#), plus certain additional communities including federally recognized Tribal Lands. Low-income communities and households are defined by statute as those with incomes either at or below 80 percent of the statewide median or below a threshold designated as low-income by the Department of Housing and Community Development.

Environmental Justice Advisory Committee to advise it on the Initial Scoping Plan and other climate change programs.

For this Scoping Plan, CARB reconvened the EJ Advisory Committee in May 2021. The committee is currently comprised of 14 environmental justice and disadvantaged community representatives, including the EJ Advisory Committee's first tribal representative, who was appointed in February 2022. In October 2021, the EJ Advisory Committee formally created eight workgroups. These workgroups are a space for EJ Advisory Committee members to better understand specific sectors of the Scoping Plan and to assist the EJ Advisory Committee in the development of recommendations on this Scoping Plan. In December 2021, the EJ Advisory Committee provided scenario input responses to help shape the modeling for this Scoping Plan. In February 2022, San Joaquin Valley EJ Advisory Committee members hosted their first community workshop, with over 100 attendees. In March 2022, the CARB Board held a joint public meeting with the EJ Advisory Committee to discuss their draft preliminary recommendations for this Scoping Plan. In June 2022, over 165 attendees participated in a statewide community workshop held by EJ Advisory Committee members. The full schedule of EJ Advisory Committee Meetings and meeting materials are available on CARB's website.⁷⁰ This Scoping Plan includes references where EJ Advisory Committee Final Recommendations⁷¹ are included in the document. The final recommendations were discussed at a joint CARB and EJ Advisory Committee Hearing on September 1, 2022.

The integration of environmental justice is critical to ensure that certain communities are not left behind. The AB 32 EJ Advisory Committee provided recommendations on September 30 in advance of the final Scoping Plan. There are footnotes to indicate where there is alignment between the AB 32 EJ Advisory Committee's recommendations and this Scoping Plan. While the language in the text may not fully incorporate the specific EJ Advisory Committee's recommendation, the footnotes do acknowledge the places in the text where there is general alignment with the spirit of the EJ Advisory Committee's recommendation.

Partnering with Tribes

⁷⁰ CARB. Environmental Justice Advisory Committee Meetings and Events.

<https://ww2.arb.ca.gov/environmental-justice-advisory-committee-meetings-and-events>.

⁷¹ Environmental Justice Advisory Committee. September 30, 2022. 2022 Scoping Plan Recommendations.

<https://ww2.arb.ca.gov/sites/default/files/barcu/board/books/2022/090122/finalejacrecs.pdf>.

There are 109 federally recognized tribes and over 60 non-federally recognized tribes in California.⁷² In 2011, Governor Brown issued Executive Order B-10-11, recognizing and reaffirming the inherent right of tribes to exercise sovereign authority over their members and territory and directing state agencies to engage in government-to-government consultation with tribe and to work to develop partnerships and consensus.⁷³ In 2019, Governor Newsom issued Executive Order N-15-19, which acknowledges and apologizes on behalf of the state for the historical “violence, exploitation, dispossession and the attempted destruction of tribal communities.”⁷⁴ Establishing partnerships with tribal leaders to incorporate their priorities, traditional expertise, and knowledge will be important to achieving California’s climate goals. The Scoping Plan includes actions that tribal partners can voluntarily implement for sources under their jurisdiction (e.g., transitioning to zero emission fleets, installing infrastructure and control technologies, conducting climate smart land management). The Scoping Plan also uplifts the importance of having our tribal partners help guide actions that may impact tribal cultural resources and of benefitting from tribal input.

We also need alignment between state and local partners and tribes on actions related to land-use decisions. This means respecting and reinforcing tribal sovereignty and self-determination. As tribes do not always draw clear lines between the “natural” and “cultural” resources of a place, taking a holistic perspective will result in positive impacts in ability to address the complex issues of land management and regulatory undertakings.

Tribes have an intimate and historical knowledge of places and should be engaged early on to inform planning and future management related to activities that may impact tribal resources and areas including potential funding opportunities, technical assistance, and capacity building, where appropriate. Additionally, tribes should be involved in the identification of their own significant resources and areas of use. As decisions are made related to Scoping Plan undertakings, agencies should recognize and appropriately consider cultural resources and management from the beginning, not as an afterthought; and consider how the project could impact tribes.

⁷² These numbers are subject to change depending on determinations made by the Bureau of Indian Affairs (BIA) and the Native American Heritage Commission (NAHC). Please consult the most current Federal Register for a list of federally recognized tribes and the NAHC for a list of non-federally recognized tribes in California. As of the date of the Scoping Plan, the current list for federally recognized tribes is located at 87 Fed. Reg. 4636 (Jan. 28, 2022).

⁷³ Executive Order B-10-11.

<https://www.ca.gov/archive/gov39/2011/09/19/news17223/index.html#:~:text=EXECUTIVE%20ORDER%20B-10-11%20Published%3A%20Sep%2019%2C%202011%20WHEREAS,and%20affirmed%20in%20state%20and%20federal%20law%3B%20and.>

⁷⁴ Executive Order N-15-19. <https://tribalaffairs.ca.gov/wp-content/uploads/sites/10/2020/02/Executive-Order-N-15-19.pdf>.

Finally, to the extent allowed by law, traditional ecological knowledge and culturally sensitive information should be protected, as this is information that may not be common knowledge and may not be known outside the tribe, as each tribe is unique and influenced by its local environment and cultural practices. Protection of this information will help foster productive relationships with tribes and should be included as part of the process. CARB and other agencies should continue to foster relationships with tribal partners.

Maximizing Air Quality and Health Benefits

The state has over 50 years of experience successfully cleaning the air in California by addressing criteria pollutants and toxic air contaminants from mobile and stationary sources. CARB has been a leader in measuring, evaluating, and reducing sources of air pollution that impact public health. Its air pollution programs have been adapted for national programs and emulated in other countries. Significant progress has been made in reducing diesel particulate matter (PM), which is a designated toxic air contaminant, and many other hazardous air pollutants. CARB partners with local air districts to address stationary source emissions and adopts and implements state-level regulations to address sources of criteria and toxic air pollution, including mobile sources. CARB also collaborates with federal agencies to address air pollution from sources primarily under federal jurisdiction. In many instances, actions to reduce fossil fuel combustion and achieve federal air quality standards also help to reduce GHG emissions.

However, air pollution disparities still exist, and more must be done to ensure the most vulnerable populations have safe air to breathe. California must continue to evaluate opportunities to harmonize our climate and air quality programs through innovative policymaking and by building on existing programs like the Low Carbon Fuel Standard (LCFS) and Community Air Protection Program. The LCFS includes a provision that allows electric utilities to opt-in and generate residential electric vehicle (EV) charging credits, where some of the revenues are invested back into rebate programs that address air quality and climate pollution.⁷⁵ The Community Air Protection Program⁷⁶ is the first of its kind in the country and brings together diverse stakeholders, including CARB, local air districts, and residents of environmental justice communities to increase local air monitoring and develop community-led plans to improve air quality in the communities most impacted by air pollution.

This Scoping Plan identifies actions that will deliver near-term air quality benefits to communities with the highest exposures and provide long-term GHG benefits. Many of the actions in this Scoping Plan are key elements of the 2022 State Strategy for the State

⁷⁵ CARB. LCFS Utility Rebate Programs. <https://ww2.arb.ca.gov/resources/documents/lcfs-utility-rebate-programs>.

⁷⁶ CARB. Community Air Protection Program. <https://ww2.arb.ca.gov/capp>.

Implementation Plan to meet federal air quality standards,⁷⁷ which has a primary focus of reducing harmful air pollution and achieving federal air quality targets. California's approach of leveraging air quality and GHG policies together has yielded results. A 2022 report by the Office of Environmental Health and Hazard Assessment (OEHHA)⁷⁸ that evaluated GHG and harmful air pollution emissions from the heavy-duty vehicle (HDV) and large stationary source sectors found declines in emissions in both sectors, with the greatest declines in disadvantaged communities. Both sectors are subject to state GHG and air quality policies, in addition to federal and local rules on harmful air pollution. Because of historically racist and discriminatory practices such as redlining, both types of sources are disproportionately located adjacent to vulnerable communities, which are predominantly communities of color.⁷⁹ The key findings from the OEHHA report are as follows:

- Both HDVs and facilities subject to the Cap-and-Trade Program have reduced emissions of co-pollutants, with HDVs showing a clearer downward trend when compared to stationary sources. These emission reductions have major health benefits, including a reduction in premature pollution-related deaths.
- The greatest beneficiaries of reduced emissions from both HDVs and facilities subject to the Cap-and-Trade Program have been in communities of color and in disadvantaged communities in California, as identified by CalEnviroScreen (CES). This has reduced the emission gap between disadvantaged and non-disadvantaged communities, but a wide gap still remains.
- The transition to zero-emission HDVs will expedite further emissions reductions.
- While the progress observed is encouraging, inequities persist, and federal, state, and local climate and air quality programs must do more to reduce emissions of GHGs and co-pollutants to reduce the burden of emissions on disadvantaged communities and communities of color.

It will take all tools at all levels of government, with robust enforcement, to ensure that vulnerable communities continue to see improvements in air quality until no disparities exist in air pollution across the state.

⁷⁷ CARB. 2022 State Strategy for the State Implementation Plan.

<https://ww2.arb.ca.gov/resources/documents/2022-state-strategy-state-implementation-plan-2022-state-sip-strategy>.

⁷⁸ OEHHA. 2022. *Impacts of Greenhouse Gas Emission Limits within Disadvantaged Communities: Progress Toward Reducing Inequities*. <https://oehha.ca.gov/environmental-justice/report/ab32-benefits>.

⁷⁹ CalEPA. 2021. Pollution and Prejudice.

<https://storymaps.arcgis.com/stories/f167b251809c43778a2f9f040f43d2f5>.

Economic Resilience

The state's efforts to tackle the climate crisis will create economic and workforce development opportunities in the clean energy economy in communities across the state. Transitioning existing skills and expanding workforce training opportunities in climate-related fields are critical for reducing harmful emissions and supporting workers in transitioning to new, high-quality jobs. The Administration's recent budgets acknowledge the challenges facing workers in industries most affected by the state's response to climate change—especially those in the fossil fuel industry. It will invest \$1 billion in regional partnerships and economic diversification to create new jobs and support a local tax base and workforce transition and development once opportunities are identified. It also will invest in safety nets to protect, and support impacted communities as part of the transition to a carbon neutral economy. Specifically, the Community Economic Resilience Fund Program⁸⁰ (CERF) supports communities and regional groups in producing regional roadmaps for economic recovery and transition that prioritize the creation of accessible, high-quality jobs in sustainable industries. The budget investments create the opportunity to future-proof and increase economic resilience in the face of more frequent climate impacts and shifting economic conditions. For these investments and implementation of the Scoping Plan to be successful in supporting the transition to a carbon neutral economy, workers and affected communities must be included in ongoing dialogue to ensure a high-road transition for regional economies.

That state also recognizes it can play a more direct role in supporting a sustainable work force through its incentive programs. In 2021, Assembly Bill 680 (AB 680) (Burke, Chapter 746, Statutes of 2021) was signed into law, requiring CARB to work with the California Labor and Workforce Development Agency to update the Funding Guidelines to include new workforce standards. CARB's Funding Guidelines currently include requirements for administering agencies to, wherever possible, foster job creation within California, provide employment opportunities or job training tied to employment, and target these opportunities to priority populations. The Funding Guidelines also recommend administering agencies prioritize investments in projects that directly support jobs or a job training and placement program, and that they report the estimated employment benefits and employment outcomes for projects that meet specified criteria. These new requirements apply to agencies administering certain California Climate Investments

⁸⁰ Office of Planning and Research. Community Economic Resilience Fund. <https://opr.ca.gov/economic-development/cerf/>.

programs that receive continuous appropriations from the Greenhouse Gas Reduction Fund and fall into the following six categories of standards:

- fair and responsible employer standards,
- inclusive procurement policies,
- prevailing wage for construction work,
- community workforce agreements for construction projects over one million dollars,
- preference for projects with educational institutions or training programs, and
- creation of high-quality jobs. CARB will be updating the Funding Guidelines through a public process over the next year to operationalize these new requirements.

Partnering Across Government

The Scoping Plan is an actionable plan to identify and align programs and policies to achieve California's climate targets. To realize the outcomes and deliver results in any Scoping Plan, action is critical. For this Scoping Plan, there are also actions that rely on our federal partners to take on sources primarily under their jurisdiction (such as aviation, and federally owned/managed lands) while they also continue to develop national programs for GHG reductions. The federal government is already taking major steps to advance these types of programs. The Inflation Reduction Act of 2022⁸¹ includes \$369 billion for domestic energy production and manufacturing and is expected to lead to U.S. GHG emission reductions of roughly 40 percent by 2030. Direct incentives will include those for clean vehicles and ENERGY STAR appliances, as well as improving transportation and clean energy in underserved communities.

We also need our local partners to align on actions related to land-use decisions that support sustainable, resilient, low-carbon communities and permitting for clean energy production facilities and infrastructure; diversion of organics from landfills; and other climate-related projects. State agencies also should use the Scoping Plan to review and update their own programs and policies to support the actions identified in this Scoping Plan. Importantly, the Scoping Plan also can serve as a resource as the Legislature considers new legislative direction and funding to support the state's path to carbon neutrality and continue action to address near-term air pollution disparities.

Partnering with the Private Sector

Government cannot achieve our climate targets alone. The scale of investment needed requires both private-sector investment and partnerships with philanthropies. Public

⁸¹ Pub.L. No. 117-169 (August 16, 2022).

sector dollars, accompanied by strong and steady policy signals, must be a catalyst for deeper and broader investments by the private sector in both reducing emissions and building the resilience of our communities. Governor Newsom is committed to working collaboratively with businesses, including small businesses, to deploy the technologies, capital, and ingenuity that are hallmarks of the private sector.

California structures our climate policies and regulations to create market signals and certainty that spur private sector investment. For example, the Governor's Executive Order on Zero-Emission Vehicles⁸² set 2035 as the target year for 100 percent zero-emission vehicle sales, creating a time horizon that allows automakers to scale up zero-emission fleets and sending a clear signal to the companies and utilities that would deploy charging infrastructure. The Executive Order has been followed by development and adoption of the Advanced Clean Cars II regulation. CARB convened auto manufacturers, environmental justice groups, labor organizations, and many other stakeholders to provide input into development of the regulation in a robust and transparent manner; again, with the aim of providing certainty for producers and consumers.

California also pursues public-private partnerships (PPP) as a mechanism to advance our collective climate goals. We know these vehicles can be effective at increasing the impact of public sector dollars and helpful in moving markets in a direction aligned with state policy. A new PPP the Administration is advancing is the Climate Catalyst Revolving Loan Fund, housed at the state's Infrastructure and Economic Development Bank (IBank). The fund offers a range of financial instruments—including flexible credit and credit support—to help bridge financing gaps currently preventing advanced climate solutions from scaling in the marketplace. The Catalyst Fund's initial areas of investment include forest biomass management and utilization (unlocking innovation to reduce wildfire threats), climate-smart agriculture, and clean energy transmission. The fund leverages public sector investments by mobilizing private finance for shovel-ready projects that are stuck in the deployment phase. As such, IBank is ideally positioned as the state's all-purpose "Green Bank," with increasing connection to federal financing programs such as US DOE's Loan Programs Office and the United States Environmental Protection Agency's (U.S. EPA) Greenhouse Gas Reduction Fund.

The Catalyst Fund builds from existing IBank financing programs that are themselves increasingly focused on the climate imperative. The IBank's Infrastructure State Revolving Fund provides supportive capital to climate-aligned projects promoted by local governments and certain nonprofit entities, and will be refining its criteria and market outreach strategies to increase its level of service. IBank's bonds program has supported

⁸² Executive Department. State of California. Executive Order N-79-20. <https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-79-20-Climate.pdf>.

multiple large environmental projects, including more than \$2 billion in “green bonds,” and is poised to help expand access to the state’s deep and liquid bond capital market. Within IBank’s Small Business Finance Center, the new Climate Tech Loan Guarantee program encourages commercial banks to back climate-focused small businesses, leveraging federal capital to insure a portion of the private bank’s loan. And through IBank’s Expanding Venture Capital Access Fund program, the state is promoting greater diversity in the venture capital community, including climate equity and climate justice.

All of these financing programs exist to leverage private capital in support of the state’s climate goals, and to partner with state policy agencies driving the transition. IBank will also continue to collaborate closely with the State Treasurer’s Office in its provision of capital support to climate solutions, ensuring that funding flows to programs best positioned to deliver success. This partnership of public and private capital, responsive to and in communication with the climate policy community, will ensure that California gets the maximum possible benefit from its allocation of scarce resources.

Supporting Innovation

Reaching our ambitious, deep decarbonization goals will require continued technological innovation. Investment in research, development, and deployment of clean technologies has never been more critical. Sending clear and sustained market and policy signals will encourage large and small companies alike to pursue innovation that can be scaled up and deployed here and beyond our borders. The full suite of AB 32 policies⁸³ has touched nearly every sector of California’s economy and spurred technology innovation in the state, including the growth of technology developers, manufacturers, processors, and assemblers in many areas. Specifically, AB 32 policies and programs support both the supply side and the demand side to build new markets in California. On the supply side, AB 32 policies support businesses to demonstrate and refine technologies, and to help establish critical supply chains. On the demand side, AB 32 policies and programs provide outreach, education, and incentives—as well as disincentives—to motivate everyone from consumers to institutional purchasers to utility planners to adopt new, climate smart technologies. Innovations resulting directly from the state’s climate policies include the following:

- In the past 10 years, a growing market for heavy-duty zero-emission vehicles (HD ZEVs) was established in California, and this market now represents the largest single share of North American supply and demand for HD ZEVs. Vehicle

⁸³ CARB. Climate Change Programs. <https://ww2.arb.ca.gov/our-work/topics/climate-change>.

and component manufacturers are making long-term investments to develop and produce HD ZEVs within California.

- Total consumption of renewable diesel in the California LCFS market has skyrocketed from approximately 1.8 million gallons in 2011 to nearly 589 million gallons in 2020. The LCFS is a key driver of market development for renewable diesel and its coproducts. While the federal renewable fuel standard (RFS) and blenders tax credit also benefit producers, an analysis of their respective contributions to market development, and interviews with industry representatives and independent experts, point to LCFS as a more important factor in market development, at least in recent years.
- In the past five years, a market for small-scale energy storage in California was created where none previously existed. As of 2020, 185 megawatts (MW) of small-scale energy storage projects have been interconnected to the grid. The significant increase in deployment in the last five years is a result of the Self-Generation Incentive Program (SGIP), which significantly reduces the upfront costs to purchase and install small-scale energy storage devices, and of growing customer interest in disaster resiliency in the face of increasing risk from wildfire and related utility outages. These systems have already provided disaster resiliency benefits for residential and non-residential customers.

We have seen how quickly market barriers can be overcome in response to strong policy signals, as occurred in the solar panel and electric vehicle battery space. Government-stated priorities have a significant role in guiding private and public research, development, and deployment. This Scoping Plan unequivocally puts the marker down on the need for innovation to continue in non-combustion technologies, clean energy, CO₂ removal options, and alternatives for SLCPs. The five-year update to the Scoping Plan allows for a periodic evaluation of new tools to add to the state's toolkit.

Engagement with Partners to Develop, Coordinate, and Export Policies

California works closely with other states, tribal governments, the federal government, and international jurisdictions to identify the most effective strategies and methods to reduce GHGs, manage GHG control programs, and facilitate the development of integrated and cost-effective regional, national, and international GHG reduction programs. For example, the state's Cap-and-Trade Program has been linked with Québec's since 2014, and CARB staff regularly engage with jurisdictions throughout the world on the design features of our Cap-and-Trade Program through memoranda of understanding (MOUs) and venues such as the International Climate Action

Partnership.⁸⁴ Low carbon fuel mandates similar to California’s LCFS have been adopted by the U.S. EPA and by other jurisdictions, including Oregon, Washington, British Columbia, the European Union, and the United Kingdom. Many other jurisdictions from Japan to New Zealand, Australia, and the European Commission also continue to seek information and technical experience on our LCFS. California has and will continue to share information and encourage ambitious emissions reductions with interested jurisdictions, with a focus on China, India, Mexico, Canada, and the European Union. California’s early action to reduce super-pollutants such as methane and other SLCPs was reaffirmed by the 2021 Global Methane Pledge signed by the U.S. and over 100 other countries at the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC).⁸⁵

In addition, under the Clean Air Act, the federal government is authorized to allow California to set more stringent vehicle emissions regulations than federal standards. California’s goals and regulations to transition to 100 percent sales of new zero-emission passenger vehicles by 2035 (including plug-in hybrid vehicles), to drayage trucks by 2035, and other trucks and buses where feasible by 2045 are being emulated by partner states across the U.S. and in jurisdictions around the world. CARB’s Advanced Clean Cars II regulation,⁸⁶ which codifies these targets, was approved in August 2022, and already at least four other states have announced their plans to adopt this regulation. Earlier in June 2020 CARB adopted the Advanced Clean Truck regulation, which requires truck manufacturers to meet increasing sale targets of zero-emission trucks in California through 2035. Since adoption, at least five other states—20 percent of the U.S. truck market—have adopted this regulation. These kinds of coordinated policies help signal to vehicle manufacturers a widespread and growing demand for zero-emissions technology, which in turn helps scale production and lower costs for consumers.

With the Mexican Secretariat for Environment and Natural Resources (SEMARNAT), California has engaged in a technical exchange on clean vehicle policies and helped to establish Mexico’s Emissions Trading System (being piloted in 2022). A 2019 MOU signed between California and Environment and Climate Change Canada enables in-depth collaboration on policies and programs to decarbonize vehicles, engines, and fuels. This partnership has led to tangible emissions reductions, from aligning vehicle emissions targets and policies to collaborating on emissions testing and research critical to enforcing

⁸⁴ International Carbon Action Partnership (ICAP). Homepage.

<https://icapcarbonaction.com/en?msclkid=dac30cb7b4f511ec94ccd0f1ae323e98>.

⁸⁵ Global Methane Pledge. Homepage. <https://www.globalmethanepledge.org/>.

⁸⁶ Cal. Code Regs., tit. 13, §§ 1900, 1961.2, 1961.3, 1962.2, 1962.3, 1962.4, 1962.5, 1962.6, 1962.7, 1962.8, 1965, 1968.2, 1969, 1976, 1978, 2037, 2038, 2112, 2139, 2140, 2147, and 2903; and Test Procedures located here: <https://ww2.arb.ca.gov/rulemaking/2022/advanced-clean-cars-ii>.

emissions limits for vehicle manufactures. At the national level, China has looked to California for cutting-edge requirements for car diagnostics and policies that promote zero-emissions vehicles. At a local level, Beijing has adopted California's vehicle emissions standards and several other progressive environmental regulations. California will continue and renew such efforts across China, including through a 2022 MOU signed with China's Ministry of Ecology and Environment.

Between 2021 and 2023, California also will serve as president of the Transport Decarbonisation Alliance, a global network of countries, regions, cities, and companies that come together to share experiences and technical expertise, and to increase the ambition and accelerate the deployment of targeted transportation decarbonization policies across freight, electric vehicle infrastructure, and active mobility. Throughout its presidency, California will focus its leadership on decarbonizing the cross-jurisdiction network of medium- and heavy-duty vehicles, both to ensure cleaner air in freight-adjacent communities and to stem the effects of climate change.

Over the years, California has also asserted the importance of and supported the ongoing efforts of state and local clean air and climate leadership. Through our participation in the Pacific Coast Collaborative alongside British Columbia, Washington, and Oregon,⁸⁷ the Under2 Coalition,⁸⁸ the U.S. Climate Alliance,⁸⁹ the International ZEV Alliance,⁹⁰ the Transportation Decarbonisation Alliance, and many more organizations, California has and will continue to build climate partnerships with state and local governments.

California also recognized the need to address the substantial emissions caused by the deforestation and degradation of tropical and other forests, and continues its work alongside other subnational governments as part of the Governors' Climate and Forests Task Force (GCF).⁹¹ Founded in 2008, there are currently 39 GCF members, including states and provinces in Brazil, Colombia, Ecuador, Indonesia, Ivory Coast, Mexico, Nigeria, Peru, Spain, and the United States—all of whom are considering or operating programs to reduce emissions from deforestation, land-use, and rural development, and to benefit local and indigenous communities. CARB's California Tropical Forest Standard provides a rigorous methodology to assess jurisdiction-scale programs that reduce deforestation and to incentivize responsible action and investment.⁹² The standard

⁸⁷ Pacific Coast Collaborative. Homepage. <https://pacificcoastcollaborative.org/>.

⁸⁸ Under2 Coalition. Homepage. <https://www.theclimategroup.org/under2-coalition>.

⁸⁹ United States Climate Alliance (USCA). Homepage. <https://www.usclimatealliance.org/>.

⁹⁰ ZEV Alliance. Homepage. Accelerating the Adoption of Zero-Emission Vehicles. <https://zevalliance.org/>.

⁹¹ Governors' Climate and Forests Task Force. University of Colorado Boulder: Colorado Law. <https://www.gcftf.org/>.

⁹² CARB. California Tropical Forest Standard. <https://ww2.arb.ca.gov/our-work/programs/california-tropical-forest-standard>.

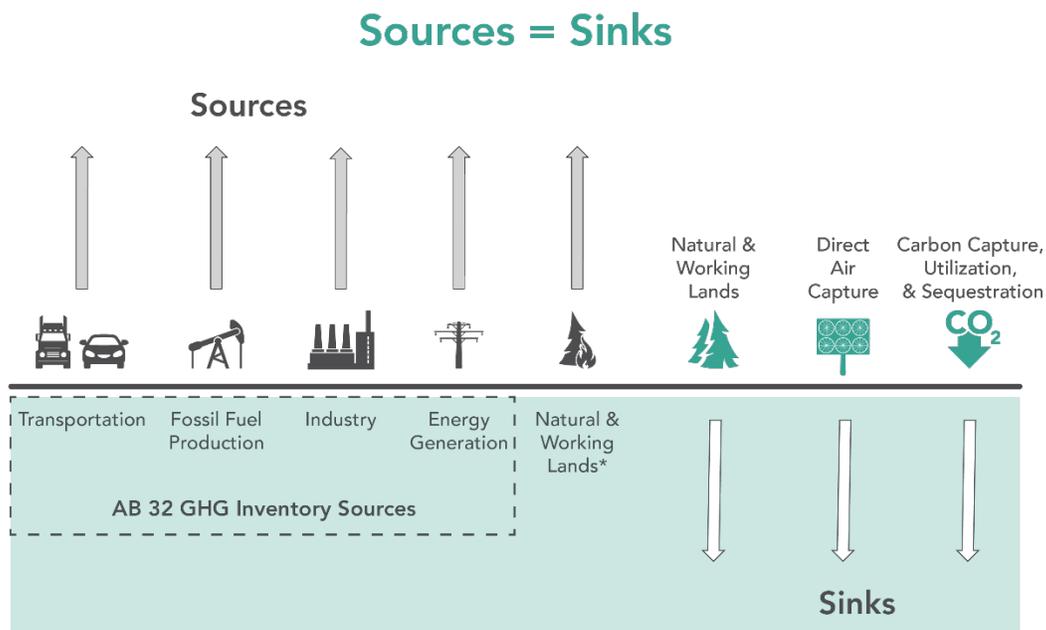
provides a strong signal to value the preservation of tropical forests over continued destructive activities such as oil exploration and extraction and ensures rigorous social and environmental safeguards for indigenous peoples and local communities.

Working Toward Carbon Neutrality

To date, California and many other regions have focused on reducing GHG emissions from the industrial, energy, and transportation sectors. As defined in statute, the state's 2020 and 2030 targets include all in-state sources of GHG emissions—and those emissions associated with imported power that is consumed in the state. By moving to a framework of carbon neutrality, the scope for accounting is expanded to include all sources and sinks. As such, carbon neutrality is achieved when the GHG fluxes are at equilibrium—when sources equal sinks. Figure 1-5 depicts the sources included in the AB 32 GHG Inventory and the new sources and sinks added in this Scoping Plan under the framework of carbon neutrality. Natural and working lands are able to sequester carbon and therefore play an increasingly important role in this framework. However, modeling for this plan shows that carbon sequestration in our natural and working lands alone will be insufficient to achieve carbon neutrality no later than 2045. Therefore, this plan also considers the role of carbon capture and sequestration, as well as biological and mechanical carbon sequestration processes that are included in the IPCC Sixth Assessment Report,⁹³ as necessary tools for climate change mitigation.

⁹³ IPCC. 2021. *Climate Change 2021: The Physical Science Basis*. <https://www.ipcc.ch/report/ar6/wg1/>.

Figure 1-5: Carbon neutrality: Balancing the net flux of GHG emissions from all sources and sinks



*Natural and working land emissions come from wildfires, disease, land and agricultural management practices, and others.

Supporting Healthy and Resilient Lands

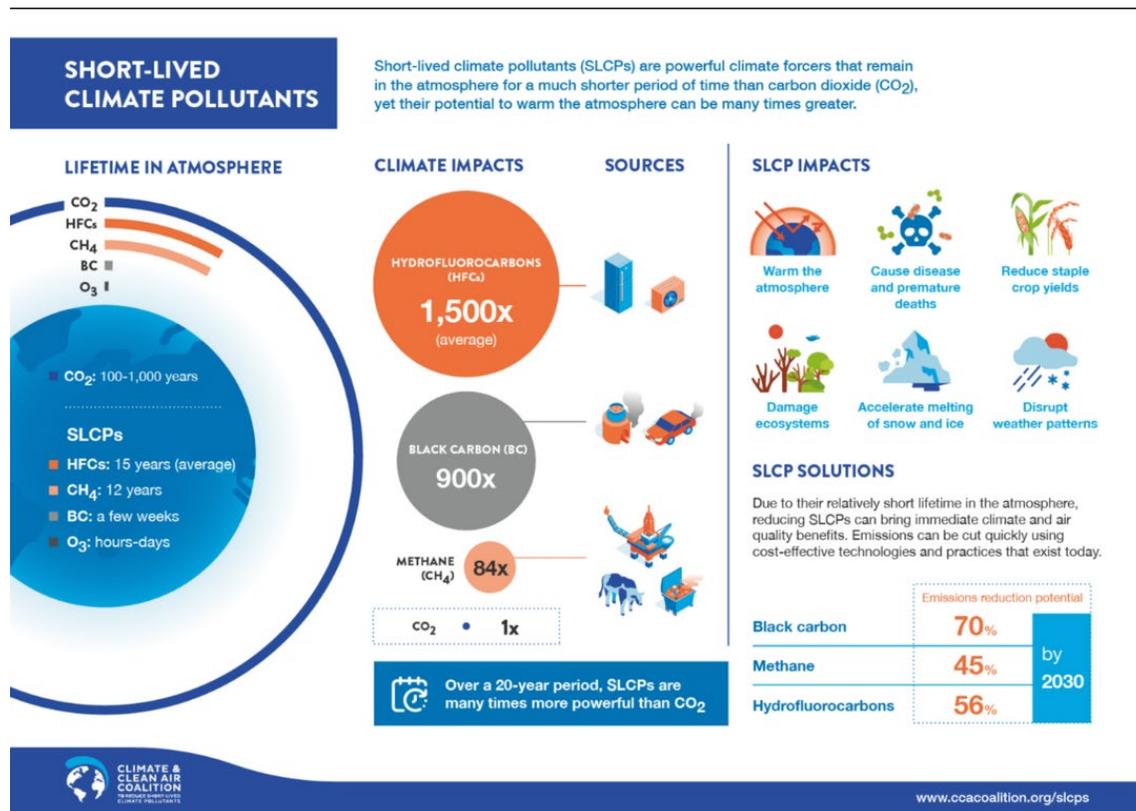
Our natural and working lands are an important piece in California’s fight to achieve carbon neutrality and build resilience to the impacts of climate change. Healthy land can sequester and store atmospheric carbon dioxide in forests, grasslands, soils, and wetlands. Healthy lands can also reduce emissions of powerful short-lived climate pollutants, limit the release of future GHG emissions, protect people and nature from the impacts of climate change, and build our resilience to future climate risks. Unhealthy lands have the opposite effect—they release more GHGs than they store and are more vulnerable to future climate change impacts. Through climate smart land management that focuses on supporting healthy living systems, we can support our carbon neutrality goals, reduce emissions, advance sequestration, and support healthy and more climate-resilient lands.

Maintaining the Focus on Methane and Short-Lived Climate Pollutants

Given the urgency of climate change, the often-disproportional impacts already being felt by underserved populations across California and the world, and the need to rapidly decarbonize and avoid climate tipping points as identified in the most recent IPCC assessment, efforts to reduce short-lived climate pollutants are especially important. SLCPs include methane (CH₄), black carbon (soot), and fluorinated gases (F-gases,

including hydrofluorocarbons, or HFCs), and they are among the most harmful pollutants to both human health and the global climate. SLCPs are more potent than CO₂ in terms of their impact on climate change (and subsequently, global warming) and have a much shorter lifetime in the atmosphere than CO₂ does. That means they have an outsized impact on climate change in the near term—they are responsible for up to 45 percent of current climate forcing. It also means that targeted efforts to reduce short-lived climate pollutant emissions can provide outsized climate and health benefits, within weeks to about a decade (see Figure 1-6).

Figure 1-6: Short-lived climate pollutant impacts⁹⁴



California has been a leader in addressing SLCP emissions. As part of the 2014 Scoping Plan,⁹⁵ CARB committed to developing a dedicated strategy to reduce SLCP emissions.

⁹⁴ Climate and Clean Air Coalition. Short-Lived Climate Pollutants (SLCPs). <https://www.ccacoalition.org/en/content/short-lived-climate-pollutants-slcp>.

⁹⁵ CARB. 2014. *First Update*. https://ww2.arb.ca.gov/sites/default/files/classic/cc/scopingplan/2013_update/first_update_climate_change_scoping_plan.pdf.

The resulting SLCP Reduction Strategy,⁹⁶ adopted by CARB in 2017, implements targets codified in SB 1383 (Lara, Chapter 395, Statutes of 2016) to reduce methane and HFC emissions by 40 percent by 2030 and anthropogenic black carbon emissions by 50 percent. California worked with several other states through the U.S. Climate Alliance to establish a similar goal to reduce SLCP emissions in line with the requirements of the Paris Agreement,⁹⁷ identifying the potential to reduce SCLPs by 40 to 50 percent by 2030 across the U.S. Climate Alliance.⁹⁸

Process for Developing the Scoping Plan

This Scoping Plan was developed in coordination with the Governor's Office and state agencies, in accordance with direction from the Chair and Members of CARB, through engagement with the Legislature, with advice from the EJ Advisory Committee, in consultation with tribes, and with open and transparent opportunities for stakeholders and the public to engage in workshops and other meetings. Appendix A (Public Process) includes details of the public workshops, and Chapter 5 includes details of the EJ Advisory Committee's role in the Scoping Plan update process.

Guidance from the Administration and Legislature

This Scoping Plan reflects existing and recent direction in the Governor's Executive Orders and Statutes. Table 1-1 provides a summary of major climate legislation and executive orders issued since the adoption of the 2017 Scoping Plan.

⁹⁶ CARB. 2017. *Short-Lived Climate Pollutant Reduction Strategy*.

https://ww2.arb.ca.gov/sites/default/files/2020-07/final_SLCP_strategy.pdf.

⁹⁷ UNFCCC. 2015. Paris Agreement. https://unfccc.int/sites/default/files/english_paris_agreement.pdf.

⁹⁸ USCA. 2018. *From SLCP Challenge to Action: A Roadmap for Reducing Short-Lived Climate Pollutants to Meet the Goals of the Paris Agreement*. <http://www.usclimatealliance.org/slcp-challenge-to-action>.

Table 1-1: Major climate legislation and executive orders enacted since the 2017 Scoping Plan

Bill/Executive Order	Summary
<p>Assembly Bill 1279 (AB 1279) (Muratsuchi, Chapter 337, Statutes of 2022)</p> <p><i>The California Climate Crisis Act</i></p>	<p>AB 1279 establishes the policy of the state to achieve carbon neutrality as soon as possible, but no later than 2045; to maintain net negative GHG emissions thereafter; and to ensure that by 2045 statewide anthropogenic GHG emissions are reduced at least 85 percent below 1990 levels. The bill requires CARB to ensure that Scoping Plan updates identify and recommend measures to achieve carbon neutrality, and to identify and implement policies and strategies that enable CO₂ removal solutions and carbon capture, utilization, and storage (CCUS) technologies.</p> <p>This bill is reflected directly in this Scoping Plan.</p>
<p>Senate Bill 905 (SB 905) (Caballero, Chapter 359, Statutes of 2022)</p> <p><i>Carbon Capture, Removal, Utilization, and Storage Program</i></p>	<p>SB 905 requires CARB to create the Carbon Capture, Removal, Utilization, and Storage Program to evaluate, demonstrate, and regulate CCUS and carbon dioxide removal (CDR) projects and technology.</p> <p>The bill requires CARB, on or before January 1, 2025, to adopt regulations creating a unified state permitting application for approval of CCUS and CDR projects. The bill also requires the Secretary of the Natural Resources Agency to publish a framework for governing agreements for two or more tracts of land overlying the same geologic storage reservoir for the purposes of a carbon sequestration project.</p> <p>The Scoping Plan modeling reflects both CCUS and CDR contributions to achieve carbon neutrality.</p>
<p>Senate Bill 846 (SB 846) (Dodd, Chapter 239, Statutes of 2022)</p> <p><i>Diablo Canyon Powerplant: Extension of Operations</i></p>	<p>SB 846 extends the Diablo Canyon Power Plant’s sunset date by up to five additional years for each of its two units and seeks to make the nuclear power plant eligible for federal loans. The bill requires that the California Public Utilities Commission (CPUC) not include and disallow a load-serving entity from including in their adopted resource plan, the energy, capacity, or any attribute from the Diablo Canyon power plant.</p> <p>The Scoping Plan explains the emissions impact of this legislation.</p>
<p>Senate Bill 1020 (SB 1020) (Laird,</p>	<p>SB 1020 adds interim renewable energy and zero carbon energy retail sales of electricity targets to California end-use customers set at 90 percent in 2035 and 95 percent in 2040.</p>

<p>Chapter 361, Statutes of 2022)</p> <p><i>Clean Energy, Jobs, and Affordability Act of 2022</i></p>	<p>It accelerates the timeline required to have 100 percent renewable energy and zero carbon energy procured to serve state agencies from the original target year of 2045 to 2035. This bill requires each state agency to individually achieve the 100 percent goal by 2035 with specified requirements. This bill requires the CPUC, California Energy Commission (CEC), and CARB, on or before December 1, 2023, and annually thereafter, to issue a joint reliability progress report that reviews system and local reliability.</p> <p>The bill also modifies the requirement for CARB to hold a portion of its Scoping Plan workshops in regions of the state with the most significant exposure to air pollutants by further specifying that this includes communities with minority populations or low-income communities in areas designated as being in extreme federal non-attainment.</p> <p>The Scoping Plan describes the implications of this legislation on emissions.</p>
<p>Senate Bill 1137 (SB 1137) (Gonzales, Chapter 365, Statutes of 2022)</p> <p><i>Oil & Gas Operations: Location Restrictions: Notice of Intention: Health protection zone: Sensitive receptors</i></p>	<p>SB 1137 prohibits the development of new oil and gas wells or infrastructure in health protection zones, as defined, except for purposes of public health and safety or other limited exceptions. The bill requires operators of existing oil and gas wells or infrastructure within health protection zones to undertake specified monitoring, public notice, and nuisance requirements. The bill requires CARB to consult and concur with the California Geologic Energy Management Division (CalGEM) on leak detection and repair plans for these facilities, adopt regulations as necessary to implement emission detection system standards, and collaborate with CalGEM on public access to emissions detection data.</p>
<p>Senate Bill 1075 (SB 1075) (Skinner, Chapter 363, Statutes of 2022)</p> <p><i>Hydrogen: Green Hydrogen: Emissions of Greenhouse Gases</i></p>	<p>SB 1075 requires CARB, by June 1, 2024, to prepare an evaluation that includes: policy recommendations regarding the use of hydrogen, and specifically the use of green hydrogen, in California; a description of strategies supporting hydrogen infrastructure, including identifying policies that promote the reduction of GHGs and short-lived climate pollutants; a description of other forms of hydrogen to achieve emission reductions; an analysis of curtailed electricity; an estimate of GHG and emission reductions that could be achieved through deployment of green hydrogen through a variety of scenarios; an analysis of the potential for opportunities to integrate hydrogen production and applications with drinking water supply treatment needs; policy recommendations for regulatory and permitting processes</p>

	<p>associated with transmitting and distributing hydrogen from production sites to end uses; an analysis of the life-cycle GHG emissions from various forms of hydrogen production; and an analysis of air pollution and other environmental impacts from hydrogen distribution and end uses.</p> <p>This bill would inform the production of hydrogen at the scale called for in this Scoping Plan.</p>
<p>Assembly Bill 1757 (AB 1757) (Garcia, Chapter 341, Statutes of 2022)</p> <p><i>California Global Warming Solutions Act of 2006: Climate Goal: Natural and Working Lands</i></p>	<p>AB 1757 requires the California Natural Resources Agency (CNRA), in collaboration with CARB, other state agencies, and an expert advisory committee, to determine a range of targets for natural carbon sequestration, and for nature-based climate solutions, that reduce GHG emissions in 2030, 2038, and 2045 by January 1, 2024. These targets must support state goals to achieve carbon neutrality and foster climate adaptation and resilience.</p> <p>This bill also requires CARB to develop standard methods for state agencies to consistently track GHG emissions and reductions, carbon sequestration, and additional benefits from natural and working lands over time. These methods will account for GHG emissions reductions of CO₂, methane, and nitrous oxide related to natural and working lands and the potential impacts of climate change on the ability to reduce GHG emissions and sequester carbon from natural and working lands, where feasible.</p> <p>This Scoping Plan describes the next steps and implications of this legislation for the natural and working lands sector.</p>
<p>Senate Bill 1206 (SB 1206) (Skinner, Chapter 884, Statutes of 2022)</p> <p><i>Hydrofluorocarbon gases: sale or distribution</i></p>	<p>SB 1206 mandates a stepped sales prohibition on newly produced high- global warming potential (GWP) HFCs to transition California’s economy toward recycled and reclaimed HFCs for servicing existing HFC-based equipment. Additionally, SB 1206 also requires CARB to develop regulations to increase the adoption of very low-, i.e., GWP < 10, and no-GWP technologies in sectors that currently rely on higher-GWP HFCs.</p>
<p>Senate Bill 27 (SB 27) (Skinner, Chapter 237, Statutes of 2021)</p>	<p>SB 27 requires CNRA, in coordination with other state agencies, to establish the Natural and Working Lands Climate Smart Strategy by July 1, 2023. This bill also requires CARB to establish specified CO₂ removal targets for 2030 and beyond as part of its Scoping Plan. Under SB 27, CNRA is to establish and maintain a registry to identify projects in the state</p>

<p><i>Carbon Sequestration: State Goals: Natural and Working Lands: Registry of Projects</i></p>	<p>that drive climate action on natural and working lands and are seeking funding.</p> <p>CNRA also must track carbon removal and GHG emission reduction benefits derived from projects funded through the registry.</p> <p>This bill is reflected directly in this Scoping Plan as CO₂ removal targets for 2030 and 2045 in support of carbon neutrality.</p>
<p>Senate Bill 596 (SB 596) (Becker, Chapter 246, Statutes of 2021)</p> <p><i>Greenhouse Gases: Cement Sector: Net- zero Emissions Strategy</i></p>	<p>SB 596 requires CARB, by July 1, 2023, to develop a comprehensive strategy for the state’s cement sector to achieve net-zero-emissions of GHGs associated with cement used within the state as soon as possible, but no later than December 31, 2045. The bill establishes an interim target of 40 percent below the 2019 average GHG intensity of cement by December 31, 2035. Under SB 596, CARB must:</p> <ul style="list-style-type: none"> • Define a metric for GHG intensity and establish a baseline from which to measure GHG intensity reductions. • Evaluate the feasibility of the 2035 interim target (40 percent reduction in GHG intensity) by July 1, 2028. • Coordinate and consult with other state agencies. • Prioritize actions that leverage state and federal incentives. • Evaluate measures to support market demand and financial incentives to encourage the production and use of cement with low GHG intensity. <p>The Scoping Plan modeling is designed to achieve these outcomes.</p>
<p>Executive Order N-82-20</p>	<p>Governor Newsom signed Executive Order N-82-20 in October 2020 to combat the climate and biodiversity crises by setting a statewide goal to conserve at least 30 percent of California’s land and coastal waters by 2030. The Executive Order also instructed the CNRA, in consultation with other state agencies, to develop a Natural and Working Lands Climate Smart Strategy that serves as a framework to advance the state’s carbon neutrality goal and build climate resilience. In addition to setting a statewide conservation goal, the Executive Order directed CARB to update the target for natural and working lands in support of carbon neutrality as part of this Scoping Plan, and to take into consideration the NWL Climate Smart Strategy.</p>

	<p>Executive Order N-82-20 also calls on the CNRA, in consultation with other state agencies, to establish the California Biodiversity Collaborative (Collaborative). The Collaborative shall be made up of governmental partners, California Native American tribes, experts, business and community leaders, and other stakeholders from across the state. State agencies will consult the Collaborative on efforts to:</p> <ul style="list-style-type: none"> • Establish a baseline assessment of California’s biodiversity that builds upon existing data and can be updated over time. • Analyze and project the impact of climate change and other stressors in California’s biodiversity. • Inventory current biodiversity efforts across all sectors and highlight opportunities for additional action to preserve and enhance biodiversity. <p>CNRA also is tasked with advancing efforts to conserve biodiversity through various actions, such as streamlining the state’s process to approve and facilitate projects related to environmental restoration and land management. The California Department of Food and Agriculture (CDFA) is directed to advance efforts to conserve biodiversity through measures such as reinvigorating populations of pollinator insects, which restore biodiversity and improve agricultural production.</p> <p>The Natural and Working Lands Climate Smart Strategy informs this Scoping Plan.</p>
<p>Executive Order N-79-20</p>	<p>Governor Newsom signed Executive Order N-79-20 in September 2020 to establish targets for the transportation sector to support the state in its goal to achieve carbon neutrality by 2045. The targets established in this Executive Order are:</p> <ul style="list-style-type: none"> • 100 percent of in-state sales of new passenger cars and trucks will be zero-emission by 2035. • 100 percent of medium- and heavy-duty vehicles will be zero-emission by 2045 for all operations where feasible, and by 2035 for drayage trucks. • 100 percent of off-road vehicles and equipment will be zero-emission by 2035 where feasible. <p>The Executive Order also tasked CARB to develop and propose regulations that require increasing volumes of zero-electric passenger vehicles, medium- and heavy-duty</p>

	<p>vehicles, drayage trucks, and off-road vehicles toward their corresponding targets of 100 percent zero-emission by 2035 or 2045, as listed above.</p> <p>The Scoping Plan modeling reflects achieving these targets.</p>
<p>Executive Order N-19-19</p>	<p>Governor Newsom signed Executive Order N-19-19 in September 2019 to direct state government to redouble its efforts to reduce GHG emissions and mitigate the impacts of climate change while building a sustainable, inclusive economy. This Executive Order instructs the Department of Finance to create a Climate Investment Framework that:</p> <ul style="list-style-type: none"> • Includes a proactive strategy for the state’s pension funds that reflects the increased risks to the economy and physical environment due to climate change. • Provides a timeline and criteria to shift investments to companies and industry sectors with greater growth potential based on their focus of reducing carbon emissions and adapting to the impacts of climate change. • Aligns with the fiduciary responsibilities of the California Public Employees’ Retirement System, California State Teachers’ Retirement System, and the University of California Retirement Program. <p>Executive Order N-19-19 directs the State Transportation Agency to leverage more than \$5 billion in annual state transportation spending to help reverse the trend of increased fuel consumption and reduce GHG emissions associated with the transportation sector. It also calls on the Department of General Services to leverage its management and ownership of the state’s 19 million square feet in managed buildings, 51,000 vehicles, and other physical assets and goods to minimize state government’s carbon footprint. Finally, it tasks CARB with accelerating progress toward California’s goal of five million ZEV sales by 2030 by:</p> <ul style="list-style-type: none"> • Developing new criteria for clean vehicle incentive programs to encourage manufacturers to produce clean, affordable cars. • Proposing new strategies to increase demand in the primary and secondary markets for ZEVs. • Considering strengthening existing regulations or adopting new ones to achieve the necessary GHG reductions from within the transportation sector.

	<p>The Scoping Plan modeling reflects efforts to accelerate ZEV deployment.</p>
<p>Senate Bill 576 (SB 576) (Umberg, Chapter 374, Statutes of 2019)</p> <p><i>Coastal Resources: Climate Ready Program and Coastal Climate Change Adaptation, Infrastructure and Readiness Program</i></p>	<p>Sea level rise, combined with storm-driven waves, poses a direct risk to the state’s coastal resources, including public and private real property and infrastructure. Rising marine waters threaten sensitive coastal areas, habitats, the survival of threatened and endangered species, beaches, other recreation areas, and urban waterfronts. SB 576 mandates that the Ocean Protection Council develop and implement a coastal climate adaptation, infrastructure, and readiness program to improve the climate change resiliency of California’s coastal communities, infrastructure, and habitat. This bill also instructs the State Coastal Conservancy to administer the Climate Ready Program, which addresses the impacts and potential impacts of climate change on resources within the conservancy’s jurisdiction.</p>
<p>Assembly Bill 65 (AB 65) (Petrie-Norris, Chapter 347, Statutes of 2019)</p> <p><i>Coastal Protection: Climate Adaption: Project Prioritization: Natural Infrastructure: Local General Plans</i></p>	<p>This bill requires the State Coastal Conservancy, when it allocates any funding appropriated pursuant to the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, to prioritize projects that use natural infrastructure in coastal communities to help adapt to climate change. The bill requires the conservancy to provide information to the Office of Planning and Research on any projects funded pursuant to the above provision to be considered for inclusion into the clearinghouse for climate adaption information. The bill authorizes the conservancy to provide technical assistance to coastal communities to better assist them with their projects that use natural infrastructure.</p>
<p>Executive Order B-55-18</p>	<p>Governor Brown signed Executive Order B-55-18 in September 2018 to establish a statewide goal to achieve carbon neutrality as soon as possible, and no later than 2045, and to achieve and maintain net negative emissions thereafter. Policies and programs undertaken to achieve this goal shall:</p> <ul style="list-style-type: none"> • Seek to improve air quality and support the health and economic resiliency of urban and rural communities, particularly low-income and disadvantaged communities. • Be implemented in a manner that supports climate adaptation and biodiversity, including protection of the state’s water supply, water quality, and native plants and animals.

	<p>This Executive Order also calls for CARB to:</p> <ul style="list-style-type: none"> • Develop a framework for implementation and accounting that tracks progress toward this goal. • Ensure future Scoping Plans identify and recommend measures to achieve the carbon neutrality goal. <p>This Scoping Plan is designed to achieve carbon neutrality no later than 2045 and the modeling includes technology and fuel transitions to achieve that outcome.</p>
<p>Senate Bill 100 (SB 100) (De León, Chapter 312, Statutes of 2018)</p> <p><i>California Renewables Portfolio Standard Program: emissions of greenhouse gases</i></p>	<p>SB 100 mandates that the CPUC, CEC, and CARB plan for 100 percent of total retail sales of electricity in California to come from eligible renewable energy resources and zero-carbon resources by December 31, 2045. This bill also updates the state’s Renewables Portfolio Standard (RPS) to include the following interim targets:</p> <ul style="list-style-type: none"> • 44% of retail sales procured from eligible renewable sources by December 31, 2024. • 52% of retail sales procured from eligible renewable sources by December 31, 2027. • 60% of retail sales procured from eligible renewable sources by December 31, 2030. <p>Under SB 100, the CPUC, CEC, and CARB shall use programs under existing laws to achieve 100 percent clean electricity. The statute requires these agencies to issue a joint policy report on SB 100 every four years. The first of these reports was issued in 2021.</p> <p>This Scoping Plan reflects the SB 100 Core Scenario resource mix with a few minor updates.</p>
<p>Assembly Bill 2127 (AB 2127) (Ting, Chapter 365, Statutes of 2018)</p> <p><i>Electric Vehicle Charging Infrastructure: Assessment</i></p>	<p>This bill requires the CEC, working with CARB and the CPUC, to prepare and biennially update a statewide assessment of the electric vehicle charging infrastructure needed to support the levels of electric vehicle adoption required for the state to meet its goals of putting at least 5 million zero-emission vehicles on California roads by 2030 and of reducing emissions of GHGs to 40% below 1990 levels by 2030. The bill requires the CEC to regularly seek data and input from stakeholders relating to electric vehicle charging infrastructure.</p> <p>This bill supports the deployment of ZEVs as modeled in this Scoping Plan.</p>

<p>Senate Bill 30 (SB 30) (Lara, Chapter 614, Statutes of 2018)</p> <p><i>Insurance: Climate Change</i></p>	<p>This bill requires the Insurance Commissioner to convene a working group to identify, assess, and recommend risk transfer market mechanisms that, among other things, promote investment in natural infrastructure to reduce the risks of climate change related to catastrophic events, create incentives for investment in natural infrastructure to reduce risks to communities, and provide mitigation incentives for private investment in natural lands to lessen exposure and reduce climate risks to public safety, property, utilities, and infrastructure. The bill requires the policies recommended to address specified questions.</p>
<p>Assembly Bill 2061 (AB 2061) (Frazier, Chapter 580, Statutes of 2018)</p> <p><i>Near-zero-emission and Zero-emission Vehicles</i></p>	<p>Existing state and federal law sets specified limits on the total gross weight imposed on the highway by a vehicle with any group of two or more consecutive axles. Under existing federal law, the maximum gross vehicle weight of that vehicle may not exceed 82,000 pounds. AB 2061 authorizes a near-zero-emission vehicle or a zero-emission vehicle to exceed the weight limits on the power unit by up to 2,000 pounds.</p> <p>This bill supports the deployment of cleaner trucks as modeled in this Scoping Plan.</p>

Consideration of Relevant State Plans and Regulations

Development of this Scoping Plan also included careful consideration of, and coordination with, other state agency plans and regulations, including the SB 100 Joint Agency Report,⁹⁹ the 2022 State Strategy for the State Implementation Plan,¹⁰⁰ Climate Action Plan for Transportation Infrastructure,¹⁰¹ AB 74 Studies on Vehicle Emissions and Fuel Demand and Supply,^{102,103,104} Short-Lived Climate Pollutant Strategy (SLCP Strategy),¹⁰⁵

⁹⁹ CPUC, CEC, and CARB. 2021. *SB 100 Joint Agency Report*. <https://www.energy.ca.gov/sb100>.

¹⁰⁰ CARB. January 31, 2022. Draft 2022 State Strategy for the State Implementation Plan. https://ww2.arb.ca.gov/sites/default/files/2022-01/Draft_2022_State_SIP_Strategy.pdf.

¹⁰¹ CalSTA. 2021. *Climate Action Plan*. <https://calsta.ca.gov/subject-areas/climate-action-plan>.

¹⁰² CalEPA. 2021. Carbon Neutrality Studies. <https://calepa.ca.gov/climate/carbon-neutrality-studies/>.

¹⁰³ Brown, A. L., et. al. 2021. *Driving California's Transportation Emissions*. <https://escholarship.org/uc/item/3np3p2t0>.

¹⁰⁴ Deschenes, O. 2021. *Enhancing equity*. <https://zenodo.org/record/4707966#.YKPiaKhKi73>.

¹⁰⁵ CARB. Short-Lived Climate Pollutants. <https://ww2.arb.ca.gov/our-work/programs/slcp>.

CARB's Achieving Carbon Neutrality Report,¹⁰⁶ Climate Smart Strategy,¹⁰⁷ and draft Natural and Working Lands Implementation Plan,¹⁰⁸ among others.

Input from Partners and Stakeholders

CARB also collaborated with other state agencies, held consultations with tribes, and solicited comments and feedback from affected stakeholders, including labor organizations and the public. The process to update the Scoping Plan began with kickoff workshops in early June 2021,¹⁰⁹ followed by over a dozen public workshops, including engagement with tribes,¹¹⁰ and featured a series of EJ Advisory Committee and environmental justice community meetings.¹¹¹ The June 2021 workshop and several others were a joint agency effort, as there are many agencies with direct authority or jurisdiction over different sectors of the economy. Consultation with agencies also included bi-weekly, monthly, and weekly meetings.

During the summer of 2022 CARB held three community listening sessions, hosted by the CARB Chair and Board, in communities around the state, along with one virtual community listening session and one tribal listening session specifically for tribes. Many tribes provided written feedback, which was incorporated into this Scoping Plan. In addition, CARB respects tribal sovereignty and also engaged in a consultation campaign with tribes, which resulted in government-to-government consultations, and this Scoping Plan is reflective of this process.¹¹²

Emissions Data That Inform the Scoping Plan

Greenhouse Gas Emissions

AB 32 includes which GHGs are to be regulated, reduced, and included in the state's targets and goals. That list includes seven GHGs: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs),

¹⁰⁶ Energy and Environmental Economics, Inc. 2020. *Achieving Carbon Neutrality*. https://ww2.arb.ca.gov/sites/default/files/2020-10/e3_cn_final_report_oct2020_0.pdf.

¹⁰⁷ CNRA. 2022. Natural and Working Lands Climate Smart Strategy. <https://resources.ca.gov/Initiatives/Expanding-Nature-Based-Solutions>.

¹⁰⁸ CARB. 2019. *Draft California 2030 Natural and Working Lands Climate Change Implementation Plan*. <https://ww2.arb.ca.gov/resources/documents/nwl-implementation-draft>.

¹⁰⁹ Appendix A (Public Process).

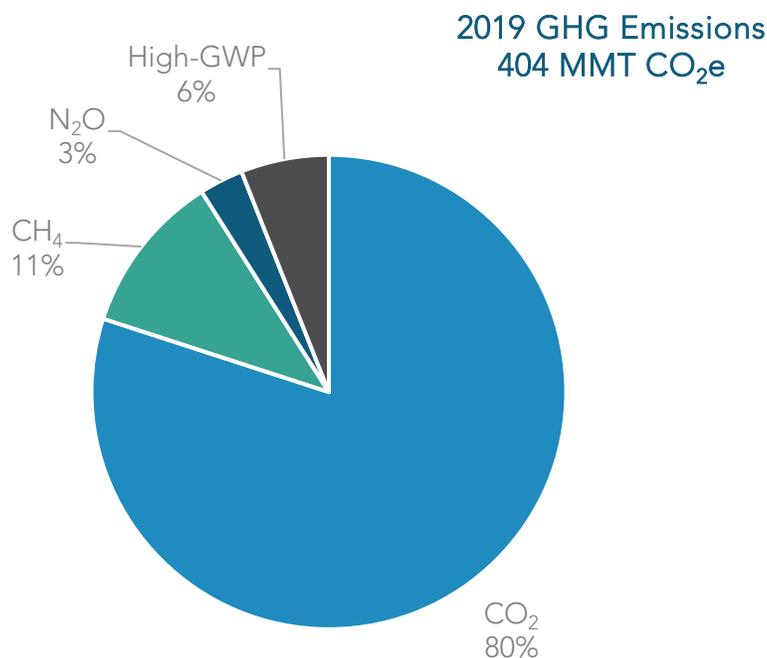
¹¹⁰ CARB. Scoping Plan Meetings & Workshops. <https://ww2.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan/scoping-plan-meetings-workshops>.

¹¹¹ CARB. Environmental Justice Advisory Committee Meetings and Events. <https://ww2.arb.ca.gov/environmental-justice-advisory-committee-meetings-and-events>.

¹¹² CARB. 2018. Tribal Consultation Policy. October. https://www.arb.ca.gov/regact/nonreg/2018/california_air_resources_board_tribal_consultation_policy.pdf.

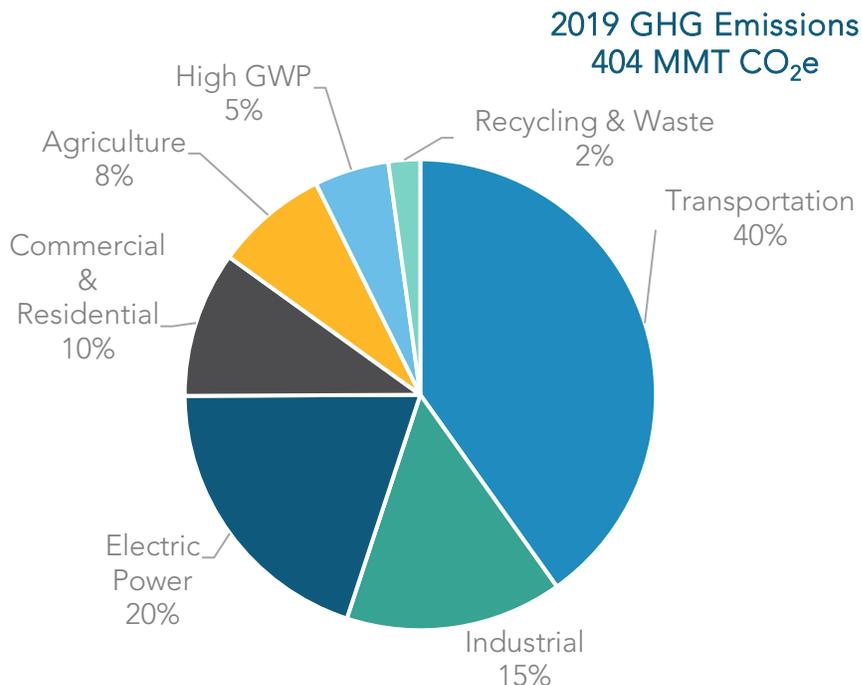
perfluorocarbons (PFCs), and nitrogen trifluoride (NF₃). Carbon dioxide is the primary GHG emitted in California, accounting for 83 percent of the total GHG emissions in 2019, as shown in Figure 1-7 below. Figure 1-8 illustrates that transportation (primarily on-road travel) is the single largest source of CO₂ emissions in the state. Upstream transportation emissions from the refinery and oil and gas sectors are categorized as CO₂ emissions from industrial sources and constitute about 50 percent of the industrial source emissions. When including these emissions, the transportation sector accounts for approximately half of statewide GHG emissions. Other significant sources of CO₂ include electricity production, industrial sources like refineries and cement plants, and residential sources like fossil gas. Figures 1-7 and 1-8 show state GHG emission contributions by GHG and sector based on the 2020 Greenhouse Gas Emission Inventory; GHG emissions for 2019 are shown because 2020 was an outlier due to the global pandemic. Emissions in Figure 1-8 are depicted by Scoping Plan sector, which includes separate categories for high-global warming potential (GWP) and recycling/waste emissions that are otherwise typically included within other economic sectors.

Figure 1-7: 2019 State GHG emission contributions by GHG¹¹³



¹¹³ CARB. 2022. *California Greenhouse Gas Emissions for 2000 to 2020: Trends of Emissions and Other Indicators*. https://ww2.arb.ca.gov/sites/default/files/classic/cc/inventory/2000-2020_ghg_inventory_trends.pdf.

Figure 1-8: 2019 State GHG emission contributions by Scoping Plan sector¹¹⁴



The scope of the AB 32 GHG Inventory encompasses emission sources within the state’s borders, as well as imported electricity consumed in the state. This construct for the inventory is consistent with IPCC practices to allow for comparison of statewide GHG emissions with those at the national level and with other international GHG inventories. Statewide GHG emissions calculations use many data sources, including data from other state and federal agencies. However, a significant source of data comes from reports submitted to CARB through the Regulation for the Mandatory Reporting of GHG Emissions (MRR). The MRR requires facilities and entities with more than 10,000 metric tons of carbon dioxide equivalent (MTCO₂e) of combustion and process emissions, all facilities belonging to certain industries, and all electric power entities to submit an annual GHG emissions data report directly to CARB. Furthermore, this regulation requires that reports from entities that emit more than 25,000 MTCO₂e be verified by a CARB-

¹¹⁴ The High GWP sector includes high global warming potential gas emissions from releases of ozone depleting substance (ODS) substitutes, SF₆ emissions from the electricity transmission and distribution system, and gases that are emitted in the semiconductor manufacturing process. ODS substitutes, which are primarily HFCs, are used in refrigeration and air conditioning equipment, solvent cleaning, foam production, fire retardants, and aerosols.

accredited third-party verification body. More information on MRR emissions reports can be found at CARB's Mandatory Greenhouse Gas Emissions Reporting website.¹¹⁵

All data sources used to develop the GHG Emission Inventory are listed in CARB's inventory supporting documentation.¹¹⁶

Natural and Working Lands

For natural and working lands, the 2018 ecosystem carbon inventory (NWL Inventory)¹¹⁷ shows there are approximately 5,340 million metric tons (MMT) of carbon in the carbon pools¹¹⁸ (reservoirs of carbon that have the ability to both take in and release carbon) that CARB has quantified (see Figure 1-9). For purposes of comparison, 5,340 MMT of ecosystem carbon stock is equivalent to 19,600 MMT of atmospheric CO₂. Forests and shrublands contain the majority of California's carbon stock because they cover the majority of California's landscape and have the highest carbon density of any land cover type. All other land categories combined comprise over 35 percent of California's total acreage, but only 15 percent of carbon stocks. Roughly half of the 5,340 MMT of carbon resides in soils and half in plant biomass.

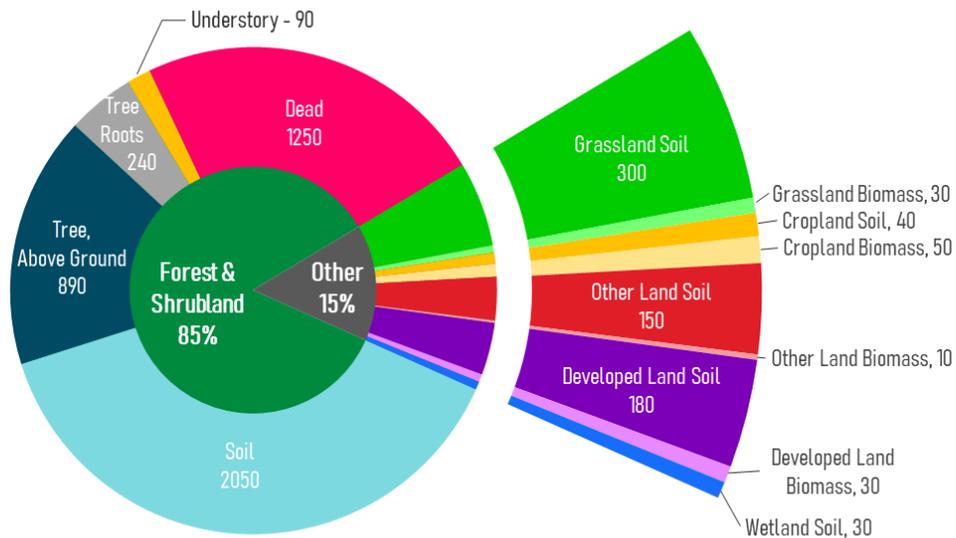
¹¹⁵ CARB. Mandatory Greenhouse Gas Emissions Reporting. <https://ww2.arb.ca.gov/our-work/programs/mandatory-greenhouse-gas-emissions-reporting>.

¹¹⁶ CARB. Current California GHG Emission Inventory Data. www.arb.ca.gov/cc/inventory/data/data.htm.

¹¹⁷ CARB. 2018. *An Inventory of Ecosystem Carbon in California's Natural and Working Lands*. https://ww3.arb.ca.gov/cc/inventory/pubs/nwl_inventory.pdf.

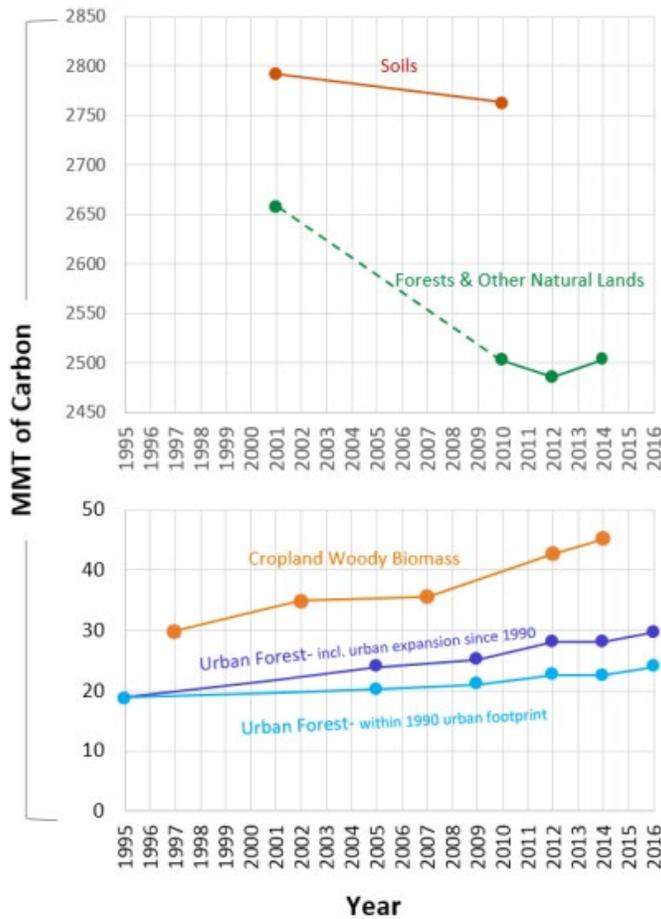
¹¹⁸ "Carbon pools" are Above-Ground Live Biomass (boles, stems, and foliage in shrubs, trees, grasses, and herbaceous vegetation), Below-Ground Live Biomass (roots in shrubs, trees, grasses, and herbaceous vegetation), Dead Organic Matter (standing or downed dead wood and litter), Harvested Wood Products (all wood and bark material that leaves harvest sites regardless of whether it is eventually incorporated into merchandisable products), and Soil Organic Matter (organic carbon in the top 30 centimeters of soil).

Figure 1-9: Carbon stocks in natural and working lands (MMT carbon)



In addition to providing an estimate of the ecosystem carbon that exists on California’s landscape, the NWL Inventory also shows how those carbon stocks are changing (see Figure 1-10). The inventory attributes stock change to human activity, such as land use change, or to disturbances, such as wildfire. CARB’s inventory shows these lands were a source of GHG emissions from 2001 to 2011, releasing more carbon than they stored, and then they returned to be a slight carbon sink from 2012 to 2014. These trends highlight the interannual and interdecadal variability of lands and their ability to be both a source and a sink of carbon.

Figure 1-10: Changes in carbon stock by landscape type



For natural and working lands, California’s inventory is also based on IPCC methods for tracking ecosystem carbon over time, providing for comparability with other national and subnational inventories and carbon accounting. As such, the NWL Inventory is an important tool for tracking both carbon stock changes in California over time and the impacts that interventions such as those identified in this Scoping Plan, actions identified in the Climate Smart Land Strategy, and others have on NWL carbon stocks.

All data sources used to develop the NWL Inventory are listed in the technical support documentation at CARB’s California Natural & Working Lands Inventory website.¹¹⁹

¹¹⁹ CARB. California Natural & Working Lands Inventory. <https://ww2.arb.ca.gov/nwl-inventory>.

Black Carbon

In addition, CARB has developed a statewide emission inventory for black carbon in support of the SLCP Strategy. The inventory is reported in two categories: non-forestry (anthropogenic) sources and forestry sources.¹²⁰ The black carbon inventory is calculated using existing PM_{2.5} emission inventories combined with speciation profiles that define the fraction of PM_{2.5} that is black carbon. The black carbon inventory helps support implementation of the SLCP Strategy, but it is not part of California's GHG Inventory that tracks progress toward the state's climate targets under AB 32 or SB 32. The state's major anthropogenic sources of black carbon include off-road transportation, on-road transportation, residential wood burning, fuel combustion, and industrial processes. CARB estimated 2017 black carbon emissions to be approximately 8 MTCO_{2e}.¹²¹ The majority of anthropogenic sources come from transportation—specifically, heavy-duty vehicles. The share of black carbon emissions from transportation is dropping rapidly and is expected to continue to do so between now and 2030 as a result of California's air quality programs. The remaining black carbon emissions will come largely from woodstoves/fireplaces, off-road applications, and industrial/commercial combustion. The forestry category includes non-agricultural prescribed burning and wildfire emissions.

Tracking Life-Cycle and Out-of-State Emissions

In recent years there has been increased interest in the embedded carbon in products, also known as *life-cycle emissions*. A life-cycle accounting framework refers to all of the GHG emissions generated from the sourcing, production, and transportation of products to an endpoint. In doing such assessments for a product, emissions may be associated with sourced materials and production activity outside a jurisdiction's borders. While life-cycle emissions can provide a more comprehensive picture of the emissions associated with the goods we consume and ongoing demand, life-cycle inventories are inconsistent with IPCC standards, as they would result in double counting of emissions across jurisdictions. Other countries and regions do produce their own inventory reports consistent with IPCC methods and are taking action to reduce emissions within their jurisdictions. In addition, jurisdictions often lack legal authority to regulate sources outside of their borders. Finally, it is difficult to obtain accurate data for sources and production activities outside of a region's border that would impact the accuracy of such an inventory. For these reasons, the inventory used in the Scoping Plan does not use a life-cycle

¹²⁰ SB 1383. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201520160SB1383.

¹²¹ This is a preliminary estimate developed for this Scoping Plan. Official Black Carbon emissions estimates are provided in the SLCP inventory here: <https://ww2.arb.ca.gov/ghg-slcp-inventory>.

approach and remains consistent with international accounting standards and consistent with how other countries and regions track emissions within their jurisdictions.

However, GHG mitigation action may cross geographic borders as part of subnational and international collaboration, or as a natural result of implementation of regional policies. In addition to the state's existing GHG inventory, CARB will develop an accounting framework that reflects the benefits of our policies accruing outside of the state. This accounting framework will be important to better understand the true impact of the state's policies on what is emitted into the atmosphere. For example, the LCFS incentivizes GHG reductions along the entire supply chain for the production and delivery of transportation fuel imported for use in the state. However, our inventory only captures the change in emissions from the tailpipe of when that fuel is used in California and does not capture any GHG reductions that occur in the production process if the fuel is produced out of state.

Natural and working lands forestry actions are another example, where California's policies are inspiring forest management actions in other states that result in increased permanent carbon sequestration. California's NWL inventory does not capture the increased carbon stocks resulting from forestry projects happening outside of California, and the CO₂ removals resulting from these projects are not applied in either CARB's NWL inventory or CARB's AB 32 GHG Emissions Inventory. For GHG reductions outside of the state to be attributed to our programs, those reductions must be real, quantifiable, verifiable, and permanent.

It also will be important to avoid any double counting (including claims to those reductions by other jurisdictions) and to transparently indicate whether any extra-jurisdictional emissions reductions might be included in another region's inventory. CARB is collaborating with other jurisdictions to ensure GHG accounting rules are consistent with international best practices, as robust accounting rules instill confidence in the reductions claimed and maintain support for joint action across jurisdictions. The policy goals of consistency and transparency are critical as we work together with other jurisdictions on our parallel paths to achieve our GHG targets with real benefits to the atmosphere.

Tracking Progress

Historically, the AB 32 GHG Inventory has been the primary metric to track progress toward achieving climate targets.¹²² However, we must now deploy clean technology at unprecedented rates. The emissions modeling underpinning this Scoping Plan and

¹²² Starting with the 2022 Edition of the AB 32 GHG inventory, the inventory development now relies more directly on the annually reported and third-party verified emissions from the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions.

targets for clean technology in statute can serve as leading indicators across the economy on how our actions compare to the pace of action needed to be on track to achieve carbon neutrality. The California Climate Dashboard¹²³ was launched in 2022 and provides high-level metrics for clean energy production and technology deployment. Statistics such as the deployment of zero emission vehicles and clean electricity generation are just some of the examples of metrics across the economy that can be tracked, in addition to GHG emissions, to understand if the state is on track to meet its climate goals. A key indicator to track will be building of new energy infrastructure and deployment of clean technology as evaluated in the uncertainty analysis in Chapter 2. CARB will coordinate with state agencies to establish and make public similar metrics across all economic sectors to help provide transparency on the state’s progress in deploying clean technology at the pace and scale needed to achieve carbon neutrality no later than 2045.

¹²³ CalEPA. California Climate Dashboard. <https://calepa.ca.gov/climate-dashboard/>.

Chapter 2: The Scoping Plan Scenario

This chapter describes the Scoping Plan Scenario, which for the first time includes sources in both the AB 32 GHG Inventory and Natural and Working Lands (NWL). It begins with a short description of the alternatives evaluated. Four scenarios for the AB 32 GHG Inventory and NWL were considered separately and helped to inform the Scoping Plan Scenario. Each of the alternatives were considered in terms of the important criteria and priorities that the state’s comprehensive climate action must deliver, including the need for GHG reductions that are not only technologically feasible and cost-effective, but also can deliver health and economic benefits for the state. All the scenarios were set against what is called the *Reference Scenario*—that is, what the GHG emissions would look like if we did nothing at all beyond the existing policies that are required and already in place to achieve the 2030 target of at least 40 percent below 1990 levels, or those expected with no new actions in the NWL sector. For this Scoping Plan, two sets of modeling tools were used to evaluate the AB 32 GHG Inventory and NWL sectors because no single model can assess both AB 32 sectors and NWL together. As a result, two different sets of scenarios were developed for each sector type. While this chapter breaks out discussion separately for the two sector types, the Scoping Plan Scenario reflects the combined actions across both sectors by choosing an alternative from each sector type. The modeling provides point estimates; however, that does not imply precision. As discussed in the uncertainty section, several types of uncertainties are associated with any outcomes projected by the modeling results. There will be ranges of estimates associated with each point that are not shown in the graphs or results.

Scenarios for the AB 32 GHG Inventory Sectors

The Reference Scenario for the AB 32 GHG Inventory sectors shows continuing but modest GHG reductions beyond 2030 that level off toward mid-century. The comprehensive analysis of all four alternatives indicates that the Scoping Plan Scenario is the best choice to achieve California’s climate and clean air goals while balancing the legislative direction on prioritizing direct emissions reductions, reducing anthropogenic emissions by at least 85 percent by 2045, being technologically feasible, and being cost-effective. It also protects public health, provides a solid foundation for continued economic growth, and drastically reduces the state’s dependence on fossil fuel combustion and does not disproportionately impact disadvantaged communities. Each of the alternative scenarios was the product of a process of development informed by public input, the

governor,¹²⁴ CARB, legislative direction, and input by the EJ Advisory Committee.^{125, 126} Future updates to the Scoping Plan may consider new clean technologies and fuels beyond those included in this Scoping Plan.

The four scenarios evaluated shared many similarities. They each embodied the following characteristics:

- Drastic reduction in fossil fuel dependence, with some remaining in-state demand for fossil fuels for aviation, marine, and locomotion applications, and for fossil gas for buildings and industry
- Ambitious deployment of efficient non-combustion technologies such as zero emission vehicles and heat pumps
- Rapid growth in the production and distribution of clean energy such as zero carbon electricity and hydrogen
- Progressive phasedown of fossil fuel production and distribution activities as part of the transition to clean energy
- Remaining emissions of fugitive SLCPs such as refrigerants and fugitive methane
- Strong consumer adoption of clean technology and fuel options
- Removal of remaining CO₂ emissions to achieve carbon neutrality
- Some reliance on carbon capture and sequestration (CCS)

While the four scenarios had a lot in common, they also had some differences:

- Year in which carbon neutrality is achieved (2035 or 2045)
- Rate of deployment of clean technology and production and distribution of zero carbon energy
- Remaining amount of demand for fossil energy in the year carbon neutrality is achieved
- Constraints on technology and fuels deployed in certain sectors
- Consumer adoption rates of clean technologies and fuels
- Degree of reliance on CO₂ removal
- Degree of reliance on CCS

¹²⁴ Newsom, Gavin. July 22, 2022. Letter from Governor Newsom to CARB Chair Liane Randolph. Retrieved from <https://www.gov.ca.gov/wp-content/uploads/2022/07/07.22.2022-Governors-Letter-to-CARB.pdf>.

¹²⁵ EJ Advisory Committee. December 2, 2021. EJ Advisory Committee Responses for the CARB Scenario Inputs. https://ww2.arb.ca.gov/sites/default/files/2021-12/EJAC%20Final%20Responses%20to%20CARB%20Scenario%20Inputs_12_2_21.pdf.

¹²⁶ CARB. January 25, 2022. Update on PATHWAYS Scenario Modeling Assumptions. https://ww2.arb.ca.gov/sites/default/files/2022-01/Scenario%20Slides%20for%20Jan25%20EJAC%20Mtg_01242022.pdf.

The summary below provides an overview of the alternatives designed and considered for the energy and industrial sectors in this update. Full details of each scenario considered can be found in the [Draft 2022 Scoping Plan Update](#)

Scoping Plan Scenario (modeling scenario Alternative 3 from the Draft): carbon neutrality by 2045, deploy a broad portfolio of existing and emerging fossil fuel alternatives and clean technologies, and align with statutes, Executive Orders, Board direction, and direction from the governor

Alternative 1: carbon neutrality by 2035, nearly complete phaseout of all combustion, limited reliance on carbon capture and sequestration and engineered carbon removal, and restricted applications for biomass-derived fuels

Alternative 2: carbon neutrality by 2035 and aggressive deployment of a full suite of technology and energy options, including engineered carbon removal

Alternative 4: carbon neutrality by 2045, deployment of a broad portfolio of existing and emerging fossil fuel alternatives, slower deployment and adoption rates than the Scoping Plan Scenario, and a higher reliance on CO₂ removal

Other considerations for the AB 32 GHG Inventory sectors include the following:

- To what extent does an alternative meet the statewide targets and any sector targets, and also deliver clean air benefits (especially in the near term) to address ongoing healthy air disparities, prioritize reductions for mobile and large stationary sources, and emphasize continued investment in disadvantaged communities?
- Does an alternative support California in building on efforts to collaborate with other jurisdictions and include exportable policies based on robust science?
- Does an alternative provide for compliance options and a cost-effective approach to reduce GHG emissions?
- Does the alternative present a realistic and ambitious path forward consistent with statute and science, and support economic opportunities, particularly in anticipated growth sectors?

Scenarios for Natural and Working Lands

For the natural and working lands sector, the Reference Scenario shows that NWL will continue to emit GHGs and lose carbon stocks into the future as the combined effects of past unhealthy management practices and climate change impact our lands. Relative to the Reference Scenario, the four NWL scenarios represent different scales of land management on seven landscapes (forests, shrublands/chaparral, grasslands, croplands, developed lands, wetlands, and sparsely vegetated lands) to support carbon neutrality.

The analysis of the four NWL scenarios shows that the Scoping Plan Scenario is the preferred choice because it prioritizes sustainable land management to sequester carbon over the long term, GHG and air pollution reductions, ecosystem health and resilience, and implementation and technological feasibility and cost-effectiveness. The Scoping Plan Scenario reduces catastrophic wildfire risk to the state; increases the health and resilience of California's forests, shrublands, and grasslands; increases soil health; and protects, restores, and enhances California's natural and working lands for future generations. The Scoping Plan Scenario takes into consideration the priority landscapes and nature-based strategies identified in California's Climate Smart Strategy¹²⁷ and reflects the state's priorities to manage lands in ways that support the multiple benefits they provide. The Scoping Plan Scenario, as well as each of the alternative NWL scenarios, were informed by input from other agencies, the public, and the EJ Advisory Committee. Additional landscapes and land management activities will be added and evaluated in future Scoping Plan updates and in response to AB 1757.

Each of the NWL scenarios have several similarities, including the following:

- Prioritizing NWL management actions on forests, shrublands, grasslands, croplands, developed lands, wetlands, and sparsely vegetated lands. These actions can reduce GHG emissions from these lands, protect ecosystems against future climate change, protect communities, and enhance the ecosystem benefits they provide to nature and society.
- Exploring the potential impacts of different levels of NWL management actions that are designed to achieve the objective associated with each scenario.
- Analyzing the carbon impacts of land management actions, climate change, wildfire, and water use on California's diverse natural and working lands through 2045.

There are also differences across the four NWL scenarios. These include:

- The level of NWL management actions taken on each landscape, such as varying the acres of healthy soils practices for croplands.
- The types of NWL management actions taken on each landscape, such as prescribed burning or thinning for forests, grasslands, and shrublands.

¹²⁷ CNRA. 2022. Natural and Working Lands Climate Smart Strategy. https://resources.ca.gov/-/media/CNRA-Website/Files/Initiatives/Expanding-Nature-Based-Solutions/CNRA-Report-2022---Final_Accessible_Compressed.pdf.

The summary below provides an overview of the alternatives designed and considered for the NWL sectors in this Scoping Plan. Full details of each scenario considered can be found in the *Draft 2022 Scoping Plan Update*.

Scoping Plan Scenario (NWL Alternative 3 from the Draft): land management activities that prioritize restoration and enhancement of ecosystem functions to improve resilience to climate change impacts, including more stable carbon stocks

NWL Alternative 1: land management activities that prioritize short term carbon stocks in our forests and through increased climate smart agricultural practices on croplands

NWL Alternative 2: land management activities representative of California's current commitments and plans

NWL Alternative 4: land management activities that prioritize reducing catastrophic wildfires in forests, shrublands, and grasslands

Evaluation of Scoping Plan Alternatives

CARB staff solicited feedback from topical experts, affected stakeholders, and the EJ Advisory Committee, including a tribal representative, at public meetings to assemble input assumptions for four carbon neutrality scenarios to model using PATHWAYS. Revisions to the Draft Scoping Plan were informed by direction in statute, the Governor's Executive Orders, public comments, and the recommendations of the EJ Advisory Committee. The three alternative scenarios were designed to explore the potential speed, magnitude, and impacts of transitioning California's energy demand away from fossil fuels. The modeling assumptions listed below identify the primary fossil fuel alternative that is commercially available and technically feasible for widespread use by 2045 for each sector. CARB assumes that any energy demand that remains after the alternative technology or fuel is applied—such as on-road internal combustion engines, industrial processes, and gas use in existing buildings that have not yet decarbonized—will continue to be met by fossil fuels, resulting in residual GHG emissions.

NWL Scoping Plan Alternatives

For the NWL sectors, staff significantly expanded the scale of the scientific analysis for NWL from previous Scoping Plan efforts. CARB staff utilized modeling tools for this expanded analysis to assess both the carbon and other ecological, public health, and economic outcomes of management actions on forests, shrublands, grasslands, croplands, developed lands, wetlands, and sparsely vegetated lands. CARB staff aligned the scenarios with both the landscape types and actions identified in other efforts called for in Governor Newsom's Executive Order N-82-20 (e.g., California's Climate Smart Strategy and Pathways to 30x30). As part of this Scoping Plan, CARB staff modeled as many of the management actions identified in the Natural and Working Lands Climate

Smart Strategy as were feasible. The management actions that were included in the model were selected because of the State of California's previous work to quantify these actions' impacts. It was not feasible to model every land management strategy for NWL, and so it is possible that larger volumes of sequestration (e.g., in soils or in oceans) could result from additional non-modeled activities. California's Natural and Working Lands Climate Smart Strategy includes a more comprehensive listing of priority nature-based solutions and management actions. It is important to note that the absence of a particular management action or its climate benefit in the modeling is not an indication of its importance or potential contributions toward meeting the target or toward supporting the carbon neutrality target for California.

Forests: Management strategies were modeled for forests: biological/chemical/herbaceous treatments (e.g., herbicide application), clearcut, various timber harvests (e.g., variable retention, seed tree / shelterwood, selection harvesting), mastication, other mechanical treatments (e.g., piling of dead material, understory thinning), prescribed burning, and thinning. Avoided land conversion to another land use was also included in the modeling. Wildfire was modeled and is responsive to management strategies and climate conditions.

Shrublands and chaparral: Management strategies were modeled for shrublands and chaparral: biological/chemical/herbaceous treatments, prescribed burning, mechanical treatment (e.g., mastication, crushing, mowing, piling), and avoided conversion from shrubland to another land use. Wildfire was modeled and is responsive to management strategies and climate conditions.

Grasslands: Management strategies were modeled for grasslands: biological/chemical/herbaceous treatments, prescribed burning, and avoided land conversion from grasslands to another land use. Wildfire was modeled and is responsive to management strategies and climate conditions.

Croplands: Management strategies were modeled for row crops: cover cropping, no till, reduced till, compost amendment, transition to organic¹²⁸ farming, avoided conversion of annual crop agricultural land through easements, establishing riparian forest buffers, alley cropping, establishing windbreaks/shelterbelts, establishing tree and shrubs in croplands, and establishing hedgerows. For perennial crops, windbreaks/shelterbelts, hedgerows, conversion from annual crops to perennial crops, and avoided conversion to other land uses were modeled.

¹²⁸ Note: N₂O reductions from decreases in synthetic fertilizer application in organic farming were not modeled.

Developed lands: Management strategies were modeled for developed lands: Increasing tree canopy cover through planting trees and improved management of existing trees, and removing vegetation surrounding structures in accordance with the CAL FIRE Defensible Space PRC 4291.

Wetlands: Management strategies were modeled for wetlands: Restoring wetlands through submerging cultivated land in the Sacramento-San Joaquin Delta and avoided land conversion in the Sacramento-San Joaquin Delta.

Sparsely vegetated lands: Management strategies were modeled for sparsely vegetated lands: Avoided conversion of sparsely vegetated lands to another land use.

Scoping Plan Scenario

The Scoping Plan Scenario achieves GHG emission reductions that exceed the levels expected based on existing policies represented in the Reference Scenario, keeping California on track to achieve the SB 32 GHG reduction target for 2030 and become carbon neutral no later than 2045. Actions that reduce GHG emissions and transition AB 32 GHG Inventory sources away from fossil fuel combustion affect each economic sector. Actions that lead to improved carbon stocks affect each landscape.

AB 32 GHG Inventory Sectors

The AB 32 GHG Inventory Sector Reference scenario is the forecasted statewide GHG emissions through mid-century, with existing policies and programs but without any further action to reduce GHGs beyond those needed to achieve the 2030 limit. The Reference Scenario was developed based on other projections of business-as-usual conditions. Sources of data and policies included are:

- California Energy Demand Forecast¹²⁹
- The two transportation carbon neutrality studies required by AB 74¹³⁰
- The Mobile Source Strategy¹³¹
- SB 100 60 percent Renewables Portfolio Standard
- A Low Carbon Fuel Standard carbon intensity reduction target of 20 percent

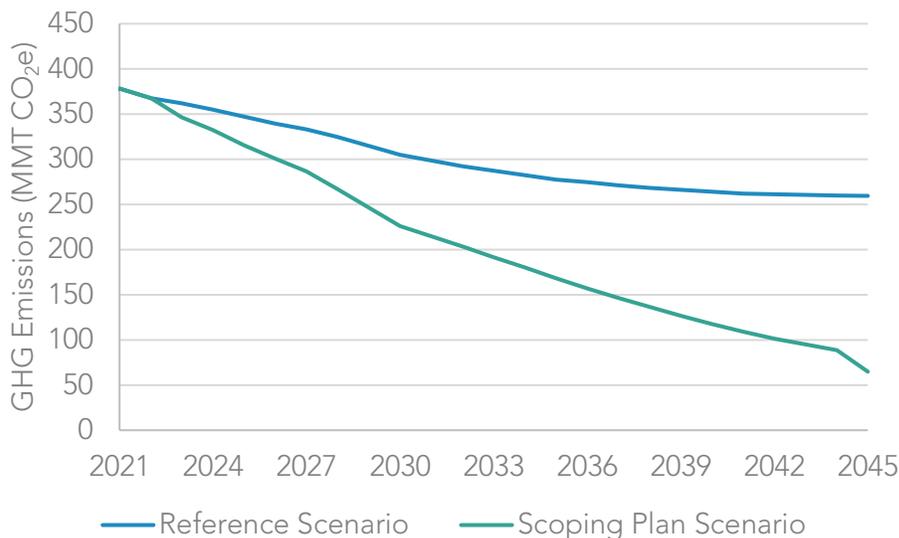
Policies that are under study or design, such the Advanced Clean Fleets regulation, are not included. The Reference Scenario reflects current trends and expected performance of policies identified in the 2017 Scoping Plan—some of which are performing better (such as the RPS and LCFS) and others that may not meet expectations (such as vehicle miles traveled [VMT] reductions and methane capture). Figure 2-1 provides the modeling results for a Reference Scenario for the AB 32 GHG Inventory sectors compared to the Scoping Plan Scenario.

¹²⁹ California Energy Commission (CEC). 2020. *2019 Integrated Energy Policy Report*. <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2019-integrated-energy-policy-report>.

¹³⁰ Brown et al. 2021. *Driving California's Transportation Emissions*. <https://escholarship.org/uc/item/3np3p2t0> and Deschenes et al. 2021. *Enhancing equity*. <https://zenodo.org/record/4707966#.YI72RNrMKUn>.

¹³¹ CARB. 2021. *2020 Mobile Source Strategy*. https://ww2.arb.ca.gov/sites/default/files/2021-12/2020_Mobile_Source_Strategy.pdf.

Figure 2-1: Reference and Scoping Plan Scenario GHG emissions¹³²



The Scoping Plan Scenario is summarized in Table 2-1. The table shows the types of technologies and energy needed to drastically reduce GHG emissions from the AB 32 Inventory sectors. It also includes references to relevant statutes and Executive Orders, although it is not comprehensive of all existing new authorities for directing or supporting the actions described. Each action is expected to both reduce GHGs and help improve air quality, primarily by transitioning away from combustion of fossil fuels. The Scoping Plan Scenario achieves the AB 1279 target of 85 percent below 1990 levels by 2045 and identifies a need to accelerate the 2030 target to 48 percent below 1990 levels.

¹³² The drop in emissions in 2045 reflects both the need to achieve an 85% reduction below 1990 levels in anthropogenic emissions per AB 1279 and Governor Newsom’s request for a 100 MMT CO₂e carbon removal and capture target in 2045. This was modeled by extending CCS to electric sector emissions.

Table 2-1: Actions for the Scoping Plan Scenario: AB 32 GHG Inventory sectors

Sector	Action	Statutes, Executive Orders, Other Direction, Outcome
GHG Emissions Reductions Relative to the SB 32 Target ¹³³	40% below 1990 levels by 2030	<p>SB 32: Reduce statewide GHG emissions.</p> <p>AB 197: direct emissions reductions for sources covered by the AB 32 Inventory</p>
Smart Growth / Vehicle Miles Traveled (VMT)	VMT per capita reduced 25% below 2019 levels by 2030, and 30% below 2019 levels by 2045	<p>SB 375: Reduce demand for fossil transportation fuels and GHGs, and improve air quality.</p> <p>In response to Board direction and EJ Advisory Committee recommendations</p>
Light-duty Vehicle (LDV) Zero Emission Vehicles (ZEVs)	100% of LDV sales are ZEV by 2035	<p>EO N-79-20: Reduce demand for fossil transportation fuels and GHGs, and improve air quality.</p> <p>AB 197: direct emissions reductions for sources covered by the AB 32 Inventory</p> <p>2035 target aligns with the EJ Advisory Committee recommendation.</p>

¹³³ While the SB 32 GHG emissions reduction target is not an Action that is analyzed independently, it is included in this table for reference.

Sector	Action	Statutes, Executive Orders, Other Direction, Outcome
Truck ZEVs	100% of medium-duty (MDV)/HDV sales are ZEV by 2040 (AB 74 University of California Institute of Transportation Studies [ITS] report)	EO N-79-20: Reduce demand for fossil transportation fuels and GHGs, and improve air quality. AB 197: direct emissions reductions for sources covered by the AB 32 Inventory
Aviation	20% of aviation fuel demand is met by electricity (batteries) or hydrogen (fuel cells) in 2045. Sustainable aviation fuel meets most or the rest of the aviation fuel demand that has not already transitioned to hydrogen or batteries.	Reduce demand for petroleum aviation fuel and reduce GHGs. AB 197: direct emissions reductions for sources covered by the AB 32 Inventory In response to Governor Newsom’s July 2022 letter to CARB Chair Liane Randolph
Ocean-going Vessels (OGV)	2020 OGV At-Berth regulation fully implemented, with most OGVs utilizing shore power by 2027. 25% of OGVs utilize hydrogen fuel cell electric technology by 2045.	Reduce demand for petroleum fuels and GHGs, and improve air quality. AB 197: direct emissions reductions for sources covered by the AB 32 Inventory
Port Operations	100% of cargo handling equipment is zero-emission by 2037. 100% of drayage trucks are zero emission by 2035.	Executive Order N-79-20: Reduce demand for petroleum fuels and GHGs, and improve air quality. AB 197: direct emissions reductions for sources covered by the AB 32 Inventory

Sector	Action	Statutes, Executive Orders, Other Direction, Outcome
Freight and Passenger Rail	<p>100% of passenger and other locomotive sales are ZEV by 2030.</p> <p>100% of line haul locomotive sales are ZEV by 2035.</p> <p>Line haul and passenger rail rely primarily on hydrogen fuel cell technology, and others primarily utilize electricity.</p>	<p>Reduce demand for petroleum fuels and GHGs, and improve air quality.</p> <p>AB 197: direct emissions reductions for sources covered by the AB 32 Inventory</p>
Oil and Gas Extraction	<p>Reduce oil and gas extraction operations in line with petroleum demand by 2045.</p>	<p>Reduce GHGs and improve air quality.</p> <p>AB 197: direct emissions reductions for sources covered by the AB 32 Inventory</p>
Petroleum Refining	<p>CCS on majority of operations by 2030, beginning in 2028</p> <p>Production reduced in line with petroleum demand.</p>	<p>Reduce GHGs and improve air quality.</p> <p>AB 197: direct emissions reductions for sources covered by the AB 32 Inventory</p>

Sector	Action	Statutes, Executive Orders, Other Direction, Outcome
Electricity Generation	<p>Sector GHG target of 38 million metric tons of carbon dioxide equivalent (MMTCO₂e) in 2030 and 30 MMTCO₂e in 2035</p> <p>Retail sales load coverage¹³⁴</p> <p>20 gigawatts (GW) of offshore wind by 2045</p> <p>Meet increased demand for electrification without new fossil gas-fired resources.</p>	<p>SB 350 and SB 100: Reduce GHGs and improve air quality.</p> <p>AB 197: direct emissions reductions for sources covered by the AB 32 Inventory</p> <p>In response to Governor Newsom’s July 2022 letter, Board direction, and EJ Advisory Committee recommendation</p>
New Residential and Commercial Buildings	<p>All electric appliances beginning 2026 (residential) and 2029 (commercial), contributing to 6 million heat pumps installed statewide by 2030</p>	<p>Reduce demand for fossil gas and GHGs, and improve ambient and indoor air quality.</p> <p>AB 197: direct emissions reductions for sources covered by the AB 32 Inventory</p> <p>In response to Governor Newsom’s July 2022 letter</p>

¹³⁴ SB 100 speaks only to retail sales and state agency procurement of electricity. The *2021 SB 100 Joint Agency Report* reflects the agency authors’ understanding that other loads—wholesale or non-retail sales and losses from storage and transmission and distribution lines—are not subject to the law.

Sector	Action	Statutes, Executive Orders, Other Direction, Outcome
Existing Residential Buildings	<p>80% of appliance sales are electric by 2030 and 100% of appliance sales are electric by 2035.</p> <p>Appliances are replaced at end of life such that by 2030 there are 3 million all-electric and electric-ready homes—and by 2035, 7 million homes—as well as contributing to 6 million heat pumps installed statewide by 2030.</p>	<p>Reduce demand for fossil gas and GHGs, and improve ambient and indoor air quality.</p> <p>AB 197: direct emissions reductions for sources covered by the AB 32 Inventory</p> <p>In response to Governor Newsom’s July 2022 letter</p>
Existing Commercial Buildings	<p>80% of appliance sales are electric by 2030, and 100% of appliance sales are electric by 2045.</p> <p>Appliances are replaced at end of life, contributing to 6 million heat pumps installed statewide by 2030.</p>	<p>Reduce demand for fossil gas and GHGs, and improve ambient and indoor air quality.</p> <p>AB 197: direct emissions reductions for sources covered by the AB 32 Inventory</p> <p>In response to Governor Newsom’s July 2022 letter</p>
Food Products	<p>7.5% of energy demand electrified directly and/or indirectly by 2030; 75% by 2045</p>	<p>Reduce demand for fossil gas and GHGs, and improve air quality.</p> <p>AB 197: direct emissions reductions for sources covered by the AB 32 Inventory</p>

Sector	Action	Statutes, Executive Orders, Other Direction, Outcome
Construction Equipment	25% of energy demand electrified by 2030 and 75% electrified by 2045	Reduce demand for fossil energy and GHGs, and improve air quality. AB 197: direct emissions reductions for sources covered by the AB 32 Inventory
Chemicals and Allied Products; Pulp and Paper	Electrify 0% of boilers by 2030 and 100% of boilers by 2045. Hydrogen for 25% of process heat by 2035 and 100% by 2045 Electrify 100% of other energy demand by 2045.	Reduce demand for fossil energy and GHGs, and improve air quality. AB 197: direct emissions reductions for sources covered by the AB 32 Inventory
Stone, Clay, Glass, and Cement	CCS on 40% of operations by 2035 and on all facilities by 2045 Process emissions reduced through alternative materials and CCS	SB 596: Reduce demand for fossil energy, process emissions, and GHGs, and improve air quality. AB 197: direct emissions reductions for sources covered by the AB 32 Inventory
Other Industrial Manufacturing	0% energy demand electrified by 2030 and 50% by 2045	Reduce demand for fossil energy and GHGs, and improve air quality. AB 197: direct emissions reductions for sources covered by the AB 32 Inventory

Sector	Action	Statutes, Executive Orders, Other Direction, Outcome
Combined Heat and Power	Facilities retire by 2040.	<p>Reduce demand for fossil energy and GHGs, and improve air quality.</p> <p>AB 197: direct emissions reductions for sources covered by the AB 32 Inventory</p>
Agriculture Energy Use	25% energy demand electrified by 2030 and 75% by 2045	<p>Reduce demand for fossil energy and GHGs, and improve air quality.</p> <p>AB 197: direct emissions reductions</p>
Low Carbon Fuels for Transportation	Biomass supply is used to produce conventional and advanced biofuels, as well as hydrogen.	<p>Reduce demand for petroleum fuel and GHGs, and improve air quality.</p> <p>AB 197: direct emissions reductions for sources covered by the AB 32 Inventory</p>
Low Carbon Fuels for Buildings and Industry	<p>In 2030s biomethane¹³⁵ blended in pipeline</p> <p>Renewable hydrogen blended in fossil gas pipeline at 7% energy (~20% by volume), ramping up between 2030 and 2040</p> <p>In 2030s, dedicated hydrogen pipelines constructed to serve certain industrial clusters</p>	<p>Reduce demand for fossil energy and GHGs, and improve air quality.</p> <p>AB 197: direct emissions reductions for sources covered by the AB 32 Inventory</p>

¹³⁵ *Biomethane* is also known as renewable natural gas (RNG).

Sector	Action	Statutes, Executive Orders, Other Direction, Outcome
Non-combustion Methane Emissions	Increase landfill and dairy digester methane capture. Some alternative manure management deployed for smaller dairies Moderate adoption of enteric strategies by 2030 Divert 75% of organic waste from landfills by 2025. Oil and gas fugitive methane emissions reduced 50% by 2030 and further reductions as infrastructure components retire in line with reduced fossil gas demand	SB 1383: Reduce short-lived climate pollutants.
High GWP Potential Emissions	Low GWP refrigerants introduced as building electrification increases, mitigating HFC emissions	SB 1383: Reduce short-lived climate pollutants.

Natural and Working Lands

The Reference Scenario for NWL represents the amount of land management that occurred between 2001 and 2014, and projects the outcomes from maintaining the 2001–2014 levels of land management until 2045. The management and land use practices that occur within the Reference Scenario were derived from empirical data used by staff. For forests, shrublands/chaparral, and grasslands, the Reference Scenario constitutes approximately 250,000 acres of annual statewide treatments. For croplands, the Reference Scenario represents no healthy soil practices because during this period the healthy soil program did not yet exist. For land use change within all land types that consider land use change, historical rates of land conversion from 2001–2014 also were taken from empirical data and modeled into the future for the Reference Scenario.

Table 2-2 summarizes the Scoping Plan Scenario. The table also includes references to relevant statutes and Executive Orders where available.

Table 2-2: Actions for the Scoping Plan Scenario: NWL sectors

Sector	Action	Statutes, Executive Orders, Outcome
Natural and Working Lands	<p>Conserve 30% of the state’s NWL and coastal waters by 2030.</p> <p>Implement near- and long-term actions to accelerate natural removal of carbon and build climate resilience in our forests, wetlands, urban greenspaces, agricultural soils, and land conservation activities in ways that serve all communities—and in particular low-income, disadvantaged, and vulnerable communities.</p>	<p>EO N-82-20 and SB 27: CARB to include an NWL target in the Scoping Plan.</p> <p>AB 1757: Establish targets for carbon sequestration and nature-based climate solutions.</p> <p>SB 1386: NWL are an important strategy in meeting GHG reduction goals.</p>

Sector	Action	Statutes, Executive Orders, Outcome
Forests and Shrublands	At least 2.3 million acres ¹³⁶ treated statewide annually in forests, shrublands/chaparral, and grasslands, comprised of regionally specific management strategies that include prescribed fire, thinning, harvesting, and other management actions. No land conversion of forests, shrublands/chaparral, or grasslands.	<p>Restore health and resilience to overstocked forests and prevent carbon losses from severe wildfire, disease, and pests. Improve air quality and reduce health costs related to wildfire emissions. Improve water quantity and quality and improve rural economies. Provide forest biomass for resource utilization.</p> <p>EO B-52-18: CARB to increase the opportunity for using prescribed fire.</p> <p>AB 1504 (Skinner, Chapter 534, Statutes of 2010): CARB to recognize the role forests play in carbon sequestration and climate mitigation.</p>

¹³⁶ The 2.3 million acre target is what the Scoping Plan modeling shows would be needed to realize the carbon stock target called for in this Scoping Plan by 2045.

Sector	Action	Statutes, Executive Orders, Outcome
Grasslands	At least 2.3 million acres ¹³⁷ treated includes increased management of grasslands interspersed in forests to reduce fuels surrounding communities using management strategies appropriate for grasslands. No land conversion of forests, shrublands/chaparral, or grasslands.	Help to achieve climate targets, improve air quality, and reduce health costs.
Croplands	Implement climate smart practices for annual and perennial crops on ~80,000 acres annually. Land easements/ conservation on annual crops at ~5,500 acres annually. Increase organic agriculture to 20% of all cultivated acres by 2045 (~65,000 acres annually).	<p>Reduce short-lived climate pollutants. Increase soil water holding capacity. Increase organic farming and reduce pesticide use.</p> <p>SB 859: Recognizes the ability of healthy soils practices to reduce GHG emissions from agricultural lands.</p> <p>Target increased in response to Governor Newsom’s direction to prioritize sustainable land management.</p>

¹³⁷ The 2.3 million acre target is what the Scoping Plan modeling shows would be needed to realize the carbon stock target called for in this Scoping Plan by 2045.

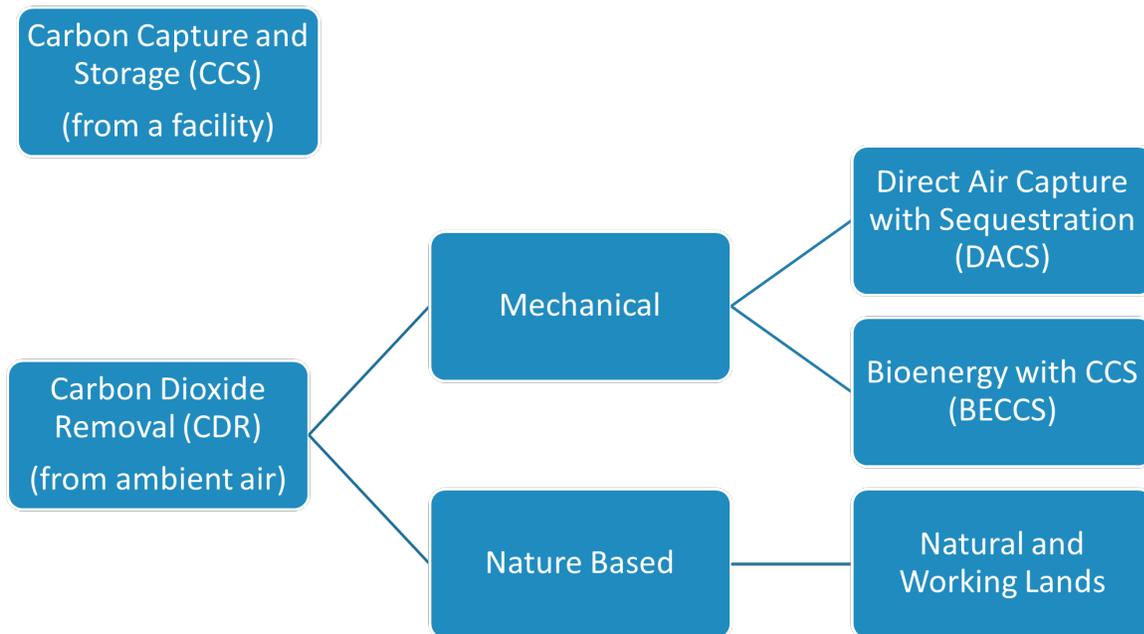
Sector	Action	Statutes, Executive Orders, Outcome
Developed Lands	Increase urban forestry investment by 200% above current levels and utilize tree watering that is 30% less sensitive to drought. Establish defensible space that accounts for property boundaries.	<p>Increase urban tree canopy and shade cover. Reduce heat island effects and support water infrastructure. Reduce fire risk via defensible space.</p> <p>AB 2251 (Calderon, Chapter 186, Statutes of 2022): Increase urban tree canopy 10% by 2035.</p> <p>Target increased in response to AB 2251 and Governor Newsom’s direction on CO₂ removal targets in his July 2022 letter.</p>
Wetlands	Restore 60,000 acres of Delta wetlands.	Increase carbon sequestration and reduce short-lived climate pollutants. Helps to reverse land subsidence while improving flood protection and providing critical habitat.
Sparsely Vegetated Lands	Land conversion at 50% of the Reference Scenario land conversion rate.	Reduce the rate of land conversion to more GHG-intensive land uses.

Strategies for Carbon Removal and Sequestration

To achieve carbon neutrality, any remaining emissions must be compensated for using carbon removal and sequestration tools. The following discussion presents more detail

on the options available to capture and sequester carbon. Carbon removal and sequestration will be an essential tool to achieve carbon neutrality, and the modeling clearly shows there is no path to carbon neutrality without carbon removal and sequestration. Governor Newsom also recognized the importance of CO₂ removal strategies and directed CARB to establish CO₂ removal and carbon capture targets of 20 MMTCO₂ and 100 MMTCO₂ by 2030 and 2045, respectively, as well as signing 2022 legislation on carbon removal and sequestration, including: AB 1279, SB 905, SB 1137, and AB 1757. Carbon removal and sequestration can take different forms. Figure 2-2 illustrates the types of carbon removal and sequestration included in this Scoping Plan. There are numerous other carbon removal options undergoing research, development, and pilot deployment. As these options mature and new approaches emerge, they can be considered in future Scoping Plan updates.

Figure 2-2: Forms of carbon removal and sequestration considered in this Scoping Plan



The Role of Carbon Capture and Sequestration

Carbon capture and sequestration (CCS) will be a necessary tool to reduce GHG emissions and mitigate climate change while minimizing leakage and minimizing emissions where no technological alternatives may exist. CCS is a process by which large amounts of CO₂ are captured, compressed, transported, and sequestered. CCS projects are paired with a source of emissions, as the CCS project captures CO₂ as it leaves a facility's smokestack. CCS projects are often paired with large GHG-emitting facilities such as energy, manufacturing, or fuel production facilities. The sequestration component

of CCS includes CO₂ injection into geologic formations (such as depleted oil and gas reservoirs and saline formations), as well as use in industrial materials (e.g., concrete). CCS is distinct from biological sequestration, which is typically accomplished through NWL management and conservation practices that enhance the storage of carbon or reduce CO₂ emissions with nature-based approaches. CCS is also distinct from mechanical CO₂ removal technologies, where CO₂ is removed directly from the atmosphere using mechanical and/or chemical processes.

CARB adopted a CCS Protocol in 2018 as part of amendments to the Low Carbon Fuel Standard.¹³⁸ At this time, no CCS projects have been implemented or have generated any credits under that protocol. However, CCS projects have been implemented elsewhere since the 1970s, largely on coal-fired power plants, with over two dozen projects operational around the world. Over 100 are at the stages of advanced or early development and are expanding beyond coal-fired plants to fossil gas, fuel production, and electricity generation facilities.¹³⁹ CCS projects are in development for addressing emissions from fuel, gas, energy production, and chemical production. As of November 2019, more than half of global large-scale CCS facilities (representing approximately 22 MMTCO₂/yr in capacity¹⁴⁰) were in the U.S., mostly as a result of sustained governmental support for these technologies.¹⁴¹ This support includes the federal 45Q tax credit for CCS^{142,143} and research and deployment grants from federal agencies.^{144, 145} California's deep sedimentary rock formations in the Central Valley represent world-class

¹³⁸ CARB. 2022. Carbon Capture & Sequestration. <https://ww2.arb.ca.gov/our-work/programs/carbon-capture-sequestration>.

¹³⁹ Global CCS Institute. 2021. *Global Status of CCS 2021*. <https://www.globalccsinstitute.com/wp-content/uploads/2021/11/Global-Status-of-CCS-2021-Global-CCS-Institute-1121.pdf>.

¹⁴⁰ IHS Markit. August 2021. Carbon Removal Potential: An Overview.

https://ww2.arb.ca.gov/sites/default/files/2021-08/ihsmarkit_presentation_sp_engineeredcarbonremoval_august2021.pdf.

¹⁴¹ Beck, Lee. 2019. *Carbon capture and storage in the USA: The role of US innovation leadership in climate-technology commercialization*. <https://academic.oup.com/ce/article/4/1/2/5686277>.

¹⁴² Congressional Research Service. 2021. Carbon Storage Requirements in the 45Q Tax Credit. IF11639. <https://crsreports.congress.gov/product/pdf/IF/IF11639>.

¹⁴³ The Inflation Reduction Act of August 2022 expands and enhances the 45 Q tax credit for CCS. Pub.L. No. 117-169 (August 16, 2022).

¹⁴⁴ U.S. Department of Energy. 2020. U.S. Department of Energy Announces \$131 Million for CCUS Technologies. <https://www.energy.gov/articles/us-department-energy-announces-131-million-ccus-technologies>.

¹⁴⁵ U.S. Department of Energy. 2021. Funding Opportunity Announcement 2515, Carbon Capture R&D for Natural Gas and Industrial Point Sources, and Front-End Engineering Design Studies for Carbon Capture Systems at Industrial Facilities and Natural Gas Plants. <https://www.energy.gov/fecm/articles/funding-opportunity-announcement-2515-carbon-capture-rd-natural-gas-and-industrial>.

CO₂ storage sites that would meet the highest standards, with storage capacities of at least 17 billion tons of CO₂.^{146,147}

In this Scoping Plan, CCS is included to address emissions from limited sectors, including electricity generation, cement production facilities, and refineries, to ensure anthropogenic emissions are reduced by at least 85 percent below 1990 levels in 2045, as directed in AB 1279. While the modeling outputs show CCS not being applied to the electricity sector until 2045, CCS could be implemented earlier on the electricity sector with a similar ramp up over time as that for refineries and cement plants. An earlier application of CCS in the electricity sector would yield additional reductions in years prior to 2045. In addition, CCS can support hydrogen production until such time as there is sufficient renewable power for electrolysis and an abundant water source.

Cement plants have emissions associated with combustion and process-related activities. Combustion emissions account for approximately 40 percent of the total emissions at cement plants. The remaining emissions are related to process-related activities. Due to the high heat content needed to produce cement, there is currently no technically feasible alternative to combustion. SB 596 calls for a 40 percent reduction in GHG intensity in cement emissions from 2019 levels by 2035, and then net zero emissions by 2045. To meet in-state demand, the state relies on cement both produced in state and imported. There are seven cement plants operating in California.¹⁴⁸ To minimize emissions leakage and address emissions from cement plants, the Scoping Plan Scenario includes CCS for cement plants. Additional reductions will need to be pursued and considered as part of implementation of SB 596, which calls for CARB to develop a comprehensive strategy by July 1, 2023, for the state's cement sector to achieve net-zero emissions of GHGs associated with cement used within the state as soon as possible, but no later than December 31, 2045. This effort began in the summer of 2022 and included sector specific workshops.

Even with implementation of EO N-79-20, and despite all of the ambitious efforts in the Scoping Plan Scenario, there will remain some demand for petroleum fuels for legacy vehicles on road applications, and in aviation, rail, and marine applications. Petroleum refineries will need to implement technology to decarbonize their operations and reduce their emissions. This Scoping Plan also assumes CCS at petroleum refineries as one of those potential strategies. Currently, there are seventeen petroleum refineries operating

¹⁴⁶ For comparison purposes, California's emitted 418.2 million metric tons of CO₂e in 2019.

¹⁴⁷ Lawrence Livermore National Laboratory. 2020. *Getting to Neutral: Options for Negative Carbon Emissions in California*. Revision 1. https://www-gs.llnl.gov/content/assets/docs/energy/Getting_to_Neutral.pdf.

¹⁴⁸ CARB. Mandatory GHG Reporting – Reported Emissions. <https://ww2.arb.ca.gov/mrr-data>

in the state.¹⁴⁹ On the supply side, the modeling assumes all in-state demand is met through some very limited refining activities in California. Figure 2-3 shows the emissions from the refining sector with and without CCS. If CCS is not deployed, the emissions would be directly emitted into the atmosphere, and CO₂ removal by NWL or direct air capture would need to increase to compensate for the sector's emissions.

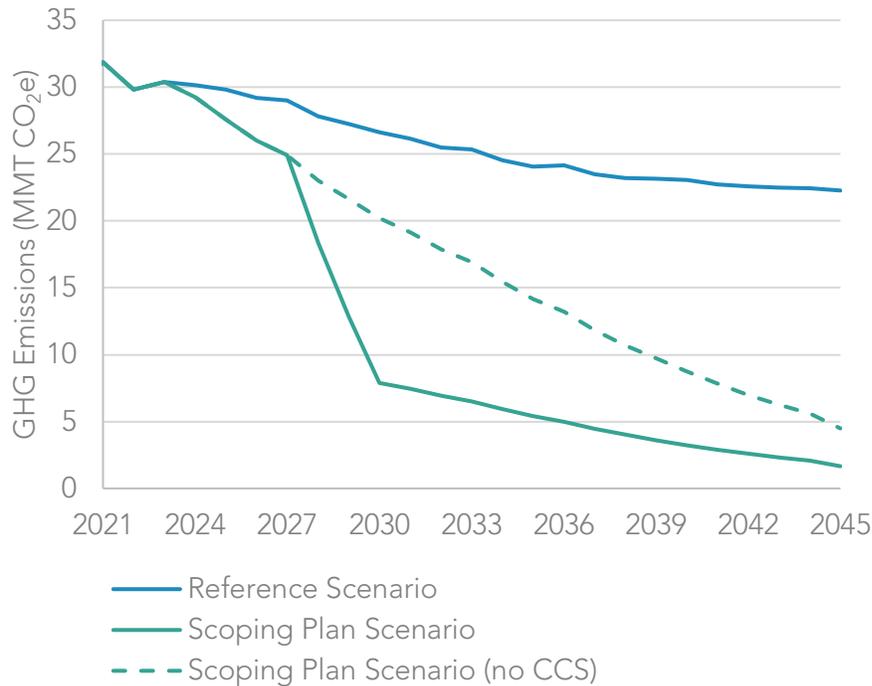
Refineries can have a variety of point sources that emit CO₂—such as steam methane reformers for producing hydrogen, combined heat and power units, and catalytic crackers—that are best suited for CCS. Each configuration of a refinery can be unique to its footprint, onsite operations, and the types of crude oils processed. There are newer technologies with smaller footprints¹⁵⁰ that can be deployed in modular configurations to capture CO₂ in space-constrained and multiple-point-source facilities such as refineries. CCS can provide a path to reducing GHG emissions from these facilities to meet petroleum demand while avoiding leakage and until such time as some refineries can be transitioned to produce clean energy to support the transition away from fossil fuels.

While the Scoping Plan modeled deployment of CCS on refineries and identifies significant emissions reductions that can be achieved, the refineries in California are large and complex. The actual deployment of CCS at these facilities as modeled in the Scoping Plan is uncertain. It will be important to closely monitor the evolution of CCS deployment in the refinery sector and, in the next Scoping Plan update, to evaluate the progress toward use in this sector to determine whether the projected reductions will be achieved.

¹⁴⁹ CARB. Mandatory GHG Reporting. <https://ww2.arb.ca.gov/mrr-data>.

¹⁵⁰ Carbon Clean. Modular Carbon Capture Systems for Industry. <https://www.carbonclean.com/modular-systems?hsLang=en>.

Figure 2-3: Petroleum refining emissions with and without carbon capture and sequestration



This Scoping Plan also calls for accelerating the transition from combustion of fossil fuels to hydrogen. Hydrogen can be produced through electrolysis with renewable electricity or through steam methane reformation of biomethane. There is a high degree of uncertainty around the availability of solar to support both electrification of existing sectors and the production of hydrogen through electrolysis. Producing hydrogen required under the Scoping Plan Scenario with electrolysis would require about 10 gigawatts (GW)¹⁵¹ of additional solar capacity. If steam methane reformation is paired with CCS, the hydrogen produced could potentially be low carbon. Additionally, the biomethane used to generate hydrogen could be sourced from gasification of forest or agricultural waste resulting from forest management and other NWL management practices, which could also lead to net negative carbon outcomes. Steam methane reformation paired with CCS can thus ensure a rapid transition to hydrogen and increase hydrogen availability until such time as

¹⁵¹ The Draft Scoping Plan included an estimate for solar capacity (40 GW) to support only electrolysis to produce all hydrogen in the Proposed Scenario. The Scoping Plan now includes steam methane reformation of biomethane and biomass gasification with CCS to produce hydrogen, along with electrolysis from off-grid solar. See Appendix H (AB 32 GHG Inventory Sector Modeling) for additional details.

electrolysis with renewables can meet the ongoing need, assuming there is also sufficient water supply. Additional background and next steps for CCS can be found in Chapter 4.

The EJ Advisory Committee has raised multiple concerns related to the inclusion of CCS and mechanical CDR in the Scoping Plan. Concerns range from potential negative health and air quality impacts in communities from operation of facilities utilizing CCS that continue to emit other emissions, to safety concerns related to potential leaks, to the viability of the current technology. Additionally, the EJ Advisory Committee has policy concerns about the strategy and wants to ensure that engineered carbon removal is not used as a substitute for strategies to achieve emissions reductions onsite and that it does not result in delays in phasing out fossil fuel use. Given these and other concerns and the importance of building public awareness, CARB recognizes the need for a multi-stakeholder process including other state, federal, and local agencies; tribes; independent experts; and community residents to further understand and address community concerns related to CCS. CARB hosted a CCS Symposium with U.S. EPA Region 9 and the Stanford Doerr School of Sustainability to discuss some of these critical issues with community members and other participants. As CARB begins the process of implementing SB 905 in 2023, that will provide an opportunity for further engagement.

In the context of CCS deployment, the Council of Environmental Quality (CEQ) also highlighted the need to further assess and quantify potential impacts on local criteria air pollutants and other emissions resulting from carbon capture retrofits at industrial facilities in response to concerns regarding potential cumulative emissions from single and/or multiple sources.¹⁵² An October 2020 Stanford report¹⁵³ discussed how the potential post-combustion capture for CO₂ could also reduce emissions of criteria air pollutant emissions from certain facilities. Exploring these potential outcomes will be important to ensure deployment of CCS does not exacerbate air pollution impacts in communities and maximizes any air pollution benefits. The need for these types of evaluations is also included in SB 905.

The Role of Natural and Working Lands Emissions and Sequestration

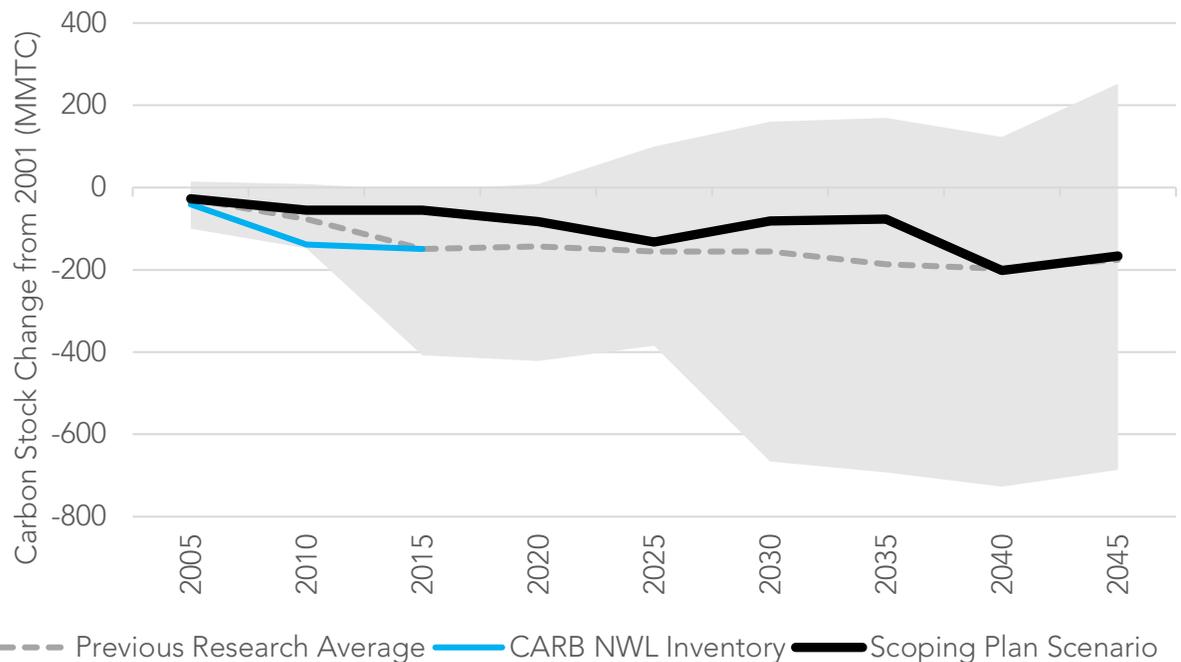
California's NWL assessments highlight the importance of increasing the pace and scale of NWL actions to ensure that our ecosystems are better equipped to withstand future climate change so they continue to provide the benefits that nature and society depend

¹⁵² Carbon Capture, Utilization, and Sequestration Guidance. 87 Fed. Reg. 8808 (Feb. 16, 2022), [2022-03205.pdf \(govinfo.gov\)](#).

¹⁵³ Stanford Center for Carbon Storage. 2020. *An Action Plan for Carbon Capture and Storage in California: Opportunities, Challenges, and Solutions*. October. <https://sccs.stanford.edu/ccs-in-ca/full-report-form?msclkid=6f9177f6c57811ecbebc473e75203b21>.

upon for survival. As climate change increases the likelihood of extreme wildfires, drought, heat, and other impacts, carbon stocks in California’s NWL will face increased risks and impacts. We know from previous climate change and Scoping Plan work¹⁵⁴ that lands can be a net source of GHG emissions or a net sink, and that the magnitude of carbon stock changes and GHG emissions and sequestration from NWL are dependent on the effects of climate change and land management. The expanded modeling conducted for this Scoping Plan shows that NWL are projected to be a net source of emissions through 2045 and indicates a probable decrease of carbon stocks into the future. This projection is further corroborated by previous, independent research that has reached the same conclusion, showing a range of varying levels of carbon stock loss. Figure 2-4 shows the modeling results of the Scoping Plan Scenario overlaid with the NWL inventory and findings from independent research.

Figure 2-4: Comparison of the Scoping Plan Scenario (NWL) with existing research



The modeling indicates that immediate and aggressive climate action can reduce the environmental impacts that would occur in the absence of this action. The results of the modeling demonstrate that regular NWL management over the next two decades can

¹⁵⁴ CARB. 2019. January 2019. *Draft California 2030 Natural and Working Lands Climate Change Implementation Plan*. <https://ww2.arb.ca.gov/sites/default/files/2020-10/draft-nwl-ip-040419.pdf>.

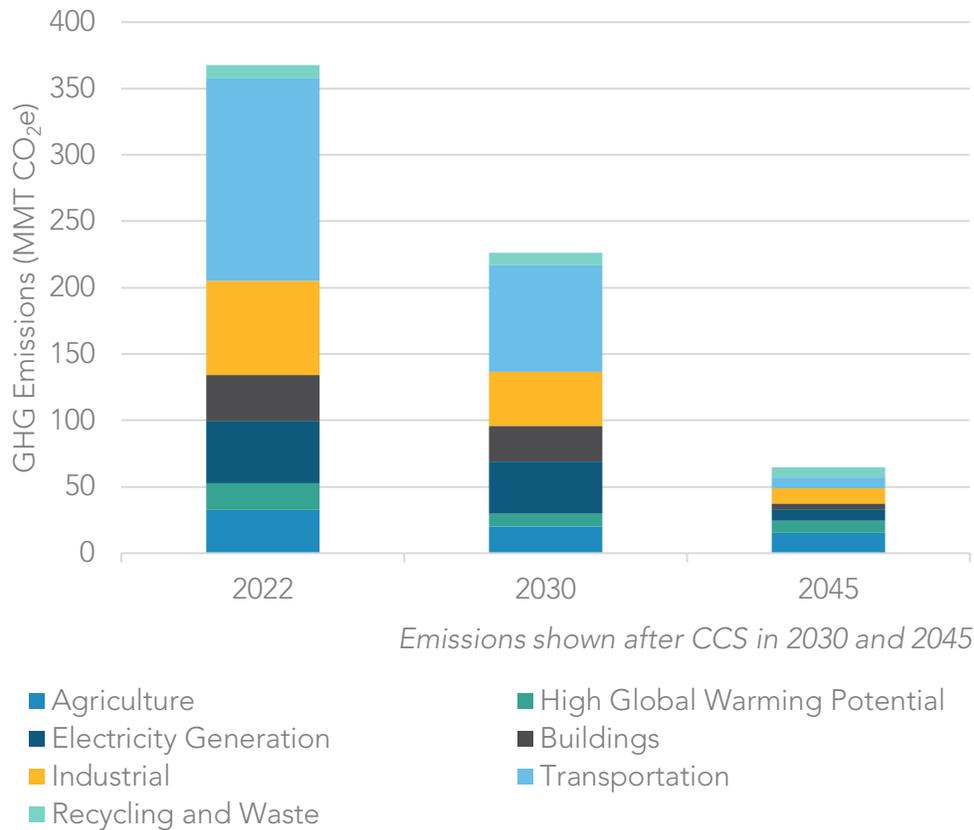
increase carbon stocks from the Reference Scenario trajectory, reduce GHG emissions from lands, and improve ecosystem and public health. This effort is the most comprehensive scientific effort taken by any government to include NWL within its overall climate strategy. Even so, we know that uncertainty exists about future climate and economic forces and the impacts they may have on our ecosystems, so it is important that the state take decisive and aggressive action to improve and diversify ecosystem structures and management.

The effects of climate change, including increased drought, wildfire, and extreme heat, play a significant role in determining the future of California's carbon stocks. And while management actions will help to reduce the impact that climate change will have on California, it is clear from the analysis that NWL sinks and sources are highly variable from year to year, and short time frames do not adequately demonstrate the impact that climate and management are having on ecosystems. For the purposes of climate planning, therefore, it is best to focus on carbon stock changes over longer periods rather than focusing on sequestration or emissions on shorter time frames. The Scoping Plan Scenario is estimated to result in additional NWL emissions of 7 million metric tons of carbon dioxide equivalent (MMTCO_{2e}) annually from 2025–2045. The Reference Scenario is estimated to result in annual emissions of 9 MMTCO_{2e} over the same time period, and so the Scoping Plan Scenario slows the rate of emissions and provides an approximate 2 MMTCO_{2e} in additional annual sequestration relative to the Reference Scenario. Because NWL are projected to be a net emissions source, the annual NWL emissions of approximately 7 MMTCO_{2e} from the Scoping Plan Scenario will need to be compensated by additional CO₂ removal approaches to ensure California can achieve carbon neutrality by 2045.

The Role for Carbon Dioxide Removal (Direct Air Capture)

Even if anthropogenic emissions are reduced to at least 85 percent below 1990 levels by 2045 as called for by AB 1279, there will still be residual emissions in the AB 32 GHG Inventory sectors in 2045 that must be addressed in order to achieve the California's carbon neutrality target. Figure 2-5 includes the emissions by sector for the AB 32 GHG Inventory Sectors in 2022, 2030, and 2045 for the Scoping Plan Scenario.

Figure 2-5: Residual emissions in 2022, 2030, and 2045 for the Scoping Plan Scenario¹⁵⁵



To achieve carbon neutrality, mechanical CDR will therefore need to be deployed. Because NWL management is not estimated to be a significant carbon removal path in the near term, additional CDR options will be needed. *Mechanical CDR* refers to a range of technologies that capture and concentrate ambient CO₂. Direct air capture (DAC) is one available option that is under development today and could be widely deployed. Note that, unlike CCS, DAC technologies are not designed to be attached to a specific source or smokestack. These technologies include chemical scrubbing processes that capture CO₂ through absorption or adsorption separation processes. Another carbon removal

¹⁵⁵ The High GWP sector includes high global warming potential gas emissions from releases of ozone depleting substance (ODS) substitutes, SF₆ emissions from the electricity transmission and distribution system, and gases that are emitted in the semiconductor manufacturing process. ODS substitutes, which are primarily hydrofluorocarbons (HFCs), are used in refrigeration and air conditioning equipment, solvent cleaning, foam production, fire retardants, and aerosols.

option that involves rapid mineralization of CO₂ at the Earth's surface is called *mineral carbonation*.¹⁵⁶ As is the case with CCS, mechanical CDR technologies will need governmental or other incentive support to overcome technology and market barriers. In the United States, the U.S. Department of Energy announced financing specifically for DAC in March 2020¹⁵⁷ and March 2021.¹⁵⁸ Additionally, almost \$9 billion in CCS support was included in the \$ 1 trillion Infrastructure Investment and Jobs Act of 2021.¹⁵⁹ This includes funding to establish four DAC hubs. The Inflation Reduction Act of 2022¹⁶⁰ increases the value of the 45Q tax credit to USD 85 per metric ton of CO₂ captured and stored in geologic formations from some industrial applications and USD 180 per metric ton for DAC with storage in geologic formations. In 2021, there were approximately 19 DAC facilities globally.¹⁶¹

Ultimately, the role for mechanical CDR will depend on the success of reducing emissions directly at the source in the AB 32 GHG Inventory sectors and the ability of the NWL to sequester carbon. However, mechanical CDR also provides an opportunity to not just achieve carbon neutrality, but also remove legacy GHG emissions from the atmosphere. As such, increased deployment of DAC can help achieve net negative emissions. This would further help avoid the most damaging impacts of climate change. While the federal incentives for DAC provide some support for this technology, the only California program that recognizes this technology is the LCFS program. Permitting must also happen across different levels of government and across multiple state agencies. Energy availability must also be addressed if DAC is to be implemented in remote areas. Additional information and next steps on DAC can be found in Chapter 4.

¹⁵⁶ The National Academies Press. 2018. Direct Air Capture and Mineral Carbonation Approaches for Carbon Dioxide Removal and Reliable Sequestration: Proceedings of a Workshop—in Brief. <https://nap.nationalacademies.org/catalog/25132/direct-air-capture-and-mineral-carbonation-approaches-for-carbon-dioxide-removal-and-reliable-sequestration#:~:text=National%20Academies%20of%20Sciences%2C%20Engineering%2C%20and%20Medicine%3B%20Division,concentrate%20carbon%20dioxide%20%28CO%20%29%20from%20ambient%20air.>

¹⁵⁷ U.S. Department of Energy. 2020. Department of Energy to Provide \$22 Million for Research on Capturing Carbon Dioxide from Air. <https://www.energy.gov/articles/department-energy-provide-22-million-research-capturing-carbon-dioxide-air>.

¹⁵⁸ U.S. Department of Energy. 2021. DOE Invests \$24 Million to Advance Transformational Air Pollution Capture. <https://www.energy.gov/articles/doe-invests-24-million-advance-transformational-air-pollution-capture>.

¹⁵⁹ Pub.L. No. 117-58 (November 15, 2021). <https://www.congress.gov/bill/117th-congress/house-bill/3684/text>.

¹⁶⁰ Pub.L. No. 117-169 (August 16, 2022). <https://www.congress.gov/bill/117th-congress/house-bill/5376/text>.

¹⁶¹ International Energy Agency (IEA). 2022. Direct Air Capture – Analysis. <https://www.iea.org/reports/direct-air-capture>.

Carbon Dioxide Removal and Capture Targets for 2030 and 2045

Recognizing the importance of CO₂ removal, Governor Newsom and the Legislature identified the need for targets to send policy and regulatory signals to pilot, deploy, and scale action for those efforts. Governor Newsom requested that CARB set a CO₂ removal and capture target of 20 MMT for 2030 and 100 MMT for 2045, first prioritizing sequestration in NWL. And while this Scoping Plan prioritizes and recommends significant increased climate-smart action on all NWL to support carbon neutrality and healthy and resilient lands, the modeling indicates that, across all NWL, lands will be a net source of emissions when accounting for both carbon sequestration and GHG (CO₂, CH₄, and N₂O) emissions from lands.

Some landscapes, however, are projected to have a net increase in carbon stocks under the Scoping Plan Scenario between 2025 and 2045 relative to the reference case, indicating that NWL actions can help California achieve Governor Newsom's CO₂ removal targets. Carbon stocks in urban forests and grasslands are projected to increase relative to historical levels from implementation of the 2022 Scoping Plan. To support the governor's CO₂ removal targets, CARB estimates that lands would contribute an average of 1.5 MMT of CO₂ removals each year between 2025 and 2045. Any carbon sequestration contributions from lands need to reflect both long-term storage and an overall net increase in carbon stocks over time to ensure these NWL actions are contributing toward California's achievement and maintenance of carbon neutrality over time.

CARB will work to update and revise these estimates as part of implementation of AB 1757, which was signed by the governor in September 2022 and requires that CARB and the California Natural Resources Agency (CNRA) work with an expert advisory committee to determine an ambitious range of carbon sequestration targets by January 1, 2024, for the years 2030, 2038, and 2045.

For the AB 32 GHG Inventory sectors, the Scoping Plan Scenario modeling indicates that the scenario would meet or exceed the 2030 SB 32 target through GHG reduction policies without the need for CDR. CDR will, however, be necessary to increase ambition for an accelerated 2030 target and in increasing amounts over the following decades to achieve carbon neutrality by 2045.¹⁶² Given the likelihood of NWL to be a net source of emissions, and the need for CDR to compensate for residual emissions to achieve carbon neutrality

¹⁶² The modeled scenarios assume that residual emissions will be compensated using DAC technologies by including the direct cost in terms of dollars per ton CO₂ removed. The energy source for DAC is not modeled, but renewable electricity and/or hydrogen produced from electrolysis are zero carbon options consistent with the carbon neutrality targets in this Scoping Plan.

by 2045, California will need increasing deployment of mechanical CDR over the coming decades. In the immediate future, scaling nature-based CDR approaches also can help to provide some CO₂ removal quickly while mechanical CDR is scaled up between now and 2045. Table 2-3 provides estimates of CO₂ removal and capture needed in 2030¹⁶³ and 2045.

¹⁶³ As identified in Chapter 1, SB 27 (Skinner, Chapter 237, Statutes of 2021) directed CARB to “establish carbon dioxide removal targets for 2030 and beyond” as part of this Scoping Plan. CARB is establishing these targets to satisfy both the requirements of SB 27 and the directive from Governor Newsom to establish CO₂ removal targets for 2030 and 2045.

Table 2-3: GHG emissions and removals needed to achieve carbon neutrality and meet the 20 MMTCO₂ removal and capture target in 2030 and the 100 MMTCO₂ removal and capture target in 2045.¹⁶⁴

	2030 (MMTCO ₂ e)	2045 (MMTCO ₂ e)
GHG Emissions	233	72
AB 32 GHG Inventory Sector Emissions	226	65
Net NWL GHG Emissions Across All Landscapes (annual average from 2025–2045)	7	7
Carbon Capture and Sequestration (CCS): Avoided GHG Emissions from Industry and Electric Sectors	(13)	(25)
Carbon Dioxide Removal (CDR) including natural and working lands carbon sequestration, ¹⁶⁵ Direct Air Capture, and Bioenergy with CCS (BECCS).	(7)	(75)
Net Emissions (GHG Emissions + CDR)	226	(3)

In 2030, the CO₂ removal and capture target is 20 MMT, but because the SB 32 target only encompasses the AB 32 GHG Inventory sectors, only CCS that reduces GHG emissions on AB 32 sources count toward achieving more ambitious GHG emission reductions in 2030. In 2045, the CO₂ removal and capture must compensate for any residual emissions from the AB 32 Inventory sectors and NWL emissions to support achieving carbon neutrality while also totaling at least 100 MMT. It is important to note that NWL, particularly forests, need a natural wildfire cycle to remain healthy. While the modeling projected wildfires, and implementing the Scoping Plan will result in a reduction in future wildfire emissions, getting to zero wildfires in the sector is not the goal, nor the

¹⁶⁴ Modeled estimates from the Scoping Plan Scenario indicate the relative quantity of emissions and removals to achieve carbon neutrality and meet carbon removal and capture targets. These estimates are not intended to imply precision, as the required policies are yet to be implemented and all models have some uncertainty in their forecasts.

¹⁶⁵ For the purposes of quantifying how to achieve the governor's 20 MMT and 100 MMT CO₂ removal and capture target, CARB included 1.5 MMTCO₂e sequestration from NWL, which is the sequestration from urban forests. This is included as CO₂ removal because it is this sequestration that CARB can consider as having some permanence. Permanence is necessary for incorporating NWL into carbon neutrality. The net NWL emissions of 7 MMTCO₂e, identified in the second row of Table 2-3, includes *all* emissions and sinks from all NWL landscapes, which is inclusive of the 1.5 MMTCO₂e sequestration. CARB will develop an accounting framework to accommodate NWL carbon stocks.

right approach to a sustainable forestry sector. In contrast in 2045, the reductions from programs and policies are estimated to reduce emissions by 169 MMTCO₂e from business as usual.

The 2030 target for engineered CDR also provides a near term milestone for California and can serve as an important marker for progress in deploying CDR to support California's carbon neutrality goal. Preliminary estimates indicate that, globally, capacity from already announced projects will range from about 2 million metric tons per year (MMTCO₂/y) to 8 MMTCO₂/y from bioenergy paired with CCS, and from about 2,000 metric tons per year (MTCO₂/y) to 1 MMTCO₂/y from DACs by 2027,¹⁶⁶ which indicates that California's 2030 target is an ambitious, but achievable, goal.

Scenario Uncertainty

Greenhouse Gas Emissions Modeling

Several types of uncertainty are important to understand in both forecasting future emissions and estimating the benefits of emission reduction actions. In developing this Scoping Plan we forecasted a reference scenario and estimated the GHG emissions outcome of the AB 32 GHG Inventory sectors using the PATHWAYS¹⁶⁷ model. Inherent in the reference scenario modeling is the expectation that many of the existing programs will continue in their current form, and that the expected drivers for GHG emissions, such as energy demand, population growth, and economic growth, will match our current projections.

However, there is also the expectation that each of the policies included and implemented to achieve the 2030 target in the 2017 Scoping Plan will deliver their exact outcomes. It is unlikely the future will precisely match our projections, and this will lead to uncertainty in the forecast. For example, we never could have foreseen and forecasted economic and emissions impacts related to the extended disruptions from the COVID-19 pandemic. Thus, the single "reference" or "forecast" line should be understood to represent one possible future in a range of possible predictions. For this Scoping Plan, PATHWAYS utilized inputs that reflect technically feasible levels of deployment or adoption of low- or zero-carbon fuels and technologies. Each of the input assumptions provided to PATHWAYS has some uncertainty, which also contributes to uncertainty in the resulting reference scenario.

¹⁶⁶ IHS Markit. August 2021. Carbon Removal Potential. https://ww2.arb.ca.gov/sites/default/files/2021-08/ihsmarkit_presentation_sp_engineeredcarbonremoval_august2021.pdf.

¹⁶⁷ See Appendix H (AB 32 GHG Inventory Sector Modeling).

Similarly, for the NWL modeling, CARB used a mix of individual modeling tools¹⁶⁸ to estimate the carbon and other ecological, public health, and economic outcomes. The Reference scenario assumes that the level of land management actions that occurred between 2001 and 2014 for forests, shrublands, grasslands, croplands, developed lands, wetlands, and sparsely vegetated lands continues into the future. Alternative scenarios assessed the effect of increasing levels of management actions from the reference scenario beginning in 2025. There is a great deal of uncertainty about exactly how lands are currently managed, and a larger uncertainty about how they may be managed in the future. For NWL, it is unlikely that the future will precisely match the carbon stock outcomes CARB has projected, particularly given the uncertainties around current and future land management and the effects climate change will have on our lands. For any modeling exercise these uncertainties exist; however, this modeling effort brings together the best available science, data, and models to quantify the impact our actions may have on the landscape under an unknown future.

Implementation

As this Scoping Plan is designed to chart a path to achieving carbon neutrality, additional work will be required to fully design and implement any policies and actions identified in this plan. During the subsequent development of policies, the Legislature, CARB, and other state agencies will learn more about the technologies and their costs, as well as how each industry works, as a more comprehensive evaluation is conducted in coordination with stakeholders, including community engagement. Significant areas of uncertainty include permitting wait times¹⁶⁹ and local ordinances that might limit or slow the build-out of utility scale renewables.^{170,171} In another example, times to reach commercial operations for solar projects after securing an interconnection agreement also have increased in recent years, to 3.5 to 5.5 years.¹⁷²

The level of natural and working lands climate action identified in this Scoping Plan is ambitious. Achieving the level of action needed to result in the quantified carbon,

¹⁶⁸ See Appendix I (Natural and Working Lands Technical Support Document).

¹⁶⁹ CEC. 2021. *SB 100 Joint Agency Report*. https://www.energy.ca.gov/sb100#anchor_report.

¹⁷⁰ Roth, Sammy. 2019. "California's San Bernardino County slams the brakes on big solar projects." *Los Angeles Times*. <https://www.latimes.com/business/la-fi-san-bernardino-solar-renewable-energy-20190228-story.html?fbclid=IwAR2qHGq3bahHme6SFErLsnyFi9UPIfBHlhvnOh3dU3OM7kUTMcEqYfN3pQA>.

¹⁷¹ Chediak, Mark. 2021. "California NIMBYs Threaten Biden's Clean Energy Goals." *BNN Bloomberg*. <https://www.bnnbloomberg.ca/california-nimbys-threaten-biden-s-clean-energy-goals-1.1634351?msclkid=668c9ae9c11311ec92e34035ea157ad4>.

¹⁷² Rand, Joseph, et al. 2022. *Queued Up: Characteristics of Power Plants Seeking Transmission Interconnection as of the End of 2021*. Power Point Presentation. Lawrence Berkeley National Laboratory. https://emp.lbl.gov/sites/default/files/queued_up_2021_04-13-2022.pdf.

emissions, health, and economic outcomes within this Scoping Plan requires coordination, investment, and partnerships across all levels of government and sectors of the economy. It is possible that not all of the actions at the identified level will begin in 2025. This uncertainty will result in diminished levels of beneficial outcomes quantified in the Scoping Plan Scenario. The levels of NWL action identified in this Scoping Plan represent CARB's assessment of the pace and scale of action needed to achieve the carbon stock targets and CO₂ removal targets identified in this Scoping Plan.

The Scoping Plan Scenario identifies that 2.3 million acres of forests, shrubland, and grassland management annually would achieve substantial levels of fire emissions reductions and the concomitant health and economics benefits. Currently, 1 million acres of forest treatment annually is the joint federal and state government goal (500,000 acres each). This target of one million acres annually by 2025 is for the purposes of increasing forest health and wildfire resilience in the near term, whereas the 2.3 million acre target is what the Scoping Plan modeling shows would be needed to realize the carbon stock target called for in this Scoping Plan by 2045. By identifying 2.3 million acres of climate action annually in forests, shrublands, and grasslands, this Scoping Plan emphasizes the importance of that 1 million acre annual goal as a milestone on the way to even more action and improved fire and air quality outcomes. The modeling indicates that substantial improvements to statewide fire emissions will occur at levels of action greater than 1 million acres per year. If these levels of action do not occur starting in 2025, the Scoping Plan has quantified climate benefits that will still occur, but to a lesser extent. In terms of fire emissions, compared to the Reference Scenario, 2.3 million acres of forest, shrubland and grassland management will result in a 10% reduction in wildfire emissions. At 1 million acres per year, this decreases to a 2.5% reduction. If 1 million acres per year is also not accomplished, then the emissions and health benefits are even lower.

Climate action in other NWL sectors also generates many co-benefits. Climate action identified in this Scoping Plan is aimed at not only fighting climate change but also improving air quality and public health. The climate action identified in the agricultural sector, for example, should result in decreased pesticide and synthetic fertilizer use. This decrease of synthetic chemical use in agriculture across California also should result in improved public health, especially for communities that work and live in and around agricultural lands. However, as with the forestry sector, the benefits of climate action in agricultural lands and in any other land are dependent on how much implementation takes place. Ramping up increased healthy soils practices and increasing organic agriculture in California will require continued and sustained implementation by private industry and public agencies. For example, achieving the carbon stock outcomes for the annual crops called for in this Scoping Plan would require deployment and maintenance of healthy soils practices on 80,000 additional acres of croplands in California every year between 2025 and 2045. For context, CDFA's Healthy Soils Program, which is an incentive program

supporting healthy soils practices, took almost four years of sustained funding to achieve approximately 50,000 acres total under healthy soils practices.¹⁷³

Given the uncertainty around the modeling assumptions, and performance uncertainty as specific policies are fully designed and implemented, estimates associated with the Scoping Plan Scenario are certain to be different than what is ultimately implemented. One way to mitigate for this is to develop policies that can adapt and increase certainty in GHG emissions reductions. Periodic reviews of progress toward achieving the 2030 target and longer term deeper decarbonization, as well as performance of specific policies, also provide opportunities for the state to consider any changes to ensure we remain on course to achieve the 2030 target and carbon neutrality. The need for this periodic review process was anticipated in AB 32, as it calls for updates to the Scoping Plan at least once every five years. For this Scoping Plan, the metrics provided on the rate of deployment of clean fuels and technologies, along with the annual AB 32 GHG Inventory, provide additional information that can be used to assess progress on sectors and aggregate emissions. This is also true of CARB's NWL carbon inventory. An uncertainty analysis for achieving an accelerated 2030 target is provided toward the end of this chapter.

Targeted Evaluations for the Scoping Plan: Oil and Gas Extraction and Refining

To achieve California's air quality and climate goals, we must end our dependence on petroleum. This will not happen overnight. There are about 28 million combustion engine heavy- and light-duty trucks and passenger vehicles in California, and these are almost always replaced at their end of life. The ZEV Executive Order (EO N-79-20) calls for 100 percent new ZEV car sales beginning in 2035 and a 100 percent ZEV medium- and heavy-duty fleet sales by 2045 where feasible. The result is an ongoing, albeit shrinking, pool of vehicles that will continue to require petroleum fuels. To avoid leakage, as called for in AB 32, and to meet that remaining demand for petroleum fuel, a complete phaseout of oil and gas extraction and refining is not possible by 2045. This Scoping Plan assumes a phasedown in both oil and gas extraction as well as petroleum refining in line with the reduction in demand for in-state on-road petroleum fuel demand. Since the transportation sector is the largest source of GHG emissions and harmful local air pollution, we must continue to research and invest in efforts to deploy zero emissions technologies and clean fuels, and to reduce VMT. An assessment of ongoing progress and efforts to reduce

¹⁷³ California Department of Food and Agriculture. 2021. *Incentives Program 2017–2020 Summary by the Numbers*. https://www.cdfa.ca.gov/oefi/healthysoils/docs/HSP_Incentives_program_level_data_funded_projects.pdf.

demand for petroleum fuels and of opportunities to phase down oil and gas extraction and refining will be included in the next Scoping Plan update.

In addition to supplying in-state demand, California is a net exporter of gasoline, diesel, and jet fuel. California pipelines supply the Nevada and Arizona regions¹⁷⁴ with approximately 87 million barrels gasoline equivalent of refined products annually.¹⁷⁵ California pipelines deliver approximately 85% of Nevada's and 40% of Arizona's refined product. Most finished fuels flowing from California to Nevada and Arizona are currently produced by California refineries. To manage the phasedown of oil and gas extraction and petroleum refining in California, exports of finished fuels must be considered and factored into that process, in addition to the declining in-state demand. The authorities and considerations related to supply and demand of petroleum fuels span federal, state, and local agencies. If supply of fossil fuels is to decline along with demand, a multi-agency discussion is needed to systematically evaluate and plan for the transition to ensure that it is equitable.

This inter-agency work should also consider related topics, such as the following:

- Direct and indirect job and economic impacts
- Demand for other liquid fuel types such as renewable fuels, and expected volumes
- Legal considerations
- Public health benefits
- Demand and supply strategies for petroleum fuels, including how to avoid short term supply constraints that may impact low-income consumers

Some of these topics were also discussed as part of two studies¹⁷⁶ supported by the California Environmental Protection Agency, which can serve as a starting point for a working group to analyze these questions and develop policy recommendations.

Oil and Gas Extraction

On April 23, 2021,¹⁷⁷ Governor Newsom directed CARB to evaluate the phaseout of oil and gas extraction no later than 2045 as part of this Scoping Plan. As noted above, this Scoping Plan still has some California demand for finished fossil fuels (gasoline, diesel,

¹⁷⁴ CEC. August 2021. A Primer on California's Pipeline Infrastructure. *Petroleum Watch*.

https://www.energy.ca.gov/sites/default/files/2021-08/August_Petroleum_Watch_ADA.pdf.

¹⁷⁵ CEC. March 2020. *Petroleum Watch*. https://www.energy.ca.gov/sites/default/files/2020-03/March_2020_Petroleum_Watch.pdf.

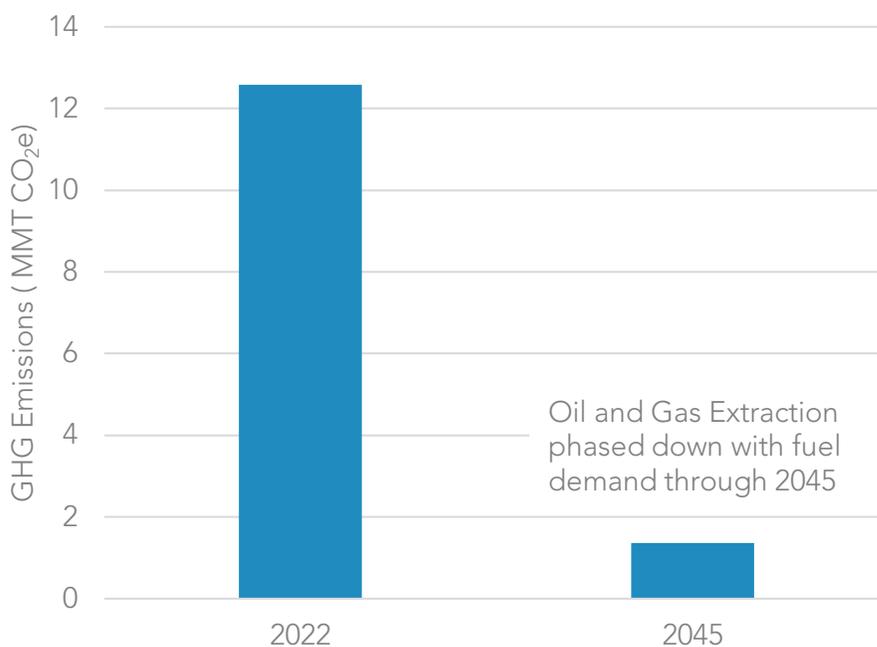
¹⁷⁶ CalEPA. 2021. Carbon Neutrality Studies: <https://calepa.ca.gov/climate/carbon-neutrality-studies/>.

¹⁷⁷ Governor Newsom. April 23, 2021. Governor Newsom Takes Action to Phase Out Oil Extraction in California. Press Release. <https://www.gov.ca.gov/2021/04/23/governor-newsom-takes-action-to-phase-out-oil-extraction-in-california/>.

and jet fuel) in 2045. This demand is primarily for transportation, including for sectors that are directly regulated by the state and some that are subject to federal jurisdiction, such as interstate locomotives, marine, and aviation. As discussed more fully below, while significant GHG reductions from oil and gas extraction could be achieved as demand for fossil fuels is reduced due to strategies in this Scoping Plan, it is not feasible to phase out oil and gas production fully by 2045 given this remaining demand.

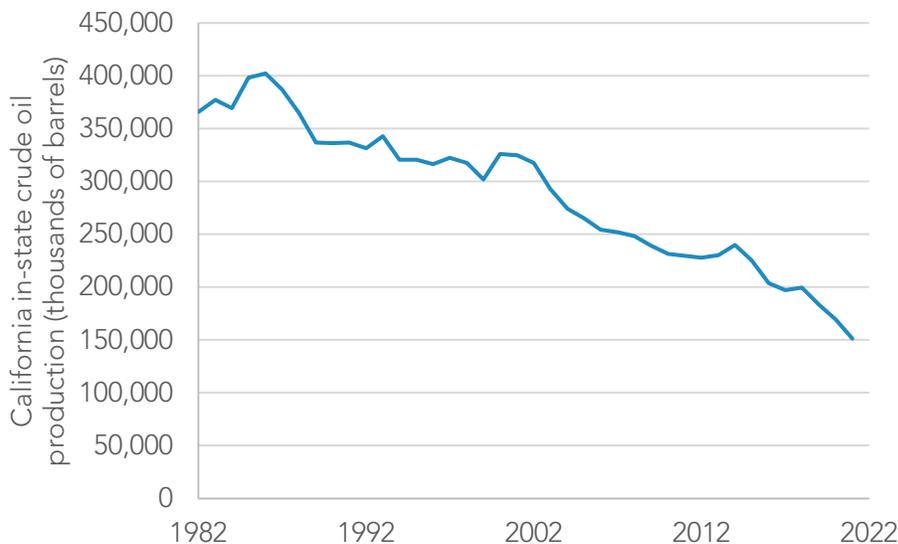
In the Scoping Plan Scenario, with successful deployment of zero carbon fuels and non-combustion technology to phase down petroleum demand, GHG emissions from oil and gas extraction could be reduced by approximately 89 percent in 2045 from 2022 levels if extraction decreases in line with in-state finished fuel demand. If in-state extraction were to be phased out fully, the future petroleum demand by in-state refineries would be met through increased crude imports to the state relative to the Scoping Plan Scenario. AB 32 defines leakage as, “a reduction in emissions in greenhouse gases within the state that is offset by an increase in emissions of greenhouse gases outside the state.” AB 32 also requires any actions undertaken to reduce GHGs to “minimize leakage.” Increases in imported crude could result in increased activity outside California to extract and transport crude into California. Therefore, our analysis indicates that a full phaseout of in-state extraction could result in GHG emissions leakage and in-state impacts to crude oil imported into the state. Figure 2-6 compares the 2022 emissions from this sector with the modeled results when the sector is phased down with in-state petroleum demand.

Figure 2-6: Oil and gas extraction sector GHG emissions in 2022 and 2045 when activity is phased down with in-state fuel demand



According to California Energy Commission (CEC) data used in Figure 2-7, the total oil extracted in California peaked at 402 million barrels in 1986. Since then, California crude oil production has decreased by an average of 6 million barrels per year, to about 200 million barrels in 2020. This steadily decreasing production of crude in California is expected to continue as the state’s oil fields deplete.

Figure 2-7: California in-state crude oil production¹⁷⁸



A UC Santa Barbara report estimated that, under business-as-usual conditions, California oil field production would decrease to 97 million barrels in 2045.¹⁷⁹ The business-as-usual model assumed no additional regulations limiting oil extraction in California.

Any crude oil demand by California refineries not met by California crude oil will be met by marine imports of Alaskan and foreign crude.¹⁸⁰ As shown in Figure 2-8, approximately 99 percent of crude imports into California are delivered by marine transportation. The

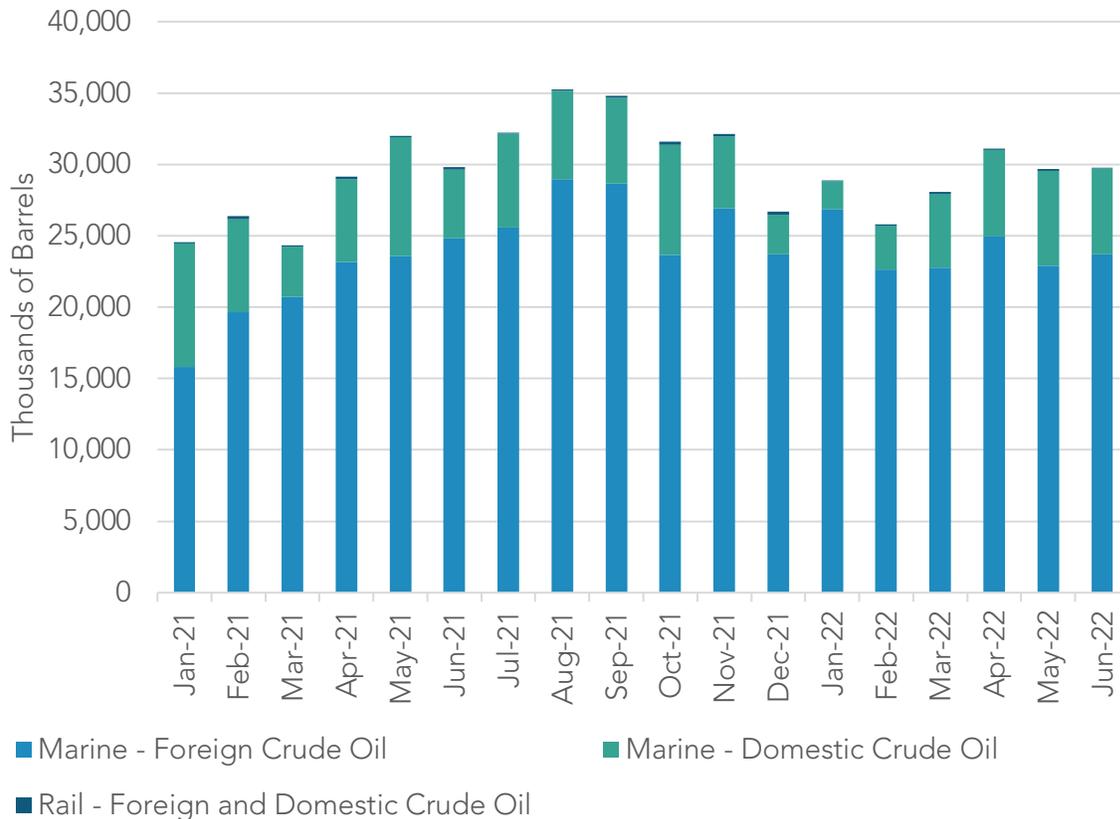
¹⁷⁸ CEC. No date. Oil Supply Sources to California Refineries. Accessed April 21, 2022. <https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/oil-supply-sources-california-refineries>.

¹⁷⁹ University of California, Santa Barbara. 2021. Enhancing Equity While Eliminating Emissions in California’s Supply of Transportation Fuels.

¹⁸⁰ CEC. 2020. *Petroleum Watch: How Petroleum Products Move*. March. https://www.energy.ca.gov/sites/default/files/2020-03/March_2020_Petroleum_Watch.pdf, and CEC. 2020. *Petroleum Watch: What Types of Crude Oil Do California Refineries Process?* February. https://www.energy.ca.gov/sites/default/files/2020-02/2020-02_Petroleum_Watch_ADA_0.pdf.

remaining imports occur by rail.¹⁸¹ There are no pipelines that bring crude oil into California from out of state.¹⁸²

Figure 2-8: Crude oil imports by transportation type¹⁸³



Crude oil delivered by marine tankers is delivered to onshore storage tanks and subsequently to refineries via pipeline. Most crude oil produced in California is delivered to California refineries by pipeline. Using historical trends, any increases in imported crude above historic levels would result in increased deliveries through the marine ports. This increased activity could require more infrastructure to store and move larger volumes of crude to the refineries in state.

¹⁸¹ CEC. June 2021. Crude Oil Imports by Transportation Type. Accessed March 16, 2022. <https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/crude-oil-imports-source>.
¹⁸² CEC. 2020. *Petroleum Watch: How Petroleum Products Move*. March. https://www.energy.ca.gov/sites/default/files/2020-03/March_2020_Petroleum_Watch.pdf.
¹⁸³ CEC. June 2021. Crude Oil Imports. <https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/crude-oil-imports-source>.

California refineries import a variety of crude oils to meet refinery needs. California petroleum refineries are generally designed to process relatively heavy crude relative to other U.S. refineries. In 2018, crude inputs to California refineries had an average American Petroleum Institute (API) gravity of 26.18 and an average sulfur content of 1.64 percent. Processing significantly lighter or heavier crude blends would require significant changes to a refinery.¹⁸⁴ Most crude imported from Alaska and the Middle East is relatively light (API gravity > 30) compared to California crude (API gravity < 20).¹⁸⁵ If California crude production is insufficient to meet the demand at California refineries, then California refineries will need access to a similarly heavy source of crude so that the average API gravity of crude remains within their established operating window. South American crude oil imports into California are the heaviest relative to other regions, and therefore they may be the most likely to replace decreased California crude oil supply.¹⁸⁶

In summary, the modeling indicates that demand for petroleum will persist due to legacy fleets that will not be replaced until end of life. The modeling also shows what the GHG emissions reductions would be if oil and gas extraction activities were phased down in line with the reduction of in-state petroleum demand. Trend data shows that oil and gas extraction already has been on the decline and will continue to decline. It is possible to anticipate the likely regions and types of crude that would be imported to meet in-state petroleum demand if in-state extraction was fully phased out by 2045. Importantly, activity at the ports would increase, and new infrastructure would be needed to store and deliver crude to in-state refineries. And while GHG emissions from this sector would go to zero in our AB 32 GHG Inventory with a full phaseout, emissions related to the production and transport of crude to California might increase elsewhere, resulting in emissions leakage.

As the state continues to reduce demand for petroleum, efforts to protect public health for communities located near oil and gas extraction sites must also continue. In October 2021, Governor Newsom directed action to prevent new oil drilling near communities and

¹⁸⁴ CEC. 2020. *Petroleum Watch: What Types of Crude?* February.
https://www.energy.ca.gov/sites/default/files/2020-02/2020-02_Petroleum_Watch_ADA_0.pdf.

¹⁸⁵ CEC. 2020. *Petroleum Watch: What Types of Crude?* February.
https://www.energy.ca.gov/sites/default/files/2020-02/2020-02_Petroleum_Watch_ADA_0.pdf.

¹⁸⁶ CEC. 2020. *Petroleum Watch: What Types of Crude?* February.
https://www.energy.ca.gov/sites/default/files/2020-02/2020-02_Petroleum_Watch_ADA_0.pdf.

expand health protections.^{187,188} In 2022, the Legislature passed, and the governor signed, SB 1137 to protect communities from existing and any new oil and gas extraction activities through 3,200 foot setbacks.

Petroleum Refining

In the Scoping Plan Scenario CARB modeled a phasedown of refining activity in line with petroleum demand. Meeting petroleum demand means sufficient availability of finished fuel (gasoline, diesel, and jet fuel). Crude is processed at in-state refineries to produce finished fuel. In response to stakeholder requests,¹⁸⁹ this evaluation focuses on the Scoping Plan Scenario, but with an evaluation of a complete phasedown of refinery operations in state.

The Scoping Plan Scenario results in California petroleum refining emissions of 4.5 MMTCO₂e in 2045; a reduction of approximately 85 percent relative to 2022 levels, which is in line with the decline in in-state finished fuel demand.¹⁹⁰ Emissions from refining can be reduced further through the application of CCS technology, as shown in Figure 2-9. If in-state refining is phased down to zero and the demand for the finished fuels produced by that refining persists, imported finished fuels may be needed to meet the remaining in-state demand.¹⁹¹ The current data shows unmet demand for liquid petroleum transportation fuels would most likely be met by marine imports. A CEC report notes, “The only way for California to receive large amounts of crude and refined products is by marine.”¹⁹²

¹⁸⁷ Office of Governor Gavin Newsom. 2021. California Moves to Prevent New Oil Drilling Near Communities, Expand Health Protections. <https://www.gov.ca.gov/2021/10/21/california-moves-to-prevent-new-oil-drilling-near-communities-expand-health-protections-2/?msclkid=6c0da86bc58e11ecb81cf596d4d8a735>.

¹⁸⁸ California Department of Conservation Geologic Energy Management Division. October 2021. Draft Rule for Protection of Communities and Workers from Health and Safety Impacts from Oil and Gas Production Operations. <https://www.conservation.ca.gov/calgem/Pages/Public-Health.aspx?msclkid=45660232cf2511ecb1c56119097e3b0c>.

¹⁸⁹ California Environmental Justice Alliance. October 22, 2021. Comment on 2022 Scoping Plan Update - Scenario Inputs Technical Workshop. <https://www.arb.ca.gov/lists/com-attach/68-sp22-inputs-ws-WzhdPII5AjACW1Qx.pdf>.

¹⁹⁰ This reduction in demand does not assume any need for ongoing operations to support exports to neighboring states.

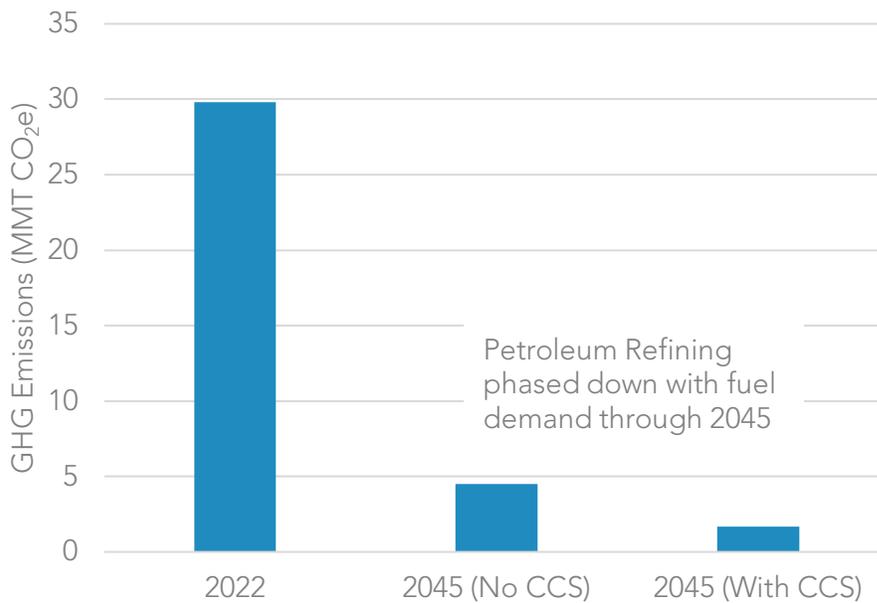
¹⁹¹ If demand assumes an ongoing need to support exports to neighboring states, the residual demand would require a five-fold increase in finished fuel imports.

¹⁹² CEC. 2020. *Petroleum Watch: How Petroleum Products Move*. March.

https://www.energy.ca.gov/sites/default/files/2020-03/March_2020_Petroleum_Watch.pdf.

There are currently no pipelines capable of bringing refined products to the state, and rail imports of refined products have historically made up less than 1 percent of all imports.¹⁹³ Significant increases in marine imports would likely require significant reconfiguring, retrofitting, or replacement of crude pipelines and storage tanks at current marine terminals, and possible reconfiguring of existing finished fuel infrastructure to account for changes in volumes and locations of supply points.

Figure 2-9: Petroleum refining sector GHG emissions in 2022 and 2045 (with and without CCS) when activity is phased down with fuel demand



If California’s finished fuel demand is not met by continued refining activity in California, the state would need to import finished fuels to meet the ongoing demand. This would likely result in a two- to five-fold increase in the number of finished fuel ship deliveries to marine terminals. Marine tankers delivering refined products are often much smaller than crude oil tankers, so changes in fuel use and emissions cannot be easily estimated from the change in both the type and the number of ship deliveries.¹⁹⁴

¹⁹³ CEC. 2020. *Petroleum Watch: How Petroleum Products Move*. March.

https://www.energy.ca.gov/sites/default/files/2020-03/March_2020_Petroleum_Watch.pdf.

¹⁹⁴ Personal communication with CEC staff, March 2022; U.S EIA. 2017. *World Oil Transit Chokepoints*. 3. <https://www.eia.gov/beta/international/regions-topics.php?RegionTopicID=WOTC>.

If refining ceased in California, the rail and marine deliveries currently needed to support both refining processes and the export of waste products, such as petroleum coke, would cease.

In summary, the modeling indicates that demand for petroleum will persist through 2045. The modeling also shows what the GHG emissions reductions would be if refining activities were phased down in line with the reduction in in-state petroleum demand. CCS can further reduce emissions for this sector. Importantly, activity at the ports would increase, and new infrastructure would be needed to store and deliver finished fuel across the state, if in-state refining were fully phased down by 2045. And while GHG emissions from this sector would go to zero in our AB 32 GHG Inventory with a full phaseout, emissions related to the refining and transport of finished fuel to California might increase elsewhere, resulting in emissions leakage.

Progress Toward Achieving the Accelerated 2030 Target

The 2017 Scoping Plan laid out a path to achieving the SB 32 target of at least a 40 percent reduction of GHG emissions below 1990 levels by 2030 that focused on reducing emissions in the state and was technologically feasible and cost-effective, reflecting statutory direction. Many of the programs to achieve the 2030 target increased in stringency beginning January 1, 2021. However, the 2030 target must be increased to help achieve the deeper reductions needed to meet the state's statutory carbon neutrality target specified in AB 1279 and Executive Order B-55-18.

Starting in 2020 and extending into 2022, the COVID-19 pandemic impacts reverberated across the globe in a multitude of ways, including the devastating loss of millions of lives. The pandemic also had a significant impact on GHG emissions by virtue of its impact on global economies and lifestyle changes for Californians, with extended work and school disruptions. Thus, assessing our progress toward meeting our SB 32 target is confounded by the unprecedented nature of the pandemic. Nevertheless, an assessment of progress toward the 2030 target is critical, in particular the accelerated 2030 target called for in this Scoping Plan, since achieving the accelerated 2030 target would make the state well positioned to achieve its carbon neutrality goals and bring critical near-term air quality benefits to address historical and ongoing disparities in access to healthy air. Because there is only one year of data available for this decade, the analysis takes a prospective look using projected emissions over the remainder of this decade.

Estimating GHG emissions in 2030 requires projecting the effect of policies or measures that are currently deployed and undergoing implementation. Table 2-4 shows three distinct estimates of GHG emissions in 2030 that were created at different times and used different modeling approaches.

Table 2-4: Estimates of 2030 GHG emissions

Scenario Description	2030 GHG Emissions (MMTCO ₂ e)
2017 Scoping Plan: the projected outcome from implementing policies identified in the 2017 Scoping Plan that was approved by the CARB Board in December 2017.	320
Reference Scenario: the assessment of current trends and expected performance of policies identified in the 2017 Scoping Plan, as of February 2022, using the PATHWAYS model (E3).	305
Reference Scenario (Rhodium): the analysis of projected emissions from 2021 to 2030 from state and federal policies implemented as of July 2022, including the estimated impact of the Inflation Reduction Act and Advanced Clean Cars II using RHG-NEMS and other Rhodium Taking Stock 2022 methods (https://rhg.com/wp-content/uploads/2022/07/Taking-Stock-2022-US-Emissions-Outlook.pdf).	324

These three estimates of 2030 GHG emissions differ, which is expected. The estimates reflect different outcomes of the current and future impact of policies and measures. They also vary due to fundamental differences in the way these models work. For example, PATHWAYS is an economy-wide, scenario-based GHG accounting tool that tracks energy demands and supplies in line with scenario assumptions and is benchmarked to historical values. RHG-NEMS optimizes both the supply and demand sides of the energy system while factoring in consumer constraints and dynamic economic and energy systemwide feedback. Importantly, while these point estimates give the appearance of certainty and accuracy, there is significant uncertainty in future emissions projections that is documented thoroughly in each of the three emissions scenarios described above. No model can predict the future given unforeseen factors such as notable economic swings and implementation delays for programs. However, the range of emissions estimates provides a useful indication of possible outcomes from successful implementation of policies and measures.

An important source of uncertainty is the impact of delayed implementation of policy measures and market actions. The successful rate of deployment of clean technology and fuels—including consumer adoption patterns, economic recovery from the pandemic, and the permitting and build-out of necessary new assets and reuse of existing assets to produce and deliver clean energy—is essential to reach GHG emission reduction targets. Any delays will only increase GHG emissions in 2030.

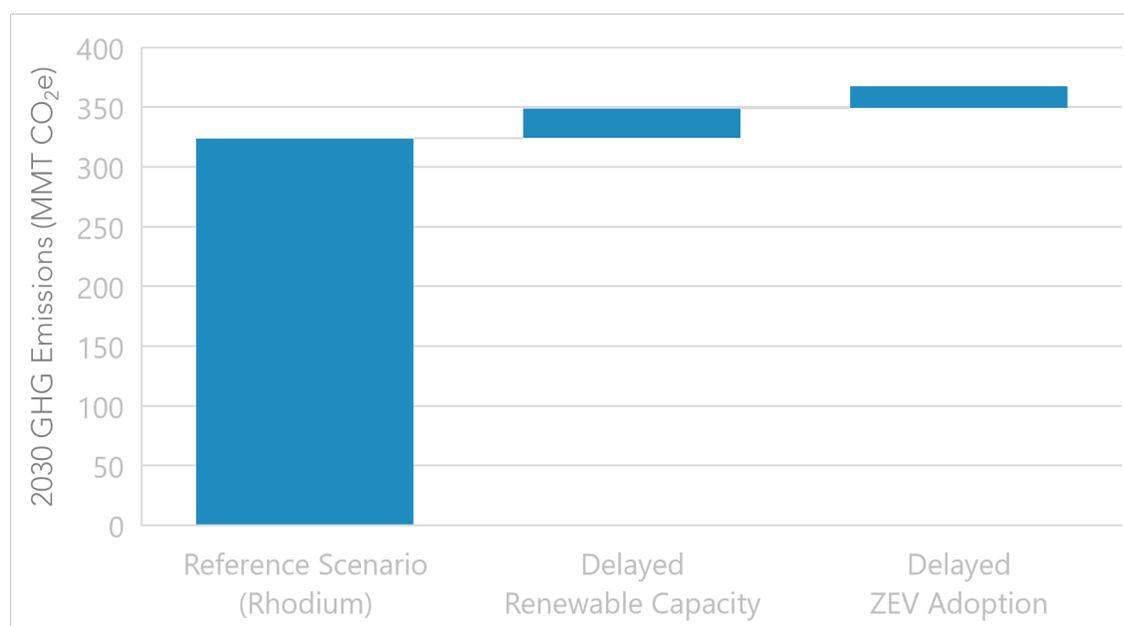
It is important to note that incentives, carbon pricing, and regulations all can result in similar types of responses including, but not limited to:

- Build-out of clean energy and infrastructure
- Deployment of clean technology
- Reduced demand for fossil energy
- Efficiency improvements

As such, the uncertainty analysis discussion focuses on implementation (technology and infrastructure deployment), and not any specific programs or policies. It is successful implementation that must ultimately happen for emissions reductions to be realized.

The uncertainty analysis described in Appendix J (Uncertainty Analysis) quantifies the impact of delayed permitting and building of renewable generation and transmission in the power sector and delayed adoption of ZEVs across all vehicle fleets in the transportation sector. The Reference Scenario (Rhodium) estimates emissions in 2030 to be 324 MMTCO_{2e}. A five-year delay in renewable capacity would increase emissions by 8 percent in 2030 (25 MMTCO_{2e}) relative to the Reference Scenario. If similar delays in clean energy production and deployment occur in other sectors, a larger increase in emissions relative to the reference scenario would be expected, jeopardizing the state's ability to achieve the 2030 target. Similarly, a delay in consumer adoption of zero emission vehicles (LDV, MDV, HDV) would increase emissions by 6 percent in 2030 (19 MMTCO_{2e}) relative to the Reference Scenario. Delays in transitioning to electric equipment and appliances in homes and businesses would also lead to increased emissions in 2030. Figure 2-10 illustrates the impact on projected emissions in 2030 associated with delayed renewable capacity and delayed transportation vehicle electrification.

Figure 2-10: Impact of delayed implementation on 2030 GHG emissions¹⁹⁵



Appendix J (Uncertainty Analysis) includes additional details on the assumptions and model used for the uncertainty analysis and the risks to achieve the emissions reductions from 2022 to 2030 that are anticipated in the Scoping Plan Reference Scenario. While the analysis focuses on renewable capacity and transportation, the analysis identifies a common set of themes that can impact emissions reductions across economic sectors, including permitting, technology availability, and consumer adoption. The impact of delayed emissions reductions will vary by sector and by the specific policy at risk of delay.

We give these quantitative examples of the impact implementation delays can have on GHG reductions, but almost every economic sector will have the need for permitting to enable at least a 40 percent reduction below 1990 levels. If we consider the increased ambition of the Scoping Plan Scenario, which identifies an accelerated 2030 target, the same types of uncertainty manifest themselves in successful implementation of the Scoping Plan Scenario, with the added need for CCS and CDR and a need to grow other energy sectors such as hydrogen.

¹⁹⁵ The implementation delay scenarios were modeled separately and do not necessarily reflect the combined impact of delayed renewable capacity and transportation vehicle electrification.

Cap-and-Trade Program Update

Since the adoption of the first Scoping Plan in 2008, carbon pricing in the form of a Cap-and-Trade Program has been part of the portfolio to achieve the state's GHG reduction targets, and it will remain critical as we work toward carbon neutrality. This section provides an update on the program and its role in achieving the 2030 target.

The Cap-and-Trade Program first came into effect in 2012, under AB 32, and included declining allowance caps through 2020. In 2017, AB 398¹⁹⁶ was passed by a supermajority in the Legislature and included prescriptive direction on the design of the program from 2021 through 2030. The AB 398 Cap-and-Trade Program came into effect on January 1, 2021, and it included the following changes:

- Doubling of stringency with an annual cap decline of 4 percent per year from 2021–2030
- AB 398 price ceiling
- AB 398 redesigned allowance price containment reserve with two tiers
- AB 398 100 percent leakage assistance factor for industry
- AB 398 lower offset limits: Usage limit cut from 8 percent to 4 percent, and half of offsets must provide direct benefits to California

The reduction in the role of offsets in the program was in recognition of ongoing concerns raised by environmental justice advocates regarding the ability of companies to use offsets for compliance instead of investing in actions on site to reduce GHG emissions that could also potentially reduce criteria or toxic emissions.^{197,198} Note that data show the relationship between facility emissions of GHGs and co-pollutants is highly variable by sector and pollutant.¹⁹⁹ Changes to the allowance price containment reserve and the addition of the price ceiling were included to ensure protections against price spikes in the program, while the changes to the leakage assistance factors were to ensure the maximum protection against leakage in the program. The original design of the program included an auction floor price that increases by 5 percent plus inflation each year, and

¹⁹⁶ Assembly Bill 398 (Garcia, Chapter 135, Stats. of 2017). California Global Warming Solutions Act of 2006: market-based compliance mechanisms: fire prevention fees: sales and use tax manufacturing exemption. https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB398.

¹⁹⁷ OEHHA. 2022. *Impacts of Greenhouse Gas Emission Limits Within Disadvantaged Communities*. <https://oehha.ca.gov/media/downloads/environmental-justice/impactsofghgpoliciesreport020322.pdf>.

¹⁹⁸ The OEHHA report also found that companies that use the most offsets often own the facilities that contribute to local PM_{2.5} exposure. However, there was no causal relationship found to indicate that implementation of the Cap-and-Trade Program was contributing to increases in local air pollution. Also see: CARB. FAQ Cap-and-Trade Program. <https://ww2.arb.ca.gov/resources/documents/faq-cap-and-trade-program>.

¹⁹⁹ OEHHA. 2022. *Impacts of Greenhouse Gas Emission Limits Within Disadvantaged Communities*. <https://oehha.ca.gov/media/downloads/environmental-justice/impactsofghgpoliciesreport020322.pdf>.

that escalation factor is retained in the post-2020 program and is also applied to the allowance price containment reserve and price ceiling. These features, combined with the self-ratcheting mechanism for unsold allowances at auctions,²⁰⁰ help to ensure the program is able to handle periods of high and low demand for allowances while continuing to ensure a steadily increasing price signal for regulated entities to invest in GHG reduction technologies.

As a result of achieving the 2020 target several years earlier than mandated by law, there are unused allowances in circulation. CARB estimated the amount to be approximately 310 million allowances after the conclusion of the third compliance period (2018–2020).²⁰¹ AB 398 had also called for a similar analysis, which was completed in 2018.²⁰² This bank represents approximately 5 percent of the total number of vintage 2013–2030 allowances issued within the joint market. This bank of allowances can only remain banked if year-over-year the covered emissions are declining by 14 MMT. If the annual decline in actual emissions is less than 14 MMT, regulated entities will need to use the banked allowances to cover their compliance obligations. It is likely that the existing bank of 310 million allowances will be needed over the early part of this decade and will be exhausted by the end of the decade. During the same period, prices for allowances will continue to increase at least 5 percent plus inflation year-over-year, sending a steadily increasing price signal to spur investment in onsite reductions for covered entities.

With the passage of AB 1279, the state has a statutory target to achieve carbon neutrality no later than 2045. This Scoping Plan demonstrates that planning on a longer time frame for the new carbon neutrality target means we must accelerate our near-term ambition for 2030 in order to be on track to achieve our longer-term target. CARB will use the modeling for this Scoping Plan to assess what changes may be warranted to the Cap-and-Trade or other programs to ensure we are on track to achieve an accelerated 2030 target. Since the original adoption of the Cap-and-Trade regulation, the program has been amended eight times through a robust public process. Moreover, then-California Environmental Protection Agency Secretary Jared Blumenfeld testified at a Senate hearing in 2022 that CARB will report back to the Legislature by the end of 2023 on the status of the allowance supply with any suggestions on legislative changes to ensure the number of allowances

²⁰⁰ The self-ratcheting mechanism temporarily removes unsold allowances from the market until either sufficient demand manifests for two consecutive auctions and they are incrementally reintroduced at future auctions, or they are permanently removed from general circulation if demand remains low.

²⁰¹ CARB. 2022. BR 18-51 Cap-and-Trade Allowance Report. Attachment A.

https://ww2.arb.ca.gov/sites/default/files/cap-and-trade/Allowance%20Report_Reso18_51.pdf.

²⁰² CARB. 2018. Staff Report: Initial Statement of Reasons: Proposed Amendments to the Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation. September 4. https://www.arb.ca.gov/regact/2018/capandtrade18/ct18398.pdf?_ga=2.134288305.1735610122.1664813952-1100516233.1657841496.

is appropriate to help the state achieve its 2030 target of at least 40% below 1990 levels. As part of that status update, CARB will also provide information on any potential program changes that may be needed to allowance supply to help achieve an accelerated target for 2030 identified in this Scoping Plan as necessary to achieve carbon neutrality no later than 2045. Engaging in this process in 2023 will allow for the consideration of this Scoping Plan, inclusion of additional data points for the second year of operation of the AB 398-designed program (which only came into force in January 2021), and an opportunity to hold public workshops.

It is also worth noting that the COVID-19 pandemic had significant impacts on economic activity in California and elsewhere.²⁰³ Emissions were significantly lower in 2020 due to the impacts of the global pandemic. There is an expectation that emissions will increase as the economy recovers and behaviors continue to shift from the impacts of the ongoing pandemic. As a result, 2020 should be regarded as an outlier in the emissions trends. This scenario of increasing emissions is similar to what happened in the first compliance period for Cap-and-Trade, where the state economy was recovering from the Great Recession and does not correlate to a problem with the structure of this program or other programs that cover emissions related to the manufacturing or transportation sectors. In any assessment of this and other programs, it is essential to consider external factors such as economic activity and availability of zero carbon energy such as hydropower, among others.

To better understand the role of the Cap-and-Trade Program in achieving the 2030 target, Table 2-5 compares the 2030 GHG emissions estimates from the three reference scenarios described in Table 2-4. The 2017 Scoping Plan projection is from the PATHWAYS model for the Scoping Plan Scenario approved by the Board in late 2017. It excludes the contribution of the Cap-and-Trade Program, without any consideration of uncertainty factors (i.e., a characterization of the uncertainty that a given GHG reduction measure included in the 2017 Scoping Plan will actually achieve the GHG reductions it is projected to deliver). The Reference Scenario represents what GHG emissions would look like if we did nothing beyond the existing policies that are required and already in place to achieve the 2030 target; this scenario is based on the recent PATHWAYS modeling, excluding the contribution of the Cap-and-Trade Program, and without any consideration of uncertainty factors. It indicates that GHG emissions will be lower over this decade than originally projected when the 2017 Scoping Plan was approved. The

²⁰³ CARB. November 4, 2021. Mandatory Greenhouse Gas Reporting - 2020 Emissions Year Frequently Asked Questions. https://www.arb.ca.gov/cc/reporting/ghg-rep/reported-data/2020mrrfaqs.pdf?_ga=2.264251343.1760432228.1650736660-1644197524.1577749754.

Reference Scenario (Rhodium) which also does not include uncertainty bounds, is the modeling used for the uncertainty analysis above.

Importantly, PATHWAYS is not able to explicitly model a carbon pricing policy, and therefore the Cap-and-Trade Program is not represented in the 2017 Scoping Plan or the Reference Scenario. Carbon pricing is included in RHG-NEMS, which reflects state and federal policies included in the U.S. Energy Information Administration (EIA) Annual Energy Outlook 2022 and the National Energy Systems Model (NEMS), which is the basis for RHG-NEMS.²⁰⁴

As detailed in EIA's documentation, California's Cap-and-Trade Program is represented through increased energy prices, which flow across economic sectors.²⁰⁵ However, many of the emissions covered by the California Cap-and-Trade Program are not energy- and fuel-related emissions. Given that, the energy systems model RHG-NEMS was used to model the impact of California Cap-and-Trade on the energy system. However, RHG-NEMS does not explicitly model the entire program, which includes non-energy related emissions from the industrial, agricultural, waste, and transportation sectors.

²⁰⁴ U.S. EIA. 2022. *Summary of Legislation and Regulations Included in the Annual Energy Outlook 2022*. March. <https://www.eia.gov/outlooks/aeo/assumptions/pdf/summary.pdf>.

²⁰⁵ U.S. EIA. 2022. Electricity Market Module. <https://www.eia.gov/outlooks/aeo/assumptions/pdf/electricity.pdf>.

Table 2-5: Comparison of 2017 Scoping Plan and two Reference Scenarios

	2030 GHG Emissions (MMTCO ₂ e) (2017 Scoping Plan)	2030 GHG Emissions (MMTCO ₂ e) (Reference Scenario)	2030 GHG Emissions (MMTCO ₂ e) (Reference Scenario-Rhodium)
Reference Scenarios	320	305	324
Gap to Accelerated 2030 Target under the Scoping Plan Scenario (226)²⁰⁶	94	79	98

Under the Scoping Plan Scenario, in 2030 California emissions are anticipated to be 48% below 1990 levels. This represents an acceleration of the current SB 32 target of a 40% reduction below 1990 levels. Table 2-5 includes the gap between the different reference scenarios and the accelerated 2030 target achieved under the Scoping Plan Scenario. It also shows that depending on the modeling, there are a range of potential emissions levels in 2030 prior to accounting for the full impact of the Cap-and-Trade Program on emissions. That range is from 305 to 324 MMTCO₂e in 2030. That represents a 19 MMTCO₂e spread, or about 8.4 percent of the accelerated 2030 target of 226 MMTCO₂e. Importantly, none of these scenarios includes all of the actions identified in the Scoping Plan Scenario for this Scoping Plan; many of those actions, such as SB 596, CCS, and a more stringent LCFS program, will only begin to happen in this decade, and their contributions toward meeting the accelerated 2030 target are therefore not included in the reference scenarios. The actual emissions for the remainder of this decade will therefore likely be lower than in each of the scenarios in Table 2-5 once policies and regulations are in place to support an accelerated 2030 target. However, the degree of this difference between actual and projected emissions will differ across the modeled reference scenarios.

²⁰⁶ Table 3 from the 2017 Scoping Plan included a range of 34 to 79 MMTCO₂e for reductions needed from the Cap-and-Trade Program to achieve a 2030 target of 40 percent below 1990 levels.

Regardless of the uncertainty and differences in the models, it is clear additional GHG reductions must happen over this decade to achieve an accelerated 2030 target. This will require an evaluation of all major programs to assess the need to increase their stringency between now and 2030. As the actual reductions from non-Cap-and-Trade Program measures increase, California will be less reliant on the Cap-and-Trade Program to “fill the gap” to meet an accelerated 2030 reduction target. For example, CARB is developing a proposal to increase the stringency of the LCFS program for 2030, the recently adopted Advanced Clean Cars II regulation is more stringent than modeled for the 2030 40 percent target in the 2017 Scoping Plan, and SB 596 requires specific reductions in the cement sector over this decade and beyond. However, we also know we are not on track to achieve the VMT reduction called for in the 2017 Scoping Plan and will need to double down to achieve the even more ambitious target called for in the Scoping Plan Scenario. Also, we will need additional actions over the coming years to reduce short-lived climate pollutants to meet the emission reductions called for in SB 1383.

Collectively, any additional legislation or prescriptive policies for sectors, delays in successful implementation of non-Cap-and-Trade programs and policies, increases in incentive program funding, and delays in economic recovery from the pandemic will continue to affect the role the Cap-and-Trade Program will need to play over this decade to meet the state’s GHG reduction obligations. In summary, the Cap-and-Trade Program must continue to be able to scale across a range of possibilities. With passage of AB 1279 and the need to accelerate the 2030 target, CARB will initiate a public process to utilize the modeling results from this Scoping Plan, specifically the Scoping Plan Scenario, to evaluate and potentially propose changes to the design of the Program, including the annual caps. This process will ensure that the Program supports an increased ambition for 2030 while retaining the ability to scale as other factors, such as changing economic conditions and implementation of non Cap-and-Trade programs, impact the actual emissions at the sources covered by the Program. Any changes to the Program must continue to support a well-designed system that continues to send a steadily increasing price signal, minimizes for leakage, reduces emissions in the covered sectors toward the state’s targets, is cost-effective and technologically feasible, and avoids energy rate spikes. Importantly, the Program should support air quality benefits, especially in overly burdened communities, and not exacerbate existing air quality disparities.

Chapter 3: Economic and Health Evaluations

This chapter provides two approaches for quantifying the economic and health outcomes of the Scoping Plan Scenario. One approach is to consider the combined impact of all measures²⁰⁷ in a scenario. The other approach is required by AB 197, where each measure within a scenario is evaluated independently. In addition to these two evaluation approaches, this chapter also includes a discussion of the Public Health implications for the Scoping Plan Scenario, an overview of the Climate Vulnerability Metric, and the Environmental Analysis conducted in accord with the California Environmental Quality Act (CEQA).

It is important to note that all of the analyses in this chapter use a variety of data sources, but because the modeling is economy-wide at the state level, none of them produce community specific detail outputs. The AB 32 GHG Inventory Sector analysis relies on PATHWAYS data at the state level that is proportionally applied across all regions of the state to translate changes in state level fuel combustion to local level changes. The NWL analysis similarly utilizes a variety of data sources and a suite of models that produce data that are scaled up to the statewide level. All of the models, except the Wildland Urban Interface (WUI) defensible space model, which is conducted at the county level, create aspatial projections that are not applicable at the community level.

Economic Analysis

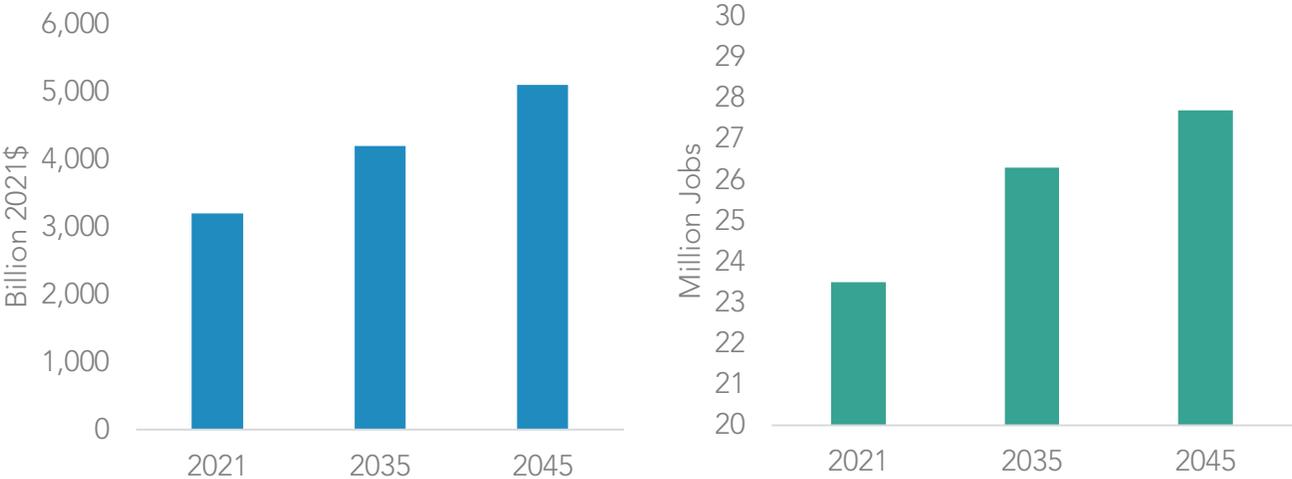
As part of the process to develop this Scoping Plan, alternative scenarios that transition energy needs away from fossil fuels and achieve carbon neutrality no later than 2045 were developed. Alternative scenarios that assess the impact of different land management strategies on carbon stocks in NWL were also developed. These alternatives are described in Appendix C (AB 197 Measure Analysis). The following sections describe the Scoping Plan Scenario in terms of direct cost, the economy, employment, and health outcomes.²⁰⁸

²⁰⁷ AB 197 calls for the evaluation of “measures.” This Scoping Plan treats each action and its variants on stringency as measures for the purposes of this chapter. Appendix C (AB 197 Measure Analysis) lists the measures and corresponding modeling assumptions for each alternative and the Scoping Plan Scenario. The modeling assumptions for the Scoping Plan Scenario are summarized in Table 2-1.

²⁰⁸ For the Draft 2022 Scoping Plan Update, achieving carbon neutrality in 2035 and 2045 was evaluated. The AB 32 GHG Inventory sector direct cost, the economy, employment, and health outcomes were assessed in those years. Similarly, the Scoping Plan Scenario assessments that are presented in this chapter were made for years 2035 and 2045.

The California economy is growing, and it is projected to continue to grow about 2 percent each year, from \$3.2 trillion in 2021 to \$5.1 trillion in 2045, as shown in Figure 3-1. Similarly, employment in California is anticipated to grow 0.7 percent per year, from 23.5 million jobs in 2021 to 27.7 million jobs in 2045. It is in this context, termed the *Reference Scenario*, that CARB evaluates the Scoping Plan Scenario in terms of its impact on economic growth and employment. The projections shown in Figure 3-1 were produced by CARB to evaluate the incremental impact of regulations.

Figure 3-1: Projected California gross state product (left) and employment growth (right) from 2021 to 2035 and 2045



Source: California Air Resources Board

Transitioning away from fossil fuels to alternatives and increasing action on NWL will affect employment opportunities, household spending, businesses, and other economic aspects of our lives. Sectors expected to see growth include renewable electricity and hydrogen production, while other sectors may shrink. The deployment of clean technology may require higher upfront costs for things like heat pumps and induction stoves, but those could be offset by energy efficiency savings. Employment and economic development in NWL-related industries and sectors are expected to increase as land management actions increase, especially for the Forestry sector (in which a significant increase is called for under the Scoping Plan Scenario). The net impact of these actions on employment and jobs is presented in this chapter.

Estimated Direct Costs

One key metric is the direct cost, or net investment, reflecting any savings that result from actions. Similar approaches were used to estimate direct costs for the AB 32 GHG Inventory sectors and for the NWL, as described in this section.

AB 32 GHG Inventory Sectors

Transitioning away from fossil fuels requires investment in new equipment and infrastructure throughout the economy. It involves developing the capacity to produce fuels and electricity from renewable sources rather than producing fossil energy. This transition also takes time. One approach is to eliminate combustion of fossil fuels by replacing all equipment in a specified year. Another approach is to establish a future point at which all sales of new equipment rely on alternative energy sources and allow the transition to occur over time as equipment is replaced upon its end of life.

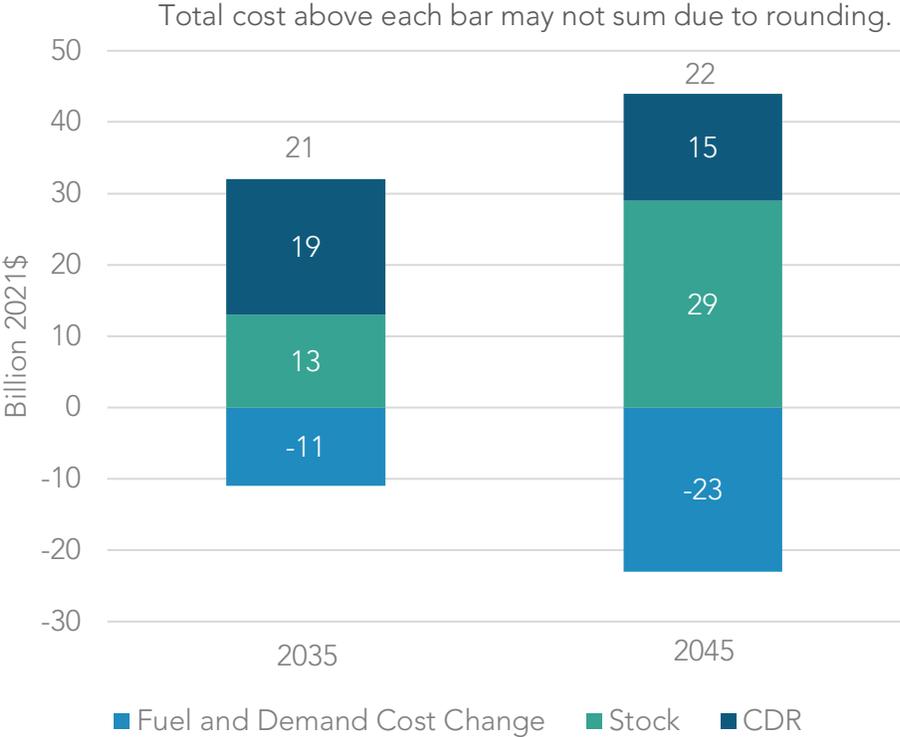
To evaluate the investment required through 2045, the PATHWAYS model was used to represent equipment stock and its turnover to non-fossil fuel alternatives over time. The annualized, incremental cost of infrastructure in excess of the annualized cost of the Reference Scenario²⁰⁹ was computed for each year from 2022 through 2045. These costs were computed by first taking the absolute cost in each year—which includes both new equipment investment and also expenditures on energy, operations, and maintenance in each year—and then levelizing the costs (in the same way car or house payments are annualized or spread out over time) to arrive at an annualized cost. Fuel savings, and resulting cost savings, associated with changing energy demand—from gasoline to electricity for vehicles, for example—are included as a result of this methodology. Carbon dioxide removal includes DAC technology powered primarily by off-grid solar, BECCS to produce hydrogen or other fuels, and NWL sequestration, as discussed in Chapter 2.²¹⁰

Figure 3-2 shows the stock investment cost, fuel/efficiency savings, and CDR cost. The Scoping Plan Scenario allows end-of-life transition of equipment. The cost of investing in new equipment is partially offset by savings associated with efficiency gains and reduced demand for fuels like gasoline. This is particularly relevant in the transportation sector, which leads to the majority of savings in 2045 in the Scoping Plan Scenario, which models near complete electrification of transport relying only on end-of-life replacement of vehicles. Appendix H (AB 32 GHG Inventory Sector Modeling) includes additional detail on direct costs in each sector and how costs change over time.

²⁰⁹ The Reference Scenario described in Chapter 2 and in Appendix H (AB 32 GHG Inventory Sector Modeling) was the basis for the direct cost comparison.

²¹⁰ The energy source for DAC is not modeled, but renewable electricity and/or hydrogen produced from electrolysis are zero-carbon options consistent with the carbon neutrality targets in this Scoping Plan. The economic analysis associated the investment in DAC with the solar industry for consistency with the carbon neutrality targets.

Figure 3-2: Cost and savings relative to the growing California economy for the Scoping Plan Scenario in 2035 and 2045 (AB 32 GHG Inventory sectors)



Natural and Working Lands

For NWL, the direct costs of each management strategy were estimated using available academic literature, monitoring and reporting data, survey data, and cost data from existing subsidy programs on the per acre cost of implementing the management strategy. These cost data, in combination with the acreage of each management strategy under the scenarios, provided estimates of the overall direct cost to either the government or the private sector. The direct costs are independent of the policy lever used to implement the action and do not include many important benefits and externalities of the actions. They are assumed to be constant for each scenario and into the future. Avoided or secondary costs, such as those from reductions in wildfire suppression expenses, are not included. Appendix I (NWL Technical Support Document) includes additional direct cost details.

Table 3-1 includes the direct cost estimates for the Scoping Plan Scenario compared to the Reference Scenario.²¹¹ Direct costs for the NWL sector are expected to be significant due to the ambitious level of action for each land type.

Table 3-1: Cost and savings relative to a growing California economy for the Scoping Plan Scenario (NWL)

Measure	Scoping Plan Scenario: Average Direct Annual Cost, 2025–2045 (millions \$/year)
Forests / Shrublands / Grasslands	1,780
Annual Croplands	284
Perennial Croplands	4
Urban Forest	4,230
Wildland Urban Interface (WUI)	114
Wetlands	28
Sparsely Vegetated Lands	4
Totals	6,460
Note: Table values may not add to total due to rounding.	

CARB estimates that all jurisdictions, including private landowners, currently spend approximately \$4 billion dollars annually on planting, maintenance, sidewalk repair, tree removal, and other expenses related to urban forests, and that reaching the theoretical maximum tree cover would require increasing that spending by a factor of 20. The cost of the Scoping Plan Scenario is predominantly a mix of urban forests and forests, shrubland, and grasslands spending.

²¹¹ The Reference Scenario described in Chapter 2 and in Appendix I (NWL Technical Support Document) was the basis for the direct cost comparison.

Economy and Employment

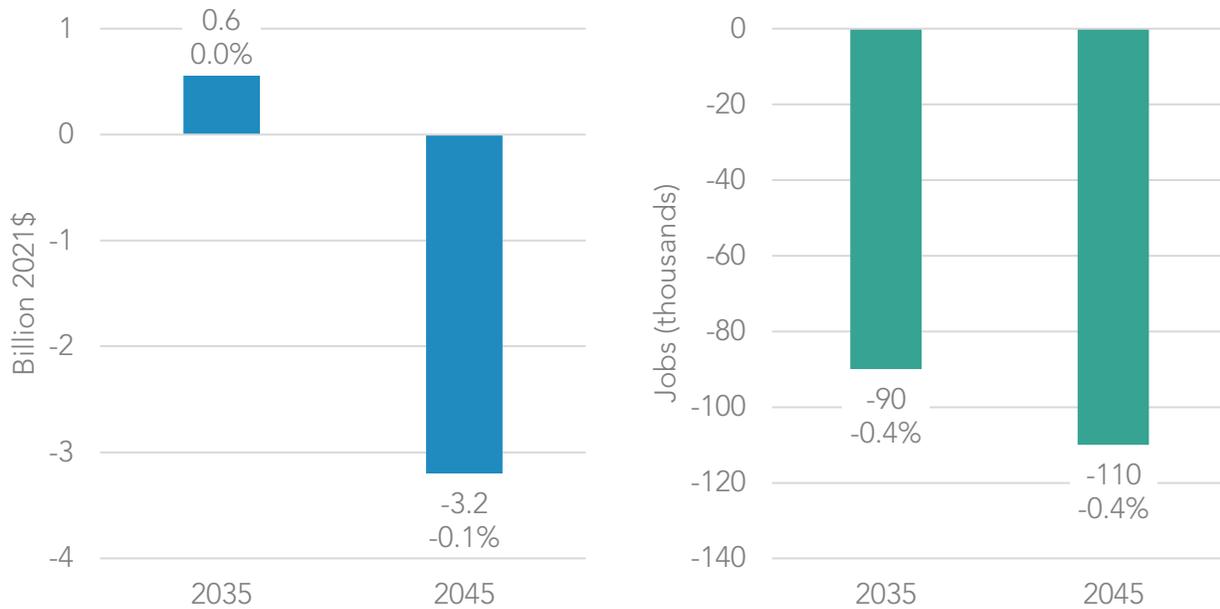
Two different models were used to estimate the overall impact that investing in a transition away from fossil fuels and in our NWL may have on the growing California economy. The transition away from fossil fuels was evaluated using the IMPLAN economic analysis model. The NWL investments were evaluated using the REMI PI+ economic model. These models provide similar outputs relative to the same economic and employment forecasts used to develop a Reference Scenario for use in each model.

AB 32 GHG Inventory Sectors

To estimate the overall impact that investing in a transition away from fossil fuels may have on the California economy, CARB used the IMPLAN model. Additional detail regarding the model, assumptions, and methodology are included in Appendix H (AB 32 GHG Inventory Sector Modeling). The IMPLAN model is a multisector representation of private industries in the U.S. economy that maps economic relationships across industries, households, and governments. This model translates direct costs and savings associated with transitioning away from fossil fuels with indirect effects such as wages, purchases of goods and services, business tax impacts, and supply chain effects. In addition, the induced effects of household purchases, local and import purchases, wages paid, and household tax impacts are estimated. This comprehensive assessment of the interactions between capital investment in fossil fuel alternatives and household purchases provides an indication of the response of the California economy to the Scoping Plan Scenario.

The Scoping Plan Scenario results in a small impact on the Gross State Product (GSP) and employment relative to the Reference Scenario, as shown in Figure 3-3. Economic growth is largely unaffected by the Scoping Plan Scenario in 2035 and slowed by 0.1 percent in 2045. Employment growth is also slowed a small amount, 0.4 percent in 2035 and in 2045, and employment still grows. Assuming annual growth rates of 0.7 percent means there would be more than 193,000 additional jobs in 2045.

Figure 3-3: Gross state product (left) and employment (right) relative to a growing California economy for the Scoping Plan Scenario in 2035 and 2045 (AB 32 GHG Inventory sectors)



California households will see increased costs from the purchase of new capital stock and savings from reduced spending on fuel, as shown in Figure 3-2. Households also will face increased costs associated with CDR, costs associated with energy efficiency measures, and commercial stock purchases—all of which are assumed to be passed directly to consumers. The impact to California households, however, is not limited to these direct costs, as changes in relative prices, employment, and wages can affect household well-being. Personal income, which captures the direct, indirect, and induced impacts, is a metric commonly used to evaluate the impact of policies on households.

Personal income in California is projected to grow from \$2.7 trillion in 2021 to \$3.6 trillion in 2035 and \$4.4 trillion in 2045. Household projections are based on California Department of Finance population projections, which estimate the state’s population to grow an average of 0.3 percent each year from 2021 to 2045.²¹² California households are projected to increase from 13.3 million in 2020 to 14.6 million in 2035 and 15.0 million in 2045.

²¹² California Department of Finance. Population Projections (Baseline 2019). <https://dof.ca.gov/forecasting/demographics/projections/>.

While the transition away from combustion of fossil fuels will improve air quality for all Californians (and even, more so in overly burdened communities), the economic impacts of the Scoping Plan Scenario are unlikely to be equal among Californians. Table 3-2 presents the change in income by household income group relative to the Reference Scenario in 2035 and 2045. While in 2035 there is a net decrease in personal income of \$600 million, total income for households that make less than \$100,000 per year is estimated to decline by \$4.1 billion dollars, and the total income for households that make more than \$100,000 per year will increase by \$3.5 billion under the Scoping Plan Scenario. In 2045, although there is no net change in personal income across all California households, results vary by income level. Total income for households that make less than \$100,000 per year are estimated to decline by \$5.3 billion dollars, while the total income for households that make more than \$100,000 per year will increase by \$5.3 billion under the Scoping Plan Scenario.

Table 3-2: Income Impacts by California household income group in 2035 and 2045 for the Scoping Plan Scenario (AB 32 GHG Inventory Sectors)

Household Income Group (\$2021)	Percentage of 2021 California Households ²¹³	Change in Income (Billion \$2021)	
		2035	2045
Less than \$50,000	30	-2.9	-3.9
\$50,000 to \$100,000	27	-1.2	-1.4
\$100,000 to \$200,000	28	2.5	4.0
More than \$200,000	15	1.0	1.3
Total	100	-0.6	0.0

²¹³ U.S. Census Bureau. 2021. Household Income. California. <https://data.census.gov/cedsci/table?q=california%20income>.

In addition to income level, there is likely to be an impact to California personal income that varies based on race/ethnicity.²¹⁴ Table 3-3 shows the percentage of households within each income group based on eight race/ethnicity categories identified in the American Community Survey 2021. As shown in Table 3-2, households in lower income groups are anticipated to see negative impacts, while households in higher income groups are anticipated to see positive impacts from the Scoping Plan Scenario in both 2035 and 2045. Because more than 60% of households in the race/ethnicity categories of Hispanic, Black alone, Native Hawaiian (HI) or Pacific Islander, American Indian or Alaskan Native, Other, and Two or More make less than \$100,000 per year, these populations generally are likely to experience reduced income. White and Asian households will generally experience both increased and decreased income because these households are distributed more evenly across all four income groups.

The state recognizes the need to ensure that accessibility to clean technology and energy do not further exacerbate health and opportunity gaps for low-income households and communities of color. The Climate Change Investments program exceeds the statutory minimums to invest in projects to benefit disadvantaged communities.²¹⁵ Utilities implement programs for reduced energy bills for qualifying low-income customers.²¹⁶ There are also resources for waste and water bills that leverage federal funds.²¹⁷ CARB also coordinated with the CPUC to ensure that the Climate Credit²¹⁸ funded from the sale of Cap-and-Trade allowances provided to utilities on behalf of ratepayers is credited equally to households and not based on how much energy is used. These are just a few examples of how the state is designing and implementing programs to avoid increasing existing disparities. The state must continue to find ways to relieve economic burdens on low-income households.

²¹⁴ The number of households in each bracket and the race/ethnicity categories are from American Community Survey 2021 results. Population changes through 2035 and 2045 are not forecast. U.S. Census Bureau. 2021. Household Income. California. <https://data.census.gov/cedsci/table?q=california%20income>.

²¹⁵ CARB. Priority Populations — California Climate Investments.

<https://www.caclimateinvestments.ca.gov/priority-populations>.

²¹⁶ CPUC. CARE/FERA Program. <https://www.cpuc.ca.gov/lowincomerates/>.

²¹⁷ California Department of Community Services and Development. Low Income Household Water Assistance Program. <https://www.csd.ca.gov/lihwap>.

²¹⁸ CPUC. California Climate Credit - FAQ. <https://www.cpuc.ca.gov/industries-and-topics/natural-gas/greenhouse-gas-cap-and-trade-program/california-climate-credit/california-climate-credit---faq>.

Table 3-3: Percentage of households in each race/ethnicity category by household income group

Household Income Group (\$2021)	Households in Income Group (%)							
	White Not Hispanic	Hispanic	Black Alone	Asian Alone	Native HI or Pacific Islander	American Indian or Alaskan Native	Other	Two or More
Less than \$50,000	26	35	45	25	30	35	37	32
\$50,000 to \$100,000	25	32	27	21	31	33	33	30
\$100,000 to \$200,000	29	25	21	30	30	26	24	27
More than \$200,000	19	7	7	24	9	7	5	11

Natural and Working Lands

The macroeconomic impact of the NWL scenario was evaluated separately in the REMI PI+ model. For the Scoping Plan Scenario, the macroeconomic impact was modeled by assuming that economic activity in the relevant industries grows in proportion to the proposed implementation spending in that industry. All funds for implementing the actions were assumed to be sourced from within the state. For urban forests, the funds were modeled as being sourced from a combination of state government and private property owners in proportion to the current estimated private/public spending ratio. For all other actions, funds were assumed to be sourced from the state government. In each modeled scenario, government spending and income to property owners were reduced relative to the Reference Scenario in proportion to the annual costs of implementation. None of the proposed spending was modeled as being sourced from increased taxes. Additional details on the methodology for evaluating macroeconomic impacts are in Appendix I (NWL Technical Support Document).

While the macroeconomic model does count the increased economic activity in the affected industries as part of GSP, it does not quantify many of the important economic, health, and environmental benefits that would occur if these actions were implemented. While these benefits—like the reduced use of pesticides, value of urban trees, and increased recreational opportunities—would be very significant, they are outside the scope of the macroeconomic model.

The macroeconomic model also makes projections about the total level of employment in the state. The model forecasts that the Scoping Plan Scenario, which greatly increases the level of NWL management actions, channels economic activity toward related industries and would lead to a slight increase in total employment. (Table 3-4). While the model does aim to accurately represent many labor market dynamics, including adjustments of wages and migration rates, it does not account for many costs that might be associated with dramatically scaling up employment in a particular industry, such as the cost of job training.

Table 3-4: Gross state product and employment relative to a growing California economy for the Scoping Plan Scenario in 2035 / 2045 (NWL)

	Scoping Plan Scenario (%)
Gross State Product	0.00 / 0.01
Employment	0.12 / 0.10
Personal Income	-0.04 / -0.04
Personal Income per Capita	-0.04 / -0.14

Health Analysis

Air quality is affected by pollutant emissions from various processes associated with energy systems, including the combustion of fossil fuels, as well as the combustion of vegetation biomass from NWL during wildfires. Pollutants that are important contributors to degraded air quality in California include nitrogen oxides (NO_x), particulate matter (PM), reactive organic gases (ROG), and others. Further, in the atmosphere these pollutants are transported away from the locations of the emissions by wind and other phenomena, and undergo chemical reactions that result in the formation of new pollutants such as ground-level ozone and fine particulate matter (PM_{2.5}). Both primary (emitted) and secondary (formed) pollutants are important from a public health standpoint and contribute to the incidence of air pollution-related mortality and disease within California populations. Measures focused on GHGs do not incorporate specific targets to reduce emissions of PM_{2.5} or air toxics like benzene. These co-pollutants, which are emitted from many of the same pollution sources as GHGs, affect local air quality and pose known risks to public health, such as the risk of asthma and cardiovascular disease. Generally, for stationary sources, certain harmful pollutants are regulated via local rules and regulations that are reflected in permits for stationary sources and are enforced by local air districts, with CARB also regulating air toxics contaminants from stationary sources with the air districts.

AB 32 GHG Inventory Sectors

To assess health impacts for the AB 32 GHG Inventory sectors, an integrated modeling approach was used to quantify and value the air pollution-related public health benefits of the Scoping Plan Scenario relative to the Reference Scenario. Additional details about the models, assumptions, and methodology are included in Appendix H (AB 32 GHG Inventory Sector Modeling). Using output from the PATHWAYS model, projections of pollutant emissions to 2045 were developed for stationary, area, and mobile source emissions using a detailed base year CARB pollutant emissions inventory. Further, the emissions are processed, including for where and when they occur in California, using the Sparse Matrix Operator Kernels Emissions (SMOKE) model. For example, on-road vehicle emissions were allocated along existing roadways, and refining emissions were assigned to the locations of existing refineries. It should be noted that the emissions projections represent statewide average reductions associated with high-level assumptions about alternative fuels and technologies. For example, emissions occurring from refineries to produce liquid fuels are reduced in line with petroleum demand. This reduction is applied equally to all refineries in the Scoping Plan Scenario and does not specify individual facility responses to changing demand. Similarly, the Scoping Plan Scenario does not specify which refineries transition to biofuel production or where new electricity generation facilities are built.

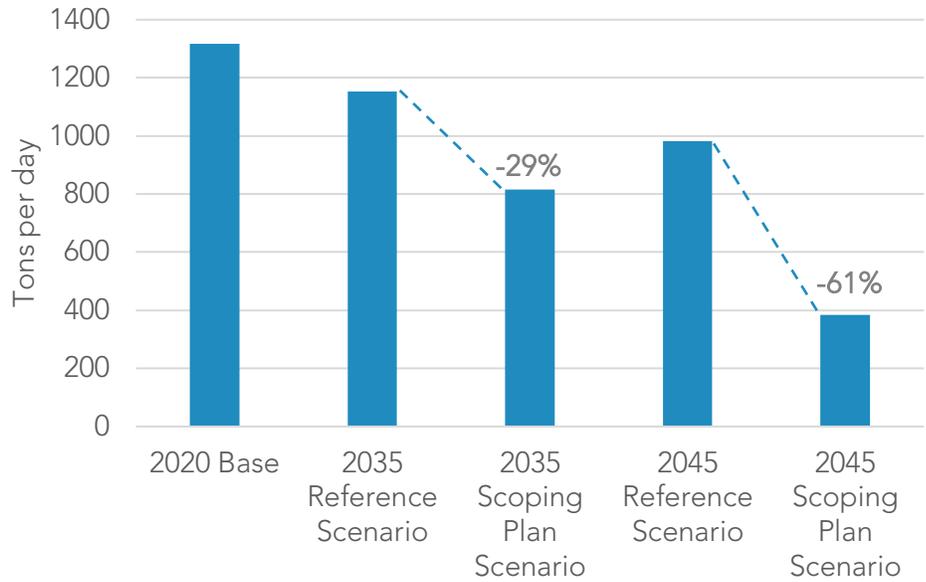
Next, emission changes were translated into impacts on atmospheric pollution levels, including ground-level ozone and PM_{2.5}, via an advanced photochemical air quality model called the Community Multiscale Air Quality (CMAQ) model, which accounts for atmospheric chemistry and transport. A comprehensive assessment of how pollutant concentrations are impacted throughout the year was achieved by simulating all months in 2035 and 2045 for the Scoping Plan Scenario.²¹⁹ Health benefits were estimated using the U.S. EPA's environmental Benefits Mapping and Analysis Program (BenMAP) model to translate pollutant changes into avoided incidence of mortality, hospital admissions, emergency room visits, and other outcomes as a result of reduced exposure to ozone and PM_{2.5}. These outcomes are associated with an economic value in order to aggregate health impacts.

The Scoping Plan Scenario shows a substantial reduction in pollutant emissions relative to the Reference Scenario, including NO_x, PM_{2.5}, and ROG. Reductions in NO_x are shown in Figure 3-4. Even under a business-as-usual trajectory, emissions are reduced from present levels by 26 percent in 2045 in the Reference Scenario, demonstrating the impact of current regulations and trends in energy sectors. The Scoping Plan Scenario further reduces NO_x

²¹⁹ This annual approach differs from the episodic modeling approach applied to the Proposed Scenario and Alternatives in the Draft 2022 Scoping Plan Update. Appendix H (AB 32 GHG Inventory Sector Modeling) describes both approaches.

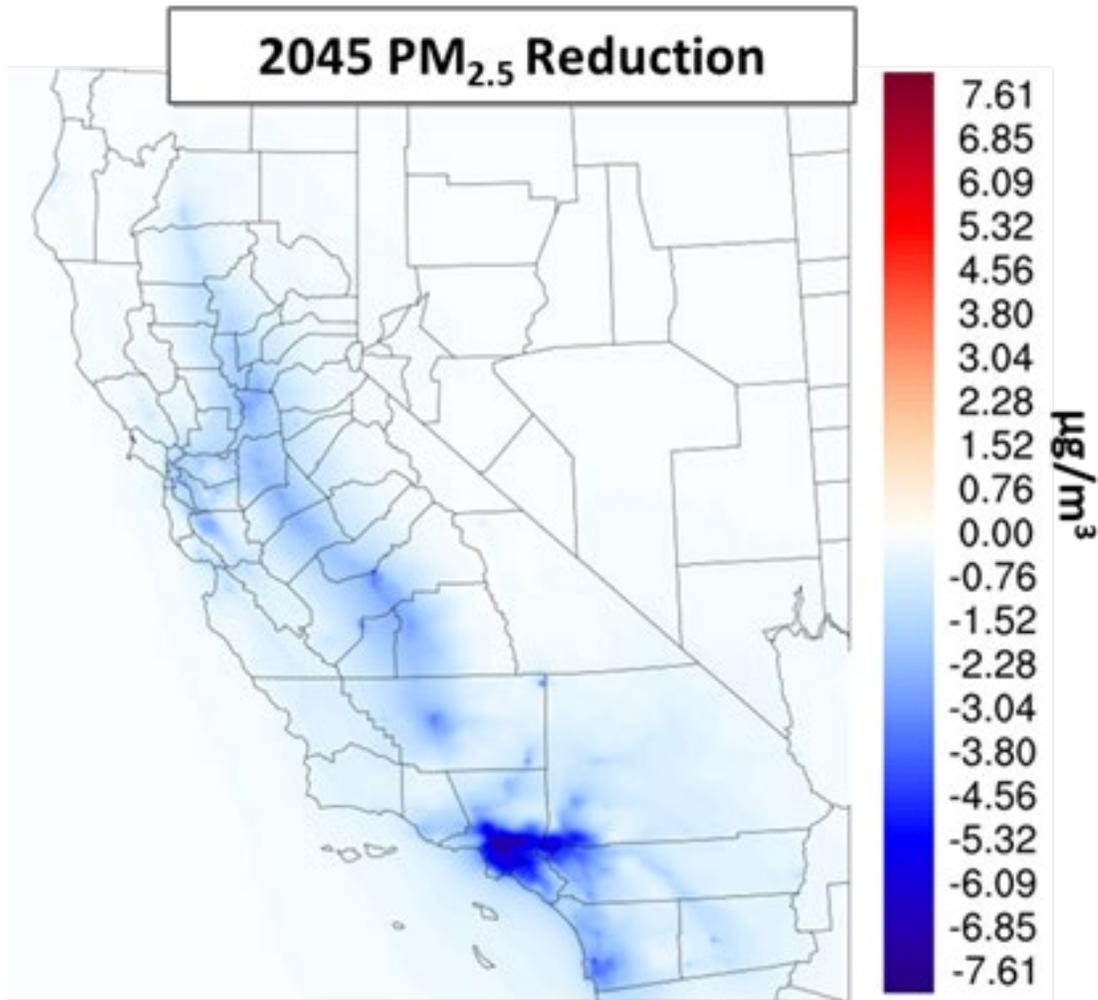
emissions from the Reference Scenario by 29% in 2035 and 61% in 2045. Emission reductions occur throughout the state with particular prominence in urban areas, including the South Coast Air Basin, due to the large presence and activity of emission sources. Appendix H (AB 32 GHG Inventory Sector Modeling) contains additional information about the pollutant emissions modeling and results.

Figure 3-4: Illustration of NO_x emission reductions from current levels for the Reference Scenario and the Scoping Plan Scenario (AB 32 GHG Inventory sectors)



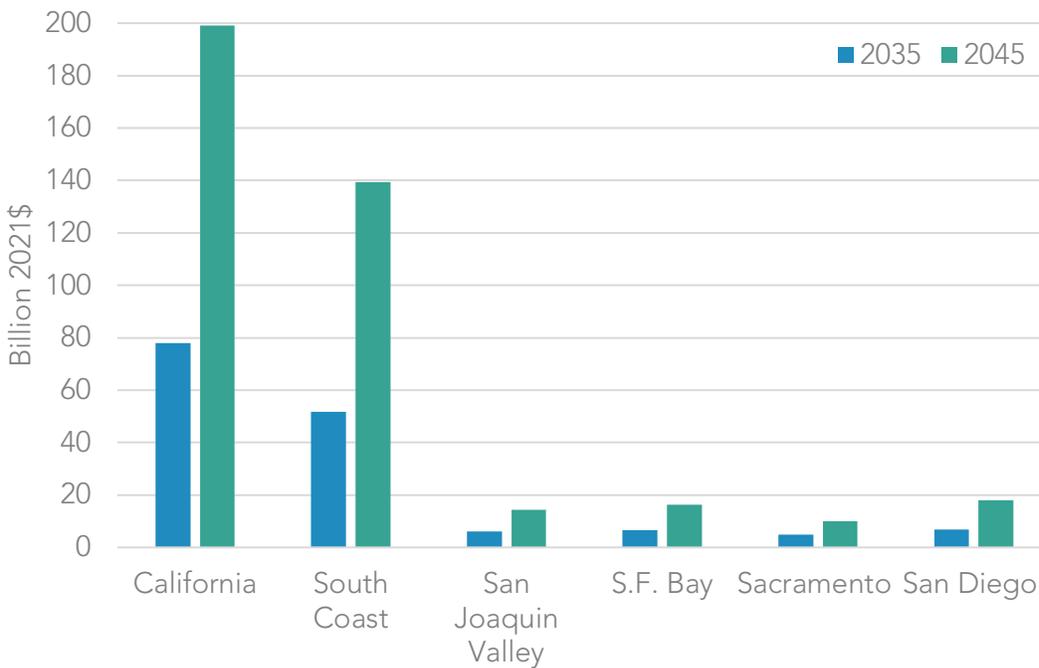
The emission reductions achieve important improvements in air quality throughout California, including reductions in the levels of ozone and PM_{2.5}. Reductions in annual PM_{2.5} levels are shown in Figure 3-5. The greatest reductions are evident in Southern California, the San Joaquin Valley, the San Francisco Bay area, and the Greater Sacramento area due to the large presence and activity of emission sources, meteorology, topography, and others. To highlight the extent of the air quality improvements: reductions reach nearly 8 micrograms per cubic meter (µg/m³) in 2045 and lead to 76% fewer exceedances of the health-based National Ambient Air Quality PM_{2.5} standard of 12 µg/m³. Similarly, ozone improvements reach 19 parts per billion (ppb) and yield 62% fewer exceedance events. Furthermore, the locations of improvements carry important implications for human health as these areas support large urban populations and generally experience the most degraded ozone and PM_{2.5} pollution. Appendix H (AB 32 GHG Inventory Sector Modeling) provides details regarding the atmospheric modeling and results, including differences in ozone and PM_{2.5}.

Figure 3-5: Difference in annual average PM_{2.5} (µg/m³) in the Scoping Plan scenario relative to the Reference scenario in 2045 (AB 32 GHG Inventory sectors)



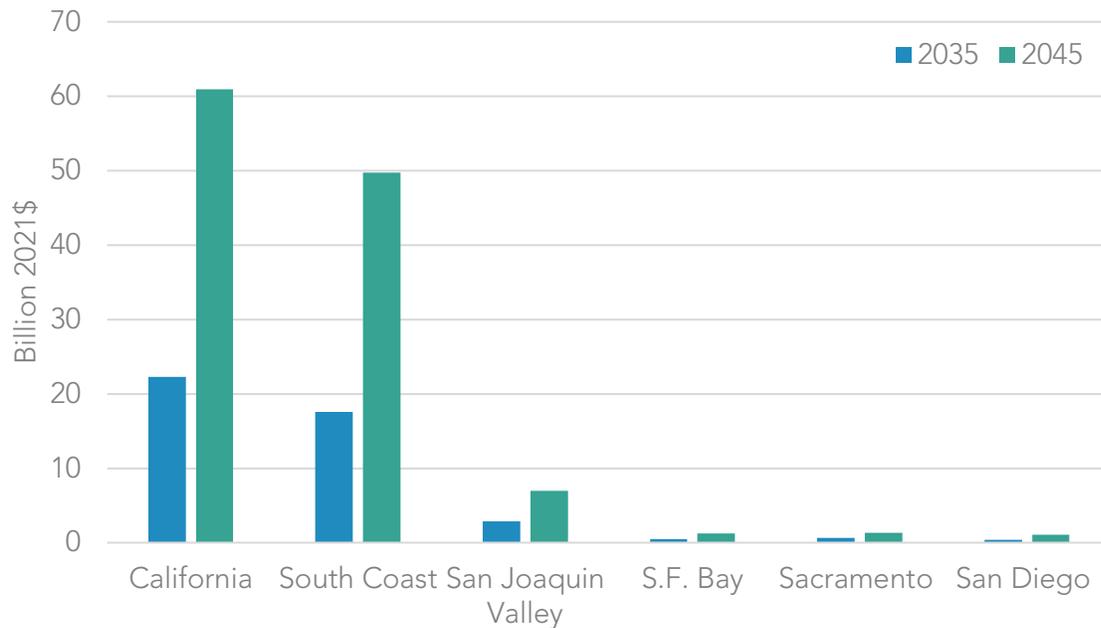
Notable health benefits representing the economic value of the avoided incidence of health effects are associated with the Scoping Plan Scenario. In total, the benefits reach \$78 billion in 2035 and \$199 billion in 2045, as shown in Figure 3-6. Populations in Southern California benefit the most due to preexisting air quality challenges, significant emission sources and activity, and the presence of a large, dense urban population. Additional details regarding the health impact assessment are provided in Appendix H (AB 32 GHG Inventory Sector Modeling).

Figure 3-6: Total health benefits estimated from air quality improvements in the Scoping Plan Scenario (AB 32 GHG Inventory sectors)



Furthermore, these benefits accrue within socially and economically disadvantaged communities identified by CalEnviroScreen, where they are most needed. Total health benefits within census tracts identified as disadvantaged communities using CalEnviroScreen 4.0 reach \$22 billion in 2035 and \$61 billion in 2045, as shown in Figure 3-7. Similarly to the statewide health benefits, the largest share of benefits occurs within disadvantaged communities in Southern California. Additional information on the health benefits within disadvantaged communities can be found in Appendix H (AB 32 GHG Inventory Sector Modeling).

Figure 3-7: Disadvantaged community health benefits relative to the Reference Scenario for the Scoping Plan Scenario (AB 32 GHG Inventory sectors)

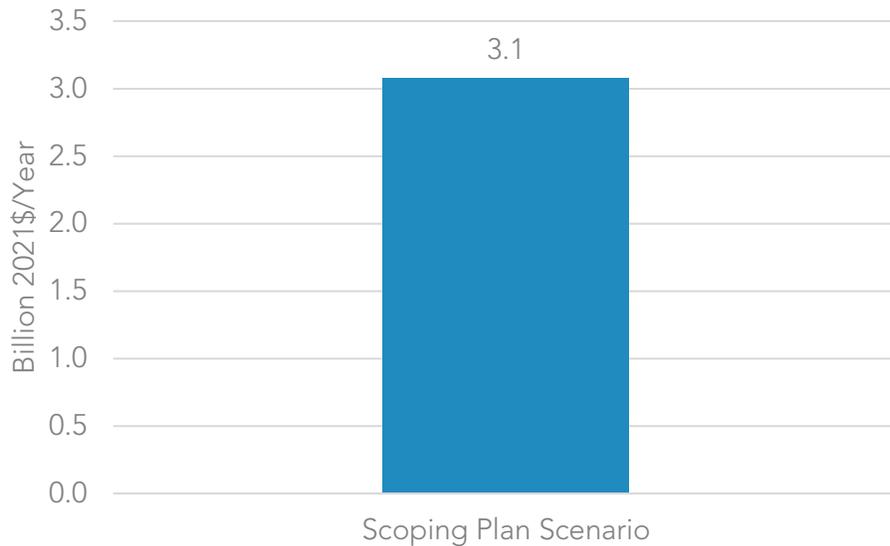


Natural and Working Lands

For NWL, health benefits were evaluated based on projected PM_{2.5} wildfire emissions on forests, shrublands, and grasslands, discussed in the AB 197 Measure Analysis section of the chapter that follows.²²⁰ The health endpoints for the Scoping Plan Scenario and in Appendix I (NWL Technical Support Document) for the alternative scenarios were the basis for the estimated health benefits shown in Figure 3-8. Health benefits were derived from the preliminary University of California, Los Angeles (UCLA) study that estimated annual health impacts and associated costs from California’s wildfires from 2008–2018. Additional details are included in Appendix I (NWL Technical Support Document). These costs were applied to the health endpoints discussed in the AB 197 Measure Analysis section of the chapter.

²²⁰ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, N11, N14. [finalejacrecs.pdf \(arb.ca.gov\)](#).

Figure 3-8: Total average annual health benefits relative to the Reference Scenario for the Scoping Plan Scenario (NWL)



As health impacts analyzed here are driven by wildfire emissions, the health benefits for the Scoping Plan Scenario are directly related to the amount of forest, shrubland, and grassland management action. These management actions reduce vegetation fuels and, as a result, wildfire activity. The Scoping Plan Scenario increases the amount of these management actions, reducing wildfire emissions and avoiding incidence of emission-related health effects. The health benefits, or economic value of the avoided incidence of health effects, correspondingly increase with an increasing management implementation rate. Additional details are included in Appendix I (NWL Technical Support Document).

Estimated health benefits do not include the direct impact of wildfires on injuries, deaths, or mental health, nor the indirect costs of lost ecosystem benefits to wildfire. Additional direct health costs may result from wildfire that would likely increase the health benefits from increased forest, shrubland, and grassland management to reduce wildfire activity. Nonetheless, the conservative health benefits under the Scoping Plan Scenario are estimated to be \$3.1 billion per year relative to the Reference Scenario for all NWL actions identified in the Scoping Plan Scenario.

AB 197 Measure Analysis

This section provides estimates for information associated with GHG emissions reduction measures evaluated in this Scoping Plan.²²¹ These estimates, which were developed as part of the process for meeting the requirements of AB 197 (E. Garcia, Chapter 250, Statutes of 2016), provide information on the relative impacts of the evaluated measures when compared to each other. To support the design of a suite of policies that result in GHG reductions, air quality co-benefits, and cost-effective measures, it is important to understand if a measure will increase or reduce criteria pollutants or toxic air contaminant emissions, or if increasing stringency at additional costs yields few additional GHG reductions. To this end, AB 197 requires the following for each potential emissions reduction measure evaluated in any Scoping Plan update:

- The range of projected GHG emissions reductions that result from the measure;
- The range of projected criteria pollutant emission reductions that result from the measure; and
- The cost-effectiveness, including avoided social costs, of the measure.

The following sections describe the evaluation of measures for the AB 32 GHG Inventory sectors and NWL. For the purposes of this Scoping Plan, the identified emissions reduction measures for the analysis required by AB 197 are actions grouped by sectors where several policies and programs are expected to overlap. This approach reflects the most granular feasible analysis given the modeling tools available,²²² the overlap and interaction effects among policies and incentive programs, the longer planning horizon used for this Scoping Plan compared to previous efforts, and the scale of transition needed to achieve carbon neutrality. To implement this Scoping Plan, dozens of individual regulations, policies, and incentive programs are anticipated that work together to drive down emissions across all economic sectors and support actions. Every specific policy or incentive program that could contribute to the deployment of clean technology and energy called for in this plan may overlap in ways that make it infeasible to tease out those policies and programs' individual effects with any reasonable degree of certainty. For example, in the transportation sector, deploying ZEVs and reducing driving demand may be achieved through a combination of the implementation of new or existing regulations, fuels programs, incentive programs, and VMT reduction initiatives that can each contribute to reductions in emissions for the sector. It is not feasible to isolate each sub action from each other at this time in terms of the share of contribution to total reductions. The estimated emission

²²¹ AB 197 calls for the evaluation of "emission reduction measures." This Scoping Plan treats each action and its variants on stringency as emission reduction measures for the purposes of this chapter. Appendix C (AB 197 Measure Analysis) lists the measures and corresponding modeling assumptions for each alternative.

²²² See Appendix H (AB 32 GHG Inventory Sector Modeling and Appendix I (NWL Technical Support Document).

reductions, health endpoints, and costs by measure for the Scoping Plan Scenario are presented in this chapter, and the corresponding estimates for the Proposed Scenario and Alternatives 1, 2, and 4 are included in Appendix C (AB 197 Measure Analysis).

Because many of the measures and underlying assumptions interact with each other, isolating the GHG emission reductions, corresponding changes to fuel combustion, and associated cost of an individual measure is analytically challenging. Each measure is evaluated by examining the change in fuel combustion, cost, and emissions associated with just that measure using the PATHWAYS model. The difference between the Scoping Plan Scenario and the Reference Scenario is estimated for each measure. Starting from the Scoping Plan Scenario, the modeling assumptions for an individual measure are reverted to the Reference Scenario values, resulting in GHG reductions, changes to fuel combustion, and costs (or savings). This approach does not reflect interactions between sectors in PATHWAYS that influence the results for each complete alternative, presented earlier. As such, the values associated with each measure should not be added to obtain an overall scenario estimate.

To arrive at the 2045 target for NWL, CARB modeled the ecological impact that climate smart land-based management strategies (suites of on-the-ground actions, or *treatments*, that are used across the landscape to manipulate an ecosystem) will have on ecosystem carbon; and whenever possible, additional co-benefits from those actions. The Scoping Plan Scenario incorporates a set of land management actions at varying scales of implementation for each land type to achieve the GHG emission reductions. Each land type, and its associated management actions, was considered a measure for this analysis. For modeling individual landscapes and management actions, CARB used a suite of models. The complexity of these models varies by land type, depending on the existing science, data, and availability of existing models to use. Appendix I (NWL Technical Support Document) provides detailed modeling assumptions for each NWL type. The estimated emission reductions, health endpoints, and costs by measure under the Scoping Plan Scenario for each NWL type are presented in this chapter, and the corresponding estimates for the Proposed Scenario and NWL Alternatives 1, 2, and 4 are included in Appendix C (AB 197 Measure Analysis).

Estimated Emissions Reductions

Both GHG emissions reductions and emissions of criteria air pollutants were evaluated for the AB 32 GHG Inventory sectors and for NWL. The methods and results are described in this section.

AB 32 GHG Inventory Sectors

In the absence of having direct modeling results for criteria pollutant estimates from PATHWAYS, CARB estimated criteria pollutant emissions impacts by using changes in fuel combustion in units of exajoules from PATHWAYS and emission factors in units of tons per exajoule to estimate the change in emissions in tons per year. Emission factors from a variety

of sources for each sector were utilized, including but not limited to CARB's mobile source emissions models,²²³ U.S. EPA's AP 42 Emissions Factors,²²⁴ and the South Coast Air Quality Management District's (AQMD's) District Rules.²²⁵ These emission factors were applied to fuel burn change by fuel type, sector, equipment type, and process, where applicable. Statewide annual average emissions were estimated for three criteria pollutants: NO_x, PM_{2.5}, and ROG.

Table 3-5 provides the estimated GHG and criteria pollutant emission reductions for the measures in the Scoping Plan Scenario in 2035 and 2045. The other alternatives are presented in Appendix C (AB 197 Measure Analysis). Based on the estimates below, these measures are expected to provide air quality benefits. The estimates provided in this chapter and Appendix C (AB 197 Measure Analysis) are appropriate for comparing across alternatives considered for the development of this Scoping Plan, but they are not precise estimates.

²²³ CARB. MSEI - Modeling Tools. <https://ww2.arb.ca.gov/our-work/programs/mobile-source-emissions-inventory/msei-modeling-tools>.

²²⁴ U.S EPA. AP-42: Compilation of Air Emissions Factors. <https://www.epa.gov/air-emissions-factors-and-quantification/ap-42-Compilation-air-emissions-factors>.

²²⁵ South Coast AQMD. South Coast AQMD Rule Book. <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book>.

Table 3-5: Estimated GHG and criteria pollutant emission reductions relative to the Reference Scenario for the Scoping Plan Scenario in 2035/2045 (AB 32 GHG Inventory sectors)

Measure	GHG Reductions (MMTCO₂)	NOx Reductions (Short Tons/Year)	PM_{2.5} Reductions (Short Tons/Year)	ROG Reductions (Short Tons/Year)
Deploy ZEVs and reduce driving demand	-46 / -84	-51,620 / -122,806	-2,008 / -6,506	-18,967 / -30,410
Coordinate supply of liquid fossil fuels with declining California fuel demand	-25 / -30	-1,601 / -2,707	-978 / -1,705	-747 / -1,323
Generate clean electricity	-8 / -31	-92 / -1,555	-177 / -1,382	-41 / -425
Measure	GHG Reductions (MMTCO₂)	NOx Reductions (Short Tons/Year)	PM_{2.5} Reductions (Short Tons/Year)	ROG Reductions (Short Tons/Year)
Decarbonize industrial energy supply	-9 / -22	-21,172 / -34,876	-1,188 / -2,527	-3,710 / -6,298
Decarbonize buildings	-14 / -35	-8,105 / -94,455	-826 / -6,877	-1,093 / -8,109
Reduce non-combustion emissions^a	-0.41 / -0.52 (MMTCH ₄)	N/A	N/A	N/A
Compensate for remaining emissions	-25 / -64	N/A	N/A	N/A
^a Methane emissions reductions are reported for this measure.				

The measures related to reducing non-combustion emissions and compensating for the remaining emissions do not include changes to fuel combustion, and therefore are not

associated with changes to air pollutants. Biomethane combustion is captured in measures that reduce combustion of fossil gas, such as decarbonizing industrial energy supply and buildings.

Natural and Working Lands

NWL ecosystems naturally vary between being a source and a sink for carbon over time. The NWL ecosystem carbon stock changes projected through mid-century by the suite of models were used to estimate net emissions or emissions reductions relative to the Reference Scenario. These changes in carbon stocks were affected by projected climate change, the implementation of management actions under the various scenarios, land conversion, and (for forests, shrublands, grasslands) wildfire. Each NWL type was evaluated, and an overview of all NWL is presented in Table 3-6. More detailed results for each NWL type can be found in Appendix C (AB 197 Measure Analysis).

Table 3-6: Estimated average annual GHG and criteria pollutant emission reductions relative to the Reference Scenario for the Scoping Plan Scenario from 2025–2045 (NWL)

Measure	GHG Reductions (MMTCO ₂ e/year)	PM _{2.5} Reductions (MT/Year)
Forests/Shrublands/Grasslands	-0.12	-17,500
Annual Croplands	-0.25	N/A
Perennial Croplands	-0.01	N/A
Urban Forest	-1.29	N/A
Wildland Urban Interface (WUI)	0.75	N/A
Wetlands	-0.43	N/A
Sparsely Vegetated Lands	<-0.01	N/A

Fine particulate wildfire emissions were evaluated for forests, shrublands, and grasslands only. Wildfire emissions decreased under the Scoping Plan Scenario compared to the Reference Scenario. The Scoping Plan Scenario’s higher level of management actions that reduce tree or shrub densities, protect large trees, reintroduce fire to the landscape, and diversify species and structures result in greater reductions in wildfire emissions.

Estimated Health Endpoints

Climate change mitigation will result in both environmental and health benefits. This section provides information about the potential health benefits of the Scoping Plan Scenario. Health benefits are primarily the result of reduced PM_{2.5} pollution, both from stationary and mobile sources, as well as wildfire in forests, shrublands, and chaparral.

AB 32 GHG Inventory Sectors

CARB used the criteria pollutant emissions in Table 3-5 to understand potential health impacts. Similar to the air quality estimates, this information should be used to understand the relative health benefits of the various measures and should not be taken as absolute estimates of health outcomes. CARB used the incidence-per-ton (IPT) methodology to quantify the health benefits of emission reductions. The IPT methodology is based on a methodology developed by the U.S.

EPA.^{226,227,228,229} Under the IPT methodology, changes in emissions are approximately proportional to the resulting changes in health outcomes. IPT factors are derived by calculating the number of health outcomes associated with exposure to PM_{2.5} for a baseline scenario using measured ambient concentrations and dividing that number by the emissions of PM_{2.5} or a precursor. To estimate the reduction in health outcomes, the emission reductions are multiplied by the IPT factor. For future years, the number of outcomes is adjusted to account for population growth. IPT factors were computed for the two types of PM_{2.5}: primary PM_{2.5} and secondary PM_{2.5} of ammonium nitrate aerosol formed from precursors.

For this AB 197 analysis, CARB calculated the health benefits associated with the five key measures that are represented by changes to fuel combustion. The health benefits associated with emission reductions for the Scoping Plan Scenario were estimated for each air basin and then aggregated for the entire state of California. CARB assumed that the statewide emission reductions distribution among the air basins is proportional to the baseline emissions in that air basin.

Calculated health endpoints include premature mortality, cardiovascular emergency department (ED) visits, acute myocardial infarction, respiratory ED visits, lung cancer incidence, asthma onset, asthma symptoms, work loss days, hospitalizations due to cardiopulmonary illnesses, hospitalizations due to respiratory illnesses, hospital admissions for Alzheimer's disease, and hospital admissions for Parkinson's disease.^{230,231,232} These health endpoints were calculated using the IPT method for estimated emission reductions. Table 3-7 compares the health benefits of emission reductions associated with each measure for the Scoping Plan Scenario in the year

²²⁶ CARB. CARB's Methodology for Estimating the Health Effects of Air Pollution. Retrieved February 9, 2021. <https://ww2.arb.ca.gov/resources/documents/carbs-methodology-estimating-health-effects-air-pollution>.

²²⁷ Fann, N., C. M. Fulcher, and B. J. Hubbell. 2019. "The influence of location, source, and emission type in estimates of the human health benefits of reducing a ton of air pollution." *Air Quality, Atmosphere & Health* 2:169–176. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2770129/>.

²²⁸ Fann, N., K. R. Baker, and C. M. Fulcher. 2012. "Characterizing the PM_{2.5}-related health benefits of emission reductions for 17 industrial, area and mobile emission sectors across the U.S." *Environ Int.* 49:141–51. November 15. <https://www.sciencedirect.com/science/article/pii/S0160412012001985>.

²²⁹ Fann, N., K. Baker, E. Chan, A. Eyth, A. Macpherson, E. Miller, and J. Snyder. 2018. "Assessing Human Health PM_{2.5} and Ozone Impacts from U.S. Oil and Natural Gas Sector Emissions in 2025." *Environ. Sci. Technol.* 52 (15), 8095–8103. <https://pubs.acs.org/doi/abs/10.1021/acs.est.8b02050>.

²³⁰ CARB. CARB's Methodology. <https://ww2.arb.ca.gov/resources/documents/carbs-methodology-estimating-health-effects-air-pollution>.

²³¹ CARB. 2022. Updated Health Endpoints in CARB's Health Benefits Methodology. [Evaluating New Health Endpoints for Use in CARB's Health Analyses](#).

²³² Cardio-pulmonary mortality, hospitalizations due to cardiopulmonary illnesses, and hospital admissions due to respiratory illnesses endpoints utilize studies documented in CARB's methodology document. For future assessments, CARB will use more recent studies to estimate cardiovascular hospital admissions and respiratory hospital admissions, as documented in CARB's updated health endpoints memo.

specified (2035 or 2045). The other alternatives are presented in Appendix C (AB 197 Measure Analysis).

Table 3-7: Estimated avoided incidence of mortality, cardiovascular and respiratory disease onset, work loss days and hospital admissions relative to the Reference Scenario for the Scoping Plan Scenario (AB 32 GHG Inventory sectors)

Measure	Mortality	Cardiovascular ED Visits	Acute Myocardial Infarction	Respiratory ED Visits	Lung Cancer Incidence	Asthma Onset	Asthma Symptoms	Work Loss Days	Hospital Admissions, Cardiovascular	Hospital Admissions, Respiratory	Hospital Admissions, Alzheimer's Disease	Hospital Admissions, Parkinson's Disease
Deploy ZEVs and reduce driving demand in 2035	635	170	70	400	45	1,475	128,930	92,510	95	115	245	40
Deploy ZEVs and reduce driving demand in 2045	1,820	475	200	1,115	135	3,995	343,095	255,800	295	350	745	125
Coordinate supply of liquid fossil fuels with declining CA fuel demand in 2035	115	30	15	70	10	275	23,530	16,880	20	20	50	10

Measure	Mortality	Cardiovascular ED Visits	Acute Myocardial Infarction	Respiratory ED Visits	Lung Cancer Incidence	Asthma Onset	Asthma Symptoms	Work Loss Days	Hospital Admissions, Cardiovascular	Hospital Admissions, Respiratory	Hospital Admissions, Alzheimer's Disease	Hospital Admissions, Parkinson's Disease
Coordinate supply of liquid fossil fuels with declining CA fuel demand in 2045	215	55	25	130	15	490	40,860	30,445	35	40	95	15
Generate clean electricity in 2035	20	5	0	10	0	45	3,930	2,820	5	5	10	0
Generate clean electricity in 2045	170	45	20	105	15	385	32,065	23,890	25	30	75	10
Decarbonize industrial energy supply in 2035	300	80	35	190	20	695	60,660	43,520	45	55	115	20
Decarbonize industrial energy supply in 2045	595	155	65	365	45	1,310	111,925	83,435	95	115	245	40

Measure	Mortality	Cardiovascular ED Visits	Acute Myocardial Infarction	Respiratory ED Visits	Lung Cancer Incidence	Asthma Onset	Asthma Symptoms	Work Loss Days	Hospital Admissions, Cardiovascular	Hospital Admissions, Respiratory	Hospital Admissions, Alzheimer's Disease	Hospital Admissions, Parkinson's Disease
Decarbonize buildings in 2035	155	40	15	95	10	360	31,130	22,335	25	30	60	10
Decarbonize buildings in 2045	1,610	420	175	985	120	3,550	303,830	226,500	260	310	665	115
Note: All values are rounded to the nearest 0 or 5.												

The measures related to reducing non-combustion emissions and compensating for remaining emissions do not include changes to fuel combustion and therefore are not associated with changes to air pollutants or health endpoints. Biomethane combustion is captured in measures that reduce combustion of fossil gas, such as decarbonizing industrial energy supply and buildings.

Although the estimated health outcomes presented are based on a well-established methodology, they are subject to uncertainty. For instance, future population estimates are subject to increasing uncertainty as they are projected further into the future, and baseline incidence rates can experience year-to-year variation. Also, the relationship between changes in pollutant concentrations and changes in pollutant or precursor emissions is assumed to be approximately proportional.

In addition, emissions are reported at an air basin level and do not capture local variations. These estimates also do not account for impacts from global climate change, such as temperature rise, and are only based on the scenarios in this Scoping Plan.

The fuel changes for each AB 197 measure are estimated based on the impact of each measure compared to the Reference Scenario for the years 2035 and 2045. Therefore, aggregating the effect of each measure would overestimate the impacts of the Scoping Plan Scenario because the implementation of each measure would affect the level of benefits of the other measures. This measure-by-measure analysis uses a different methodology for calculating health endpoints than does the health analysis for the complete Scoping Plan Scenario provided earlier.

Natural and Working Lands

Implementation of NWL management strategies to mitigate and adapt to climate change will result in both environmental and health benefits. This section provides information about the potential health benefits of measures evaluated for the Scoping Plan Scenario. For this analysis, health benefit estimates were focused on increases or decreases to PM_{2.5} resulting from wildfire emissions on forests, shrublands, and grasslands.²³³ Other health benefits resulting from NWL management actions in the Scoping Plan Scenario are not quantified here but are important for all Californians. This includes, but is not limited to, reductions in exposure to synthetic pesticides when switching to organic agricultural systems, improvements in shade availability and mental health with increasing urban forest cover, improved mental health from opportunities for recreation in resilient and healthy environments, and protection from floods and rising sea levels.

²³³ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, N11, N14. [finalejacrecs.pdf \(arb.ca.gov\)](#).

These examples are by no means exhaustive, as our natural and working lands provide immense health benefits to everyone.

For this analysis, CARB used the PM_{2.5} emissions in Table 3-6 to understand potential health impacts. This information should be used to understand the relative health endpoints of the various measures and should not be taken as absolute estimates of health outcomes of this Scoping Plan statewide or within a specific community. The IPT methodology was used to calculate health endpoints, similar to the AB 32 GHG Inventory Sector analysis. CARB calculated the annual health endpoints associated with the wildfire emissions changes resulting from the implementation of management strategies on forests, shrublands, and grasslands under each alternative. The annual health endpoints associated with emission reductions for the Scoping Plan Scenario were estimated for the entire state. Calculated health endpoints include emissions-caused mortality, hospital admittance, and emergency room visits from asthma; hospital admittance from chronic obstructive pulmonary disease; and emergency room visits from respiratory and cardiovascular outcomes. Table 3-8 compares the average annual health endpoints of wildfire emission reductions associated with the Scoping Plan Scenario over the period 2025–2045. The other alternatives are presented in Appendix C (AB 197 Measure Analysis).

Table 3-8: Estimated average annual avoided incidence of hospital admissions, emergency room visits, and mortality relative to the Reference Scenario for the Scoping Plan Scenario resulting from forest, shrubland, and grassland wildfire emissions (NWL)

Health Endpoints from Forest, Shrubland, and Grassland Wildfire Emissions	Average Annual Avoided Incidence
Hospital admissions from asthma	22
Hospital admissions from chronic obstructive pulmonary disease without asthma	19
Hospital admissions from all respiratory outcomes	63
Emergency room visits from asthma	155
Emergency room visits from all respiratory outcomes	419
Emergency room visits from all cardiovascular outcomes	156
All causes of mortality	394

Estimated Social Cost

Social costs are generally defined as the cost of an action on people, the environment, or society and are widely used to understand the impact of regulatory actions. One tool, the social cost of greenhouse gases (SC-GHG), is an estimate of the present value of the costs associated with the emission of GHGs in future years. It combines climate science and economics to help understand the benefits of reducing GHG emissions. The estimates of the social cost of carbon (SC-CO₂) and social cost of methane (SC-CH₄), two types of SC-GHGs presented here, estimate the value of the net harm to society associated with adding GHGs to the atmosphere in a given year; they do not represent the cost of actions taken to reduce GHG emissions (known as the *cost of abatement*) nor the cost of GHG emissions reductions. In principle, the SC-GHG includes the value of climate change impacts, including but not limited to, changes in net agricultural productivity, human health effects, property damage from increased flood risk and other natural disasters, disruption of energy systems, risk of conflict, environmental migration, and the value of ecosystem services. It reflects the societal value of reducing emissions

of the gas in question by one metric ton.²³⁴ Many of these damages from GHG emissions today will affect economic outcomes throughout the next several centuries.

In 2008, federal agencies began incorporating SC-CO₂ estimates into the analysis of their regulatory actions. U.S. EPA has used various models and discount rates to determine the value of future impacts. Generally, these models begin with assumptions to predict economic activity over time, along with projected GHG emissions. The modeled emissions are input into a model of the global climate system, which then translates into estimates of surface temperature, sea level rise, and other impacts. These outputs are used to estimate economic damages per ton of GHG emitted in a given year in the future. Since the models are calculating the present value of future damages, a discount rate is applied. For example, the SC-CO₂ for the year 2045 represents the value of climate change damages from a release of CO₂ in 2045 discounted back to today. The present value is significantly affected by the discount rate used; a higher discount rate results in a lower present value. For example, in 2021 dollars the SC-CO₂ in 2045 is \$31 using a 5 percent discount rate, \$88 using a 3 percent discount rate, and \$122 using a 2.5 percent discount rate. Additional detail is included in Appendix C (AB 197 Measure Analysis).

The 2017 Scoping Plan utilized SC-CO₂ and SC-CH₄ Obama Administration-era values developed by the Council of Economic Advisors and the Office of Management and Budget-convened Interagency Working Group on the Social Cost of Greenhouse Gases (IWG)²³⁵ to consider the social costs of actions to reduce GHG emissions. The Biden Administration reinstated these values in February 2021,²³⁶ after they had been rescinded and significantly revised by the Trump Administration. The reinstatement was considered an interim step, and the Biden Administration also reconvened the IWG to continue its work to evaluate and incorporate the latest climate science and economic research and

²³⁴ U.S. Government. Interagency Working Group on Social Cost of Greenhouse Gases. February 2021. Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide – Interim Estimates under Executive Order 13990. https://www.whitehouse.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf

²³⁵ Originally titled the “Interagency Working Group on the Social Cost of Carbon,” the IWG was renamed in 2016. 82 Fed. Reg. 16093, 16095-96 (Mar. 28, 2017). <https://www.govinfo.gov/content/pkg/FR-2017-03-31/pdf/2017-06576.pdf>.

²³⁶ Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis, Executive Order 13990 (Jan. 20, 2021), 86 Fed. Reg. 7037 (Jan. 25, 2021). <https://www.energy.gov/sites/default/files/2021/02/f83/eo-13990-protecting-public-health-environment-restoring.pdf>. IWG, Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide Interim Estimates Under Executive Order 13990 (February 2021), https://www.whitehouse.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf See also, The White House. 2021. A Return to Science: Evidence-Based Estimates of the Benefits of Reducing Climate Pollution. <https://www.whitehouse.gov/cea/written-materials/2021/02/26/a-return-to-science-evidence-based-estimates-of-the-benefits-of-reducing-climate-pollution/>.

respond to the National Academies' recommendations from 2017 as it develops a more complete revision of the estimates.

It is important to note that the models used to produce SC-GHG estimates do not include all of the important physical, ecological, and economic impacts of climate change recognized in the climate literature. There are additional costs to society, including the costs associated with changes in co-pollutants and costs that cannot be included due to modeling and data limitations. The IWG has stated that the range of the interim SC-GHG estimates likely underestimates societal damages from GHG emissions.²³⁷ The revised estimates were originally slated to be released in early 2022 but were stalled.²³⁸ CARB staff is applying the interim values presented in the IWG February 2021 Technical Support Document (TSD), which reflect the best available science in the estimation of the socioeconomic impacts of GHGs.²³⁹ This Scoping Plan utilizes the TSD standardized range of discount rates, from 2.5 to 5 percent, to represent varying valuation of future damages.

AB 32 GHG Inventory Sectors

Table 3-9 presents the estimated social cost, in terms of avoided economic damages, for each measure of the Scoping Plan Scenario. For each measure, Table 3-9 includes the range of the SC-CO₂ and SC-CH₄ that results from the GHG emissions reductions in 2035 and 2045 at 2.5 and 5 percent discount rates. Additional background on the SC-GHG and methodology for calculating the SC-CO₂ and SC-CH₄ estimates in this Scoping Plan, as well as estimates for the alternatives, are provided in Appendix C (AB 197 Measure Analysis).

²³⁷ Interagency Working Group on Social Cost of Greenhouse Gases. 2021. Technical Support Document. https://www.whitehouse.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf

²³⁸ See *Louisiana v. Biden* (W.D. La. 2022) 585 F.Supp.3d 840, stayed pending review (5th Cir. Mar. 16, 2022) 2022 WL 866282. A federal district court ruling issued in early February 2022 had granted a preliminary injunction blocking the Biden Administration from using the interim IWG SC-GHG estimates. However, a federal appeals court overturned the lower court's preliminary injunction in March 2022, which allows the Biden Administration to continue using the policy as legal proceedings continue. CARB will continue to monitor the litigation. However, the federal action does not prohibit CARB from using social cost of carbon and CARB will use the best available science regardless of politics. A separate federal appeals court upheld the Biden administration's use of the IWG SC-GHG estimates in October 2022. *Missouri v. Biden* (8th Cir. 2022) ____ F.4th ____.

²³⁹ Interagency Working Group on Social Cost of Greenhouse Gases. 2021. Technical Support Document. https://www.whitehouse.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf

Table 3-9: Estimated social cost (avoided economic damages) of measures considered in the Scoping Plan Scenario (AB 32 GHG Inventory sectors)

Measure	Social Cost of Carbon in 2035, 5%–2.5% Discount Rate	Social Cost of Carbon in 2045, 5%–2.5% Discount Rate
	Billion USD (2021 dollars)	Billion USD (2021 dollars)
Deploy ZEVs and reduce driving demand	1.12–4.87	2.64–10.23
Coordinate supply of liquid fossil fuels with declining California fuel demand	0.61–2.63	0.95–3.67
Generate clean electricity	0.20–0.88	0.97–3.75
Decarbonize industrial energy supply	0.23–1.01	0.69–2.67
Decarbonize buildings	0.35–1.52	1.11–4.32
Reduce non-combustion emissions	0.51–1.29 (SC-CH ₄)	0.86–2.01 (SC-CH ₄)
Compensate for remaining emissions	0.61–2.66	2.03–7.84
Scoping Plan Scenario SC-CO₂	2.4–10.4	5.6–21.9
Scoping Plan Scenario SC-CH₄	0.51–1.3	0.86–2.0
Scoping Plan Scenario (Total)^a	2.9–11.7	6.5–23.9

^a CARB staff could not precisely separate some CO₂ and CH₄ from other GHGs from PATHWAYS outputs, but the contribution is believed to be small for purposes of calculating the social cost of carbon. The approach used to estimate GHG emissions reductions for individual measures in PATHWAYS does not reflect cross-sector interactions. Therefore, the GHG values for each measure do not sum to the overall scenario total. The total GHG emissions reduction used in this calculation is 97 MMTCO₂e in 2035 and 180 MMTCO₂e in 2045.

Natural and Working Lands

The SC-CO₂ estimates for the NWL measures shown in Table 3-10, in terms of avoided economic damages, reflect 2021 IWG interim values, updated for inflation, similar to the AB 32 GHG Inventory Sector analysis. This analysis utilizes the 2.5 percent and 5 percent

discount rate and the average annual emissions reductions from each NWL type from 2025–2045. Estimates for all alternatives are included in Appendix C (AB 197 Measure Analysis).

Table 3-10: Estimated social cost (avoided economic damages) of measures considered in the Scoping Plan Scenario (NWL)

Measure	Social Cost of Carbon in 2035, 5%–2.5% Discount Rate	Social Cost of Carbon in 2045, 5%–2.5% Discount Rate
	Billion USD (2021 dollars)	Billion USD (2021 dollars)
Forests/Shrublands/Grasslands	0.003–0.012	0.004–0.014
Annual Croplands	0.006–0.027	0.008–0.031
Perennial Croplands	<0.001–0.001	0.000–0.001
Urban Forest	0.032–0.138	0.041–0.157
Wildland Urban Interface (WUI)	(0.018) – (0.080) ^a	(0.023) – (0.090)
Wetlands	0.011–0.046	0.014–0.053
Sparsely Vegetated Lands	<0.001	<0.001

^a Parentheses indicate an increase in estimated social cost, i.e., an increase in economic damages. This is only the case for WUI measures where emissions are increased, shown in Table 3-6. The estimated social cost does not account for the decrease in wildfire risk or decrease in wildfire damages resulting from the WUI measures.

Social Costs of GHGs in Relation to Cost-Effectiveness

AB 32 includes a requirement that rules and regulations “achieve the maximum technologically feasible and cost-effective” greenhouse gas emissions reductions.²⁴⁰ Under AB 32, *cost-effectiveness* means the relative cost per metric ton of various GHG reduction strategies,²⁴¹ which is the traditional cost metric associated with emission control. In contrast, the SC-CO₂, SC-CH₄, and social cost of nitrous oxide (SC-N₂O), because they are estimates of the cost to society of additional GHG emissions, can be used to estimate of the economic benefits of reducing emissions, but do not take into account the cost of the actions that must be taken to achieve those GHG emissions reductions.

There may be technologies or policies that do not appear to be cost-effective when compared to the SC-CO₂, SC-CH₄, and SC-N₂O associated with GHG reductions. However, these technologies or policies may result in other benefits that are not reflected in the IWG social costs. Examples include the evaluation of social diversification of the portfolio of transportation fuels (a goal outlined in the Low Carbon Fuel Standard) and reductions in criteria pollutant emissions from power plants (as in the Renewables Portfolio Standard). Additionally, costs for new technology may be higher early on in a technology’s development cycle and may drop over time as use of the technology is scaled up.

Estimated Cost per Metric Ton

AB 197 requires an estimation of the cost-effectiveness of the measures evaluated for this Scoping Plan. The cost (or savings)²⁴² per metric ton of CO₂e reduced for each measure is one metric for comparing the performance of the measures. Additional factors beyond the cost per metric ton that could be considered include continuity with existing laws and policies, implementation feasibility, contribution to fuel diversity and technology transformation goals, and health and other benefits to California. These considerations are not reflected in the cost per metric ton estimates presented below. It is important to understand the relative cost-effectiveness of individual measures as presented in this section. However, the economic analysis presented earlier in this chapter, in Appendix H

²⁴⁰ AB 32 Air pollution: greenhouse gases: California Global Warming Solutions Act of 2006. (AB 32, Nuñez, Chapter 488, Statutes of 2006).

https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=200520060AB32.

²⁴¹ Health & Saf. Code § 38505(d).

²⁴² Similarly, to the direct costs reported earlier, the cost per metric ton of a measure reflects the stock costs and any fuel or efficiency savings associated with a measure divided by the GHG emission reduction achieved by the measure. Costs are reported as positive values, and savings are reported as negative values.

(AB 32 GHG Inventory Sector Modeling), and in Appendix I (NWL Technical Support Document) provides a more comprehensive analysis of how the Scoping Plan Scenario and alternative scenarios affect the state's economy and jobs.

AB 32 GHG Inventory Sectors

The cost per metric ton for the AB 32 GHG Inventory sectors was computed for each measure independently relative to the Reference Scenario using the sensitivity calculations based on PATHWAYS and RESOLVE outputs. The difference in the annualized cost between the Scoping Plan Scenario and the Reference Scenario was computed for each measure in 2035 and in 2045. The incremental cost was divided by the incremental GHG emissions impact to calculate the cost per metric ton in each year. To capture the fuel and GHG impacts of investments made from 2022 through 2035, or from 2022 through 2045, CARB computed an average annual cost per metric ton. The incremental cost in each year was averaged over the period. This value is divided by the corresponding annual, incremental GHG impact averaged over the same period.

The cost metric includes the annualized incremental cost of energy infrastructure, such as zero-emission vehicles, electric appliances, and required revenue to support all electric assets. A residual value for equipment such as vehicles or appliances that are retired early is included. The annual fuel cost or avoided fuel cost that results from efficiency improvements or changes to demand for fuels associated with transitioning to alternative fuels is included. Not included in this cost metric are costs that represent transfers within the state, such as incentive payments for early retirement of equipment.

It is important to note that this cost per metric ton does not represent an expected market price value for carbon mitigation associated with these measures. In addition, the values do not capture fuel savings or GHG reductions associated with the full economic lifetime of measures that have been implemented by the target date of 2035 or 2045 but whose impacts extend beyond the target date.

Table 3-11 includes the cost per metric ton and annual average cost per metric ton estimates for the Scoping Plan Scenario. The other alternatives are presented in Appendix C (AB 197 Measure Analysis). Measures that are relatively less costly in 2035 or 2045 are also less costly over the extended period. As noted earlier, incremental costs of new vehicles are generally offset by gains in efficiency and avoided fuel consumption resulting in negative cost per metric ton.

Table 3-11: Estimated cost per metric ton of reduced CO₂e relative to the Reference Scenario for measures considered in the Scoping Plan Scenario (AB 32 GHG Inventory sectors)

Measure	Annual Cost, 2035 (\$/ton)	Average Annual Cost, 2022–2035 (\$/ton)	Annual Cost, 2045 (\$/ton)	Average Annual Cost, 2022–2045 (\$/ton)
Deploy ZEVs and reduce driving demand	-171	-99	-103	-122
Coordinate supply of liquid fossil fuels with declining CA fuel demand	60	109	-50	39
Generate clean electricity ^a	101	156	145	161
Decarbonize industrial energy supply	290	217	257	274
Decarbonize buildings	235	230	112	213
Reduce non-combustion emissions	93	94	106	99
Compensate for remaining emissions	745	823	236	485

^a Note: The denominator of this calculation (2045) does not include GHG reductions occurring outside of California resulting from SB 100. If these reductions were included, this number would be lower.

Natural and Working Lands

The cost per metric ton for NWL measures were computed for the Scoping Plan Scenario relative to the Reference Scenario using the projected carbon stock/sequestration data from the NWL modeling and the direct cost estimates for each management action, described earlier. Direct costs represent the cost of implementing a certain management action. The projected emissions reductions take into account the loss of carbon that results from the management action, such as fuels reduction treatments in forests, as well as climate change effects on growth. The direct cost for each NWL measure was divided by the average annual emission reductions presented in Table 3-6 to produce the cost

per metric ton. The increasing effect of climate change on diminished future growth reduces the ability of the land to sequester or store carbon, driving up the cost per ton.

It is important to note that this cost per metric ton does not represent an expected market price value for carbon mitigation associated with these measures. In addition, emissions benefits of NWL management actions often take longer time periods to accrue, and these values only capture GHG reductions up to 2045.

Table 3-12 includes the average cost per metric ton estimates for the average annual CO₂e reductions from 2025 through 2045 for the Scoping Plan Scenario. The other alternatives are presented in Appendix C (AB 197 Measure Analysis).

Table 3-12: Estimated average cost per metric ton of reduced CO₂e relative to the Reference Scenario for measures considered in the Scoping Plan Scenario (NWL)

Measure	Average Cost per Reduced Ton CO₂e (\$/Ton)
Forests/Shrublands/Grasslands	15,500
Annual Croplands	1,100
Perennial Croplands	412
Urban Forest	3,270
Wildland Urban Interface (WUI)	N/A
Wetlands	64
Sparsely Vegetated Lands	451,000

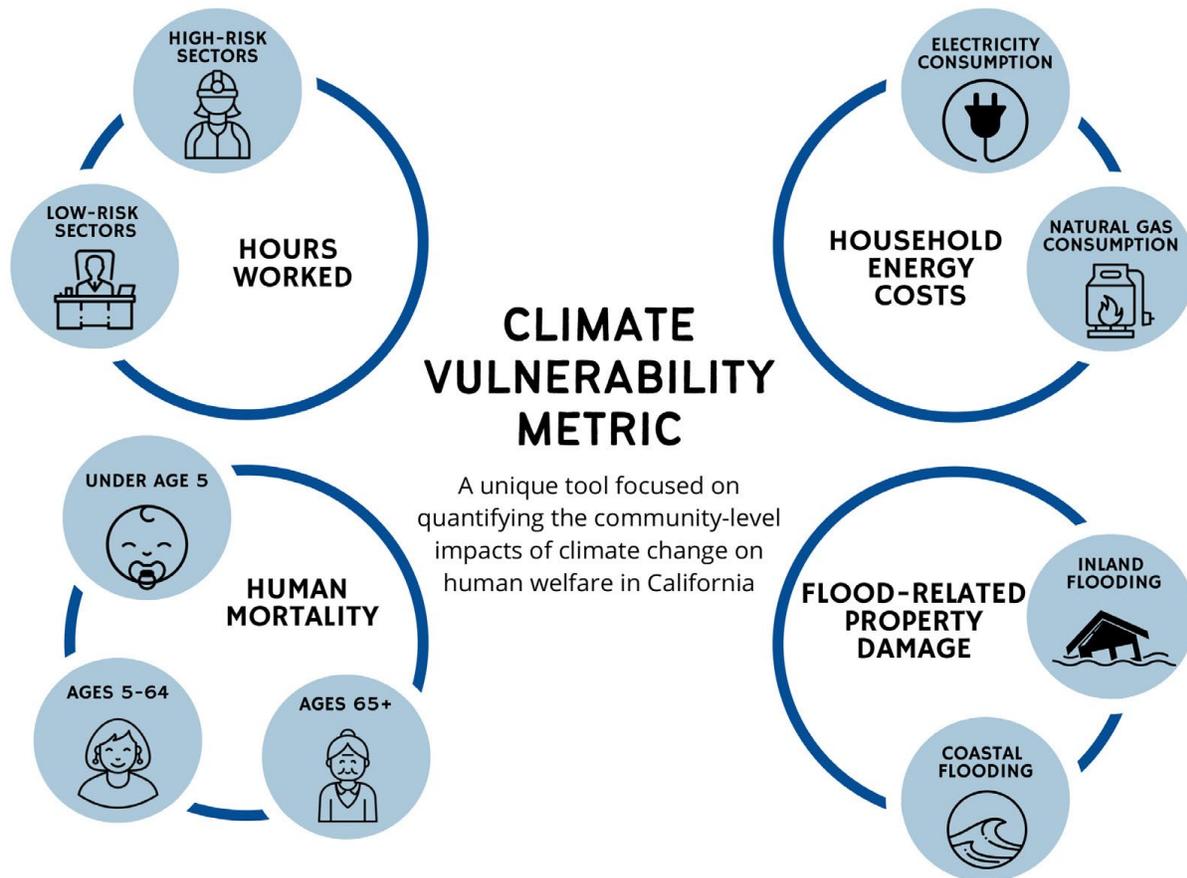
Climate Vulnerability Metric

As California invests in climate mitigation and adaptation, it is essential to understand that the relative impact of climate change will vary across the state's communities. Due to persisting health and opportunity gaps, not all communities are equally resilient in the face of climate impacts. A global metric such as the Social Cost of Carbon cannot adequately capture the incremental additional economic impact faced by overly burdened communities. The Climate Vulnerability Metric (CVM) is specifically focused on quantifying the community-level impacts of a warming climate on human welfare and the additional costs. Additional details and results are included in Appendix K (Climate Vulnerability Metric).

The CVM aggregates the impacts of climate change that can be quantified at the census tract level using robust and currently available research. The CVM includes the projected impacts of climate change on human welfare across four categories (hours worked, household energy costs, human mortality, and flood-related property damage) through midcentury. The CVM identifies nine components of the four climate impacts as shown in Figure 3-9 and aggregates the data to generate a total CVM result for each census tract. To ensure that the CVM represents the diversity of California communities, it is reported as the aggregate monetized impact of climate change as a percentage of census tract-specific incomes.²⁴³ For example, a CVM value of 3 implies that by 2050, a census tract is projected to experience human welfare impacts of climate change that amount to 3% of annual income in that tract.

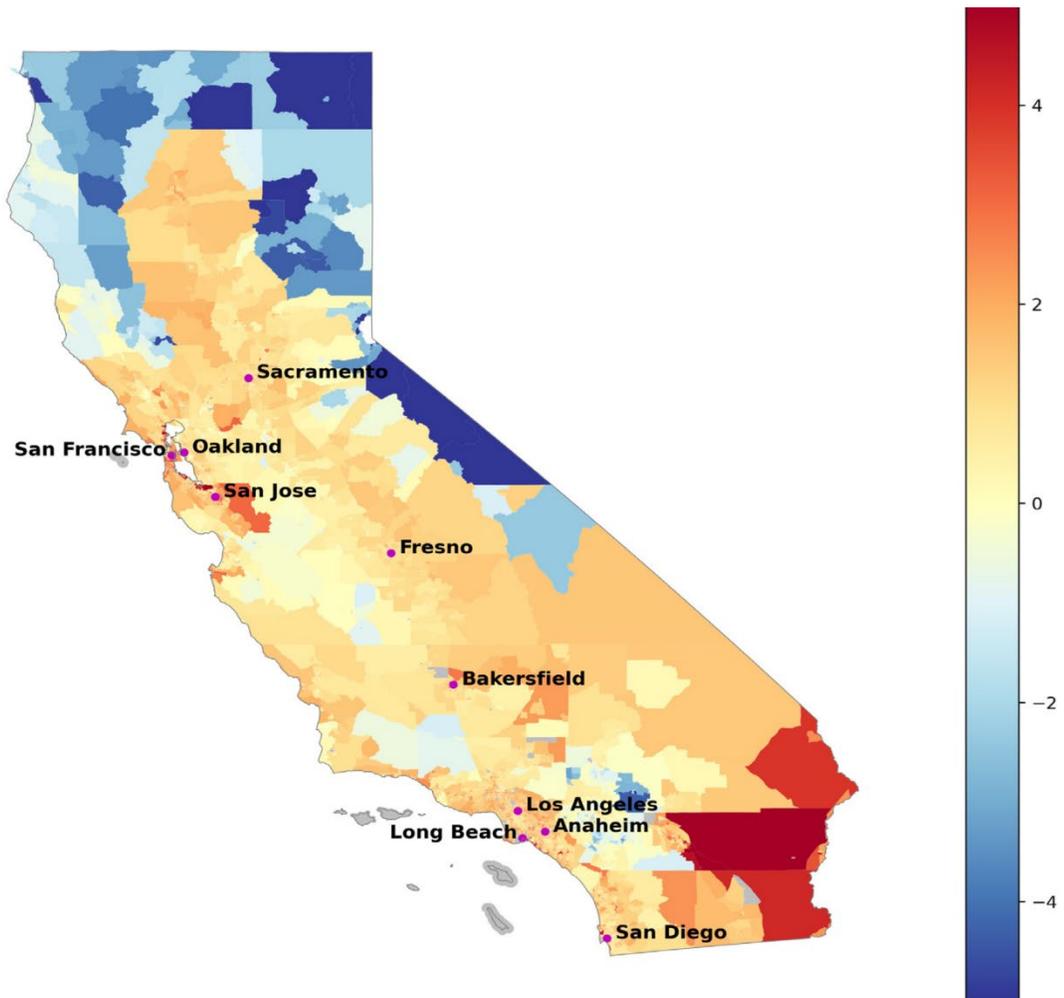
²⁴³ Per capita income in 2019 for census tracts across California ranges from \$633 to \$176,388, with a median of \$32,181 (\$2019). Source: American Community Survey.

Figure 3-9: Categories of climate change impacts on human welfare included in the Climate Vulnerability Metric.



The CVM shows that climate change will have highly unequal impacts across California. While some southeastern regions of California are estimated to suffer damages that exceed 5% of annual income, other high-elevation northeastern regions of California are estimated to see benefits of up to 10%. Some low-lying urban areas, such as the San Francisco Bay Area, are estimated to be particularly vulnerable, while much of the Central Valley is estimated to suffer at least moderate economic damages relative to the rest of the state. It is important to note that the CVM does not set a threshold for vulnerability. Instead, it shows relative impacts across census tracts. The CVM is limited to the impacts that can currently be quantified at the census tract level.

Figure 3-10: Combined impacts of climate change in 2050 under a moderate emissions scenario; damages as share of 2019 tract income (%)



The map shows combined impacts of climate change in 2050 under a moderate emissions scenario (RCP 4.5), reported as a share of 2019 census tract income. For example, a CVM value of 3 implies that by 2050, a census tract is projected to experience human welfare impacts of climate change that amount to 3% of annual income. Impacts are combined across the categories shown in Figure 3-9. The higher the CVM for a given census tract, the more damaging the projected impacts of climate change on human welfare. Census tracts with high CVMs are represented by positive percentages in orange and red. A lower CVM is associated with lower projected impacts of climate change, shown in yellow, while a negative CVM value represents a projected beneficial impact of climate change (e.g., through reductions in deaths caused by extremely cold winter weather). Negative CVMs are represented by negative percentages in blue.

By providing information about how climate vulnerability varies across California (Figure 3-10), the CVM results can be used to direct resources to enhance resiliency in the state's

most vulnerable communities based on the specific impacts, such as heat or flooding, they are experiencing. The CVM may be used in combination with existing screening tools, such as CalEnviroScreen 4.0, to identify communities that face environmental and health hazards that contribute to disproportionate economic impacts in addition to climate vulnerability. The CVM can become an essential source of information to implement this Scoping Plan and build a more resilient, just, and equitable future for all communities.

Public Health

Health Analysis Overview

This section focuses on a broader evaluation of public health and climate change. Science demonstrates that taking action to address climate change presents one of the most significant opportunities to improve public health outcomes.²⁴⁴ Transitioning to clean energy and technology and improving land and ecosystem management will lead to a much healthier future. Many actions to reduce GHG emissions also have health co-benefits that can improve the health and well-being of populations across the state, as well as address climate change. This section and the accompanying Appendix G (Public Health) provide a qualitative analysis of health benefits to accompany the quantitative health analysis included in this chapter, in Appendix C (AB 197 Measure Analysis), and in Appendix H (AB 32 GHG Inventory Sector Modeling). Together the qualitative and quantitative analyses of benefits are demonstrating the many ways that climate action and health improvements go hand in hand.

Climate change can lead to a wide range of direct health impacts such as increased heat-related illnesses (i.e., heat exhaustion and heat stroke), and injuries and deaths from extreme weather events or disasters (e.g., severe storms, flooding, wildfires). Indirect impacts include:

- more air pollution-related exacerbations of cardiovascular and respiratory diseases (e.g., due to increased smog, wildfire smoke)
- increased vector-borne and fungal diseases due to changes in the distribution and geographic range of disease-carrying species (e.g., mosquitoes, ticks, fungi in dust)
- negative nutritional consequences related to decreases in agricultural food yields
- stress and mental trauma due to extreme weather-related catastrophes
- anxiety, depression, and other mental health impacts associated with gradual changes in the climate (e.g., prolonged drought or temperature shifts affecting jobs and industries) that result in unemployment and income loss

²⁴⁴ Watts, N., W. N. Adger, P. Agnolucci, et al. 2015. "Health and climate change: Policy responses to protect public health." *Lancet* 386, 1861–1914.

- residential displacement and home loss (e.g., sea level rise impacting coastal communities)

Wildfires and wildfire smoke are one area where we have already seen and expect to see even further drastic impacts on the health of Californians. According to CalFire, since 1932 the top eight largest wildfires in California have occurred in the past five years (2017–2022), with 151 deaths due directly to fires during that period.²⁴⁵ Researchers estimate that wildfire smoke during fall 2020 may have led to as many as 3,000 excess deaths, with at least 95% of Californians suffering unhealthy levels of particle pollution due to wildfires in 2020.²⁴⁶ Continued climate change is projected to further increase smoke exposure from wildfires through the end of the century.²⁴⁷ Wildfires also create a high-risk environment for outdoor workers, including agricultural workers. While the direct medical and physical health impacts are often most noticeable, the psychological impacts can develop and persist well after the event. Estimates indicate that 20%–65% of survivors of extreme weather events have mental health issues following the event.²⁴⁸

Extreme heat, drought, and associated worsened air quality impacts are among the most serious climate-related exposures affecting the health of Californians. Numerous studies find a wide range of adverse health effects accompanying extreme heat, including heat stroke and adverse birth outcomes, and find that extreme heat can harm most body systems. Climate change exacerbates air pollution problems that cause difficulty breathing and can lead to serious illness and death in many parts of California. Increasing temperatures cause increases in ozone and other pollution concentrations, including for California’s most polluted regions, and heighten health risks for the vulnerable and marginalized populations living in these areas.²⁴⁹ In 2020, there were 157 ozone polluted days across Los Angeles, Orange, Riverside, and San Bernardino Counties—the most days since 1997. In addition, particulate matter exposure is a heightened problem during

²⁴⁵ California Department of Forestry and Fire Protection (CAL FIRE). “Stats and Events.” *Cal Fire Department of Forestry and Fire Protection*, <https://www.fire.ca.gov/stats-events/>.

²⁴⁶ G-FEED. 2020. Indirect mortality from recent wildfires in CA. <http://www.g-feed.com/2020/09/indirect-mortality-from-recent.html>.

²⁴⁷ M. D. Hurteau, A. L. Westerling, C. Wiedinmyer, and B. P. Bryant. 2014. “Projected effects of climate and development on California wildfire emissions through 2100.” *Environ. Sci. Technol.* 48, 2298–2304.

²⁴⁸ American Public Health Association. 2019. Addressing the Impacts of Climate Change on Mental Health and Well-Being. Policy No: 20196. <https://www.apha.org/policies-and-advocacy/public-health-policy-statements/policy-database/2020/01/13/addressing-the-impacts-of-climate-change-on-mental-health-and-well-being>.

²⁴⁹ American Lung Association. State of the Air 2021. <https://www.lung.org/research/sota>.

droughts, which are expected to increase over this century.^{250,251} Worse air quality leads to illnesses, emergency room visits, and hospitalizations for chronic health conditions, including chronic obstructive pulmonary disease (COPD), asthma, chronic bronchitis, and other respiratory and cardiovascular conditions, as well as increased risk for respiratory infections, which all result in greater health costs to the state.^{252,253,254} These and other climate-related health impacts are discussed in more detail in Appendix G (Public Health).

Health Analysis Components

This Scoping Plan health analysis focuses on the contrast between a California that is still dependent on a fossil fuel-based economy and a California that is transitioned to a carbon-neutral, clean energy future. This qualitative analysis evaluates and demonstrates the broad range of benefits of a dramatic reduction in fossil fuels by 2045 combined with healthier ecosystem management, comparing health outcomes for a “no-action” scenario (Reference) to a “take-action” decarbonization scenario. As this is a qualitative analysis, it looks more broadly at the public health benefits of a drastic reduction in fossil fuel combustion. While this analysis provides scientific evidence for Scoping Plan benefits based on achieving carbon neutrality by 2045, it does not analyze a specific scenario.

The key areas of focus for the analysis are: heat impacts, children’s health and development, economic security, food security, mobility and physical activity, urban greening, wildfires and smoke impacts, and housing affordability. For each area of focus, the analysis covers the scientific evidence and compares expected health effects between the Reference and decarbonization scenarios. This analysis looks at the major health outcomes, provides directional effects for each health outcome, and where possible provides information on the strength and scale of health impacts. Some areas include quantitative information where tools are available to measure health outcomes. While the analysis is focused on health outcomes statewide, it also includes discussion

²⁵⁰ Cvijanovic, I., B. D. Santer, C. Bonfils, et al. 2017. “Future Loss of Arctic Sea-ice Cover Could Drive a Substantial Decrease in California’s Rainfall.” 8 *Nat. Commun.* 1947. <https://doi.org/10.1038/s41467-017-01907-4>.

²⁵¹ Williams, A. P., R. Seager, J. T. Abatzoglou, B. I. Cook, J. E. Smerdon, and E. R. Cook. 2015. “Contribution of anthropogenic warming to California drought during 2012–2014.” *Geophysical Research Letters* 42(16), 6819–6828.

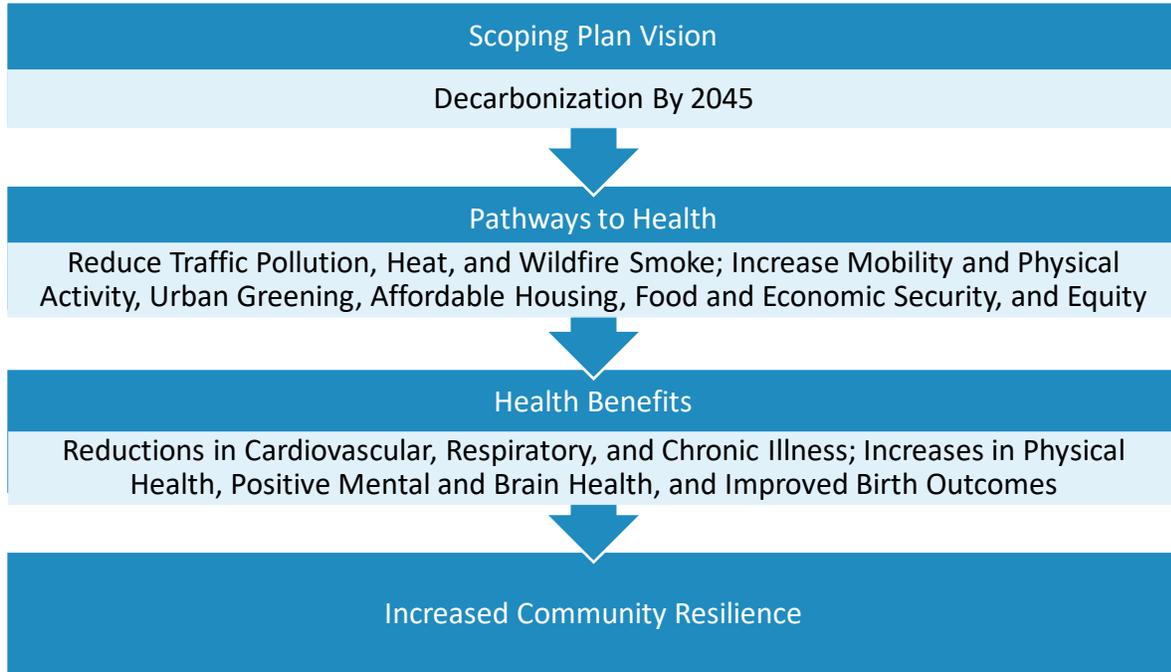
²⁵² Romley, J. A., A. Hackbarth, and D. P. Goldman. 2010. Cost and Health Consequences of Air Pollution in California. Santa Monica, California. RAND Corp. https://www.rand.org/pubs/research_briefs/RB9501.html.

²⁵³ Wang, M., C. P. Aaron, J. Madrigano, E. A. Hoffman, E. Angelini, J. Yang, A. Laine, et al. 2019. “Association between long-term exposure to ambient air pollution and change in quantitatively assessed emphysema and lung function.” *JAMA* 322(6), 546–556.

²⁵⁴ Inzerro, A. 2018. “Air Pollution Linked to Lung Infections, Especially in Young Children.” *Am. J. Managed Care* (May 6). <https://www.ajmc.com/view/air-pollution-linked-to-lung-infections-especially-in-young-children>.

of benefits to community health and climate resilience, as well as potential inequities experienced at a community level. Figure 3-11 shows the co-benefit areas covered in this Scoping Plan and the path to health improvements and increased community resilience.

Figure 3-11: Scoping Plan outcome and the path to health improvements



Social and Environmental Determinants of Health Inequities

Communities across the state do not experience exposure to pollution sources and the resulting effects equally. Low-income communities and communities of color (including Black, Latino and Indigenous communities) consistently experience significantly higher rates of pollution and adverse health conditions than others due to factors including historic marginalization rooted in systemic racism. As shown in Figure 3-12, the most impacted neighborhoods according to CalEnviroScreen (CES) are home to very high percentages of people of color while the least impacted neighborhoods are predominantly white. Recent findings show that Black Californians have 19% higher PM_{2.5} exposure from vehicle emissions than the state average, and the census tracts with the highest PM_{2.5} pollution burden from vehicle emissions have a high proportion of people of color.²⁵⁵ Air pollutant emissions from mobile sources have disproportionate impacts on low-income communities and communities of color due to their proximity.²⁵⁶ Diesel-fueled vehicles traveling on California’s freeways and major roads expose nearby residents to pollution that is linked to lung cancer, hospitalizations and emergency department visits for chronic heart and lung disease, and premature death.^{257,258} A combination of historical and social inequities are evident in communities of color disproportionately living close to freeways and other major sources of vehicle pollution. Environmental exposures and contaminants are one component of a broader set of social, economic, and environmental factors that can amplify health conditions, and the combination of all these factors can compound the health effects of individual exposures. This broader set of community factors can be referred to as “cumulative impacts.” In addition, specific populations are more sensitive to pollution and face greater susceptibility. This includes young children, older adults, and individuals with existing health conditions.

²⁵⁵ Reichmuth, D. 2019. *Inequitable exposure to air pollution from vehicles in California*.

<https://www.ucusa.org/resources/inequitable-exposure-air-pollution-vehicles-california-2019>.

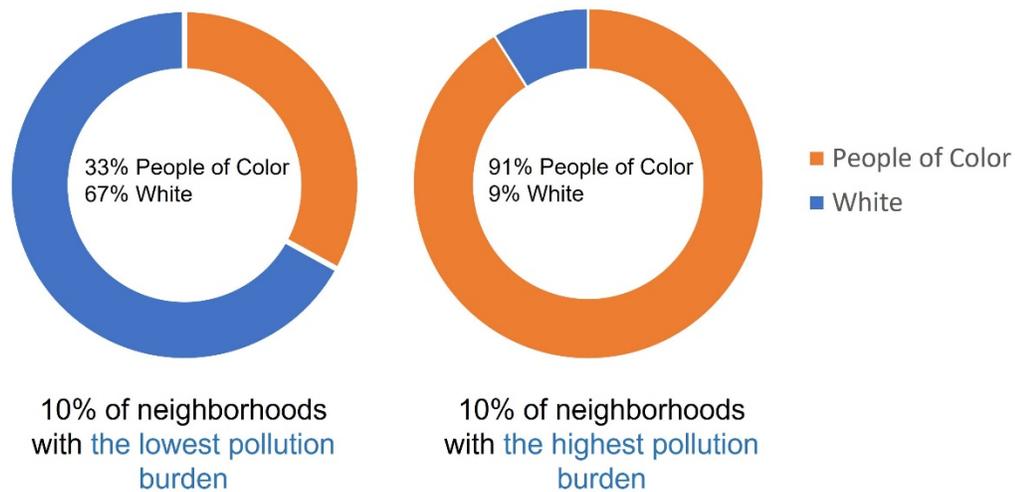
²⁵⁶ CARB. 2017. *California’s 2017 climate change scoping plan*.

https://www.arb.ca.gov/cc/scopingplan/scoping_plan_2017.pdf.

²⁵⁷ CARB. 2020. Overview: Diesel exhaust & health. <https://ww2.arb.ca.gov/resources/overview-diesel-exhaust-and-health>.

²⁵⁸ Kagawa, J. 2002. “Health effects of diesel exhaust emissions—a mixture of air pollutants of worldwide concern.” *Toxicology* 181–182:349–353.

Figure 3-12: Least and most impacted neighborhoods from CalEnviroScreen²⁵⁹



Social Determinants of Health Inequities

The physical and mental health of individuals and communities is shaped, to a great extent, by the social, economic, and environmental circumstances in which people live, work, play, and learn. According to the World Health Organization, these same circumstances—or social determinants of health—are “mostly responsible for health inequities: the unfair and avoidable differences in health status seen within and between countries.” In fact, a strong body of research demonstrates that more than 50 percent of long-term health outcomes are the result of social determinants affecting an individual.²⁶⁰ Race/ethnicity and socioeconomic status, for example, have been found to amplify impacts from long- and short-term environmental exposures for several health outcomes,

²⁵⁹ The figure represents the top and bottom decile scoring of CalEnviroScreen census tracts for pollution burden. This chart is modified from Figure 2. Race in the Least and Most Impacted Census Tracts of CalEnviroScreen 4.0 in the Office of Environmental Health Hazard Assessment, California Environmental Protection Agency. Analysis of Race/Ethnicity and CalEnviroScreen 4.0 Scores. 2021. <https://oehha.ca.gov/media/downloads/calenviroscreen/document/calenviroscreen40raceanalysisf2021.pdf>.

²⁶⁰ California Department of Public Health (CDPH). 2015. *The Portrait of Promise: The California Statewide Plan to Promote Health and Mental Health Equity*. A Report to the Legislature and the People of California by the Office of Health Equity. Sacramento, California. California Department of Public Health, Office of Health Equity.

such as mortality and birth outcomes.^{261,262,263,264} Social factors combine in low-income communities and communities of color to create levels of toxic chronic stress and limit opportunities for healthy food and healthy lifestyles. Social factors also can cause health disparities through psychosocial pathways such as discrimination and social exclusion.²⁶⁵ While the importance of social determinants is well known, measuring the specific and cumulative impacts of social determinants is challenging.

There are several important tools to evaluate and map cumulative impacts and factors contributing to the results of historical practices such as redlining, and these tools have been used for air quality and climate planning, community protection, and investments. CalEnviroScreen is a tool that maps cumulative pollution burdens and vulnerabilities on a statewide basis and ranks census tracts based on environmental, exposure, population, and socioeconomic indicators. An analysis using CES shows a direct, persistent relationship between exposure to environmental burdens and socioeconomic and health vulnerabilities affecting communities of color and historical redlining practices. OEHHA has evaluated health impacts of certain climate change policies on disadvantaged communities and communities of color utilizing CES rankings.²⁶⁶ The Healthy Places Index (HPI) maps indicators that affect life expectancy on a statewide basis. In the future, these and other tools can be helpful to prioritizing investments and informing implementation efforts for GHG emission reductions policies.

Environmental Determinants of Health Inequities

Communities with large percentages of Black and other socially vulnerable and marginalized groups are disproportionately located near pollution sources, such as traffic

²⁶¹ O’Neill, M. S., M. Jerrett, I. Kawachi, J. I. Levy, A. J. Cohen, N. Gouveia, et al. 2003. “Health, wealth, and air pollution: Advancing theory and methods.” *Environ Health Perspect.* 111 (16): 1861–70.

²⁶² Ponce, N. A., K. J. Hoggatt, M. Wilhelm, and B. Ritz. 2005. “Preterm birth: The interaction of traffic-related air pollution with economic hardship in Los Angeles neighborhoods.” *Am J Epidemiol.* 162 (2): 140–8.

²⁶³ Morello-Frosch, R., B. Jesdale, J. Sadd, and M. Pastor. 2010. “Ambient air pollution exposure and full-term birth weight in California.” *Environ Health.* 9: 44.

²⁶⁴ Finkelstein, M. M., M. Jerrett, P. DeLuca, N. Finkelstein, D. K. Verma, K. Chapman, et al. 2003. “Relation between income, air pollution, and mortality: A cohort study.” *CMAJ.* 169 (5): 397–402.

²⁶⁵ Clougherty, J., and L. Kubzansky. 2009. “A framework for examining social stress and susceptibility in air pollution and respiratory health.” *Environ Health Perspect.* 117 (9): 1351–8.

²⁶⁶ OEHHA. 2022. *Impacts of Greenhouse Gas Emission Limits Within Disadvantaged Communities.* <https://oehha.ca.gov/media/downloads/environmental-justice/impactsofghgpoliciesreport020322.pdf>.

and freight facilities, industrial facilities, and hazardous waste sites.^{267,268,269,270} Research shows large disparities in exposure to pollution between white and non-white populations in California, and between low-income and communities of color (Figure 3-13). The research also shows Black and Latino populations experience significantly greater air pollution impacts than white populations in California.²⁷¹ Additionally, Native Americans are disproportionately impacted by air pollution with high rates of exposure to industrial, diesel, and residential pollution sources and higher rates of diseases linked to air pollution.^{272, 273}

²⁶⁷ Mohai, P., P. M. Lanz, J. Morenoff, J. S. House, and R. P. Mero. 2009. "Racial and socioeconomic disparities in residential proximity to polluting industrial facilities: Evidence from the Americans' Changing Lives Study." *Am J Public Health*. 99 (Suppl 3): S649–56.

²⁶⁸ Mohai, P., and R. Saha. 2007. "Racial inequality in the distribution of hazardous waste: A national-level reassessment." *Soc Probl*. 54 (3): 343–70.

²⁶⁹ Morello-Frosch, R., M. Pastor, C. Porras, and J. Sadd. 2002. "Environmental justice and regional inequality in southern California: Implications for future research." *Environ Health Perspect*. 110 (Suppl 2): 149–54.

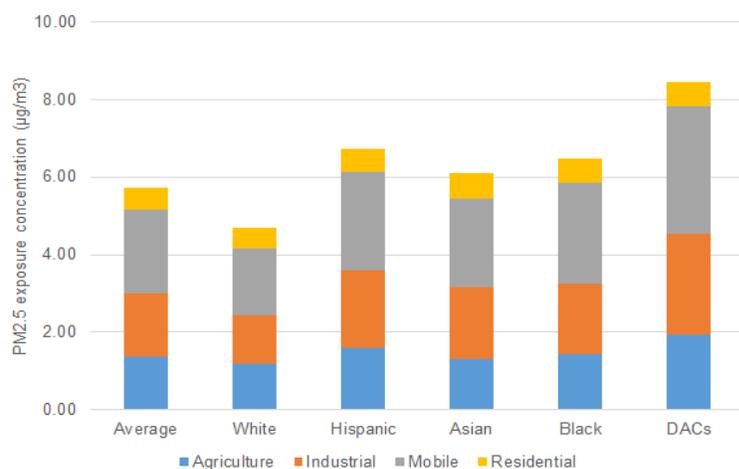
²⁷⁰ Gunier, R. B., A. Hertz, J. von Behren, and P. Reynolds. 2003. "Traffic density in California: Socioeconomic and ethnic differences among potentially exposed children." *J Expo Anal Environ Epidemiol*. 13 (3): 240–6.

²⁷¹ Apte, J. S., S. E. Chambliss, C. W. Tessum, and J. D. Marshall. 2019. *A Method to Prioritize Sources for Reducing High PM_{2.5} Exposures in Environmental Justice Communities in California*. CARB Research Contract Number 17RD006.

²⁷² Indigenous People and Air Pollution in the United States. A Report from the National Tribal Air Association and Moms Clean Air Force. 2021. https://7vv611.a2cdn1.secureserver.net/wp-content/uploads/2021/04/indigenouairpollution_041421.pdf

²⁷³ National Tribal Air Association. 2022. Status of Tribal Air Report. Pg. 66. <https://7vv611.a2cdn1.secureserver.net/wp-content/uploads/2022/10/2022-NTAA-Status-of-Tribal-Air-Report.pdf>.

Figure 3-13: Top sources of PM_{2.5} and their contribution to PM_{2.5} exposures by race and in disadvantaged communities



These disparities in exposure to pollution sources generate health inequities. Communities located near major roadways are at increased risk of asthma attacks and other respiratory and cardiac effects. Studies consistently show that mobile source pollution exposure near major roadways or freight sources contributes to and exacerbates asthma, impairs lung function, and increases cardiovascular mortality.²⁷⁴ The exposure to mixtures of gaseous and particulate pollutants in mobile sources (including PM, NO_x, and benzene) is associated with higher rates of heart attacks, strokes, lung cancer, autism, and dementia.²⁷⁵

Environmental hazards found in communities also can include exposures to toxic substances and emissions, as well as occupational exposures. Due to historical inequities, under-resourced communities and communities of color are often located close to sources of toxic pollution, including chrome platers; metal recycling facilities; oil and gas operations; agricultural burning; railyards; facilities transporting, managing, or disposing of hazardous waste; and areas impacted by pesticides, among others. Some populations may be at increased risk of exposure to pollutants, both at work and home.

Children are more susceptible to environmental pollutants for many reasons, including the ongoing development of their nervous, immune, digestive, and other bodily systems. Moreover, children eat more food, drink more fluids, and breathe more air relative to their

²⁷⁴ U.S. Environmental Protection Agency website. How Mobile Source Pollution Effects Your Health. <https://www.epa.gov/mobile-source-pollution/how-mobile-source-pollution-affects-your-health>.

²⁷⁵ USC Environmental Health Centers. 2018. Living Near Busy Roads or Traffic Pollution. https://envhealthcenters.usc.edu/wp-content/uploads/2016/10/living-near-bus_19696172.pdf.

communities are at risk of experiencing the negative impacts of climate change.²⁸³ A report from the California Climate Change Center warned that the impacts of climate change will likely create especially heavy burdens on low-income and other vulnerable populations: “*Without proactive policies to address these equity concerns, climate change will likely reinforce and amplify current as well as future socioeconomic disparities, leaving low-income, minority, and politically marginalized groups with fewer economic opportunities and more environmental and health burdens.*”²⁸⁴

In the U.S. Environmental Protection Agency’s “Climate Change and Social Vulnerability in the United States: A Focus on Six Impacts,”²⁸⁵ investigators analyzed risks of six primary climate change impacts disproportionately affecting communities across income, educational attainment, race/ethnicity, and age groups. Four socially vulnerable populations—low income, communities of color, no high school diploma, and age 65 and older—were identified as having a higher likelihood of experiencing the greatest impacts of a changing climate (according to the projected 2°C of global warming or 50 centimeters of global sea level rise). Disproportionate impacts were projected for climate events, including air quality, extreme temperature, coastal flooding, and other impacts, leading to increased risk of health and other adverse outcomes. The study projected significant health impacts for low-income communities, certain racial and ethnic subgroups, and those with lower educational attainment.

Several climate vulnerability tools have been developed or are under development to better understand and map areas at higher risk of climate impacts. The Climate Change and Health Vulnerability Indicators (CCHVIs) for California helps state and local health officials prepare for and reduce adverse health impacts due to a changing climate.²⁸⁶ For example, Los Angeles County shows higher than state average climate vulnerability overall, particularly for those who are linguistically isolated (more than twice the state average).

In summary, there are many environmental, social, individual, and economic factors affecting health and equity in California and contributing to worsening health outcomes from climate change impacts. This section and Appendix G (Public Health) reference a substantial and growing body of research documenting the different social and

²⁸³ OPR. 2018. Defining Vulnerable Communities in the Context of Climate Adaptation. https://opr.ca.gov/docs/20180723-Vulnerable_Communities.pdf.

²⁸⁴ Shonkoff, S., R. Morello-Frosch, M. Pastor, and J. Sadd. 2011. “The climate gap: environmental health and equity implications of climate change and mitigation policies in California—A review of the literature.” *Climatic Change* 109 (Suppl 1): S485–S503.

²⁸⁵ U.S. EPA. 2021. Climate Change and Social Vulnerability in the United States: A Focus on Six Impacts. U.S. Environmental Protection Agency. EPA 430-R-21-003.

²⁸⁶ CDPH. 2022. Climate Change and Health Vulnerability Indicators for California. California Department of Public Health. <https://www.cdph.ca.gov/Programs/OHE/Pages/CC-Health-Vulnerability-Indicators.aspx>.

environmental factors affecting health outcomes and the many groups that are vulnerable to increased effects or that experience health inequities in California (see Table 3-13).

Table 3-13: Examples of vulnerable groups due to socioeconomic, environmental, developmental, and climate change factors

Examples of Vulnerable Groups Due to Socioeconomic, Environmental, Developmental, and Climate Change Factors		
Older People	People with Existing Chronic Illness	People Impacted Due to Working Conditions
Tribal Groups	Infants and Children	Low-Income People
People with Disabilities	People Experiencing Homelessness	Pregnant People
Communities of Color	Marginalized People	Immigrants/Refugees
People with Less Educational Options	Linguistically Isolated Households	People Impacted Due to Poor Housing Conditions

Summary of the Qualitative Health Analysis

CARB has developed a detailed health analysis that covers eight social and environmental co-benefit areas that impact public health (listed below). These co-benefit areas were selected due to ongoing research in these areas as well as discussion in a public workshop on climate change and health impacts held in summer 2018. For each social and environmental area, the analysis includes:

- a discussion of health impacts and disparities,
- key health metrics or epidemiological research on this topic,
- a discussion of how these areas would be affected by “no-action” (i.e., Reference) scenario compared to a “take-action” (i.e., Scoping Plan) scenario
- a discussion of where there are actions to consider for further success, and
- the types of mitigation actions that can help reduce or eliminate disparities and promote greater health equity and resilience.

All co-benefit areas are interconnected, and pursuing benefits in all areas has the potential to multiply positive results and further support building community resilience. *Community resilience* is the ability of a community to reduce harm and maintain an acceptable quality of life in the face of climate-induced stresses, which vary depending on that community’s circumstances and location. Below is a brief description of the areas evaluated for public health co-benefits. The specific health outcomes impacted by each

area, as well as the directional health benefits, are included in the Summary of Health Benefits section of the chapter and covered in more detail in Appendix G (Public Health).

Heat Impacts

Globally, increased GHG concentrations in the atmosphere are causing a continuing increase of the planet's average temperature. California temperatures have risen since records began in 1895, and the rate of increase is accelerating. Recent heat waves have broken heat records and caused serious illness across the state, and these events are becoming more frequent. Heat waves have a particularly high impact in Southern California, where they have become more intense and longer lasting. In the past two years, Los Angeles recorded 121°F, and the Coachella Valley had its hottest year ever, with temperatures reaching 123°F. Heat island effects in urbanized areas can elevate heat effects and disproportionately affect low-income communities and communities of color. Heat events exacerbate respiratory and cardiac illness and cause emergency room visits to soar. Strategies that reduce the impacts of heat exposure promote improved health outcomes.

Wildfires and Smoke

California's NWL cover more than 90 percent of California and include rangeland, forests, woodlands, grasslands, and urban green space. They provide biodiversity and ecosystem benefits, including their ability to sequester carbon from the atmosphere. Protecting and managing California's forests and other natural lands and maintaining their ecosystem health are key practices for maximizing GHG benefits and minimizing negative climate change impacts. Vegetation plays an important role in storing carbon; however, it can also release CO₂ back into the atmosphere when it dies or is burned by fires. California's wildfires are getting worse with increased fire risks, higher frequency of occurrence, larger burn areas, more costly damage, and a longer fire season due to climate change. Strategies that promote healthy ecosystem management of natural and working lands and increased urban greening promote improved health outcomes. Healthy ecosystems provide many health and environmental benefits and can maximize carbon sequestration.

Children's Health and Development

There are a wide range of interconnected environmental, social, biological, and community factors associated with climate change that are adversely affecting children's health. This section focuses on air pollution and near-roadway or traffic pollution as environmental impacts that have a profound effect on children's health. Children's bodies and lungs are still developing, and they take in more air per body weight than adults do. Many low-income communities and communities of color in California experience disproportionately high levels of air pollution, as well as high levels of traffic and freight that impact children. This excess exposure harms children's development and

predisposes them to increased risk of illness throughout their lives. Strategies that reduce air pollution and traffic emissions promote improved health outcomes for children.

Economic Security

Climate change is expected to result in serious adverse socioeconomic effects across many sectors. Economic factors, such as income inequality (among geographic regions), poverty, wealth, debt, unemployment rate, and job security are among the strongest determinants of health. Along the entire income spectrum, higher income is associated with increased life expectancy and improved health outcomes in the United States. Additionally, economic insecurity and negative health impacts are more pronounced in low-income communities and communities of color. Economic strategies, such as the promotion of clean energy and other green jobs and investments in low-income communities and communities of color, and promoting a transition to high road jobs in economic sectors tied to the current fossil fuel economy, can promote improved health outcomes.²⁸⁷

Food Security

The food system is under pressure from numerous factors, and climate change is a key concern. Climate change can affect food production and agricultural yield, impact culturally significant plants and animals for Native American tribes, and exacerbate factors that limit food availability, such as supply chain disruption. Food security is defined as stable access to affordable, sufficient food for an active, healthy life. Many Californians routinely experience food insecurity, and while that impacts Californians of all races and groups, low-income communities and communities of color and children are disproportionately affected by food insecurity. Many Native Americans depend on resources from the land, such as animals and plants for consumption and cultural practices. Strategies that promote sustainable agriculture, access to healthy foods, and reduced organic food waste promote improved health outcomes.

Mobility and Physical Activity

Physical activity is one of the most important factors for a healthy lifestyle, and lack of activity increases the risk of chronic illness and premature death. Research shows that regular physical activity improves health in people of all ages by improving heart and lung

²⁸⁷ According to the California Labor and Workforce Development Agency's High Road Training Partnership program, high road jobs are considered "Quality jobs [that] provide family-sustaining wages, health benefits, a pension, worker advancement opportunities, and collective worker input and are stable, predictable, safe and free of discrimination." https://cwdb.ca.gov/wp-content/uploads/sites/43/2020/08/OneSheet_Job-Quality_ACCESSIBLE.pdf.

function, muscle fitness, mental health and brain function, and sleep quality. A sedentary lifestyle contributes to chronic illnesses, including obesity, heart disease, and Type 2 diabetes among other chronic illnesses. Promoting community design that supports sustainable patterns of land use and transportation enables active transportation choices like walking, biking, and public transit over driving, and can significantly increase physical activity, leading to many valuable health benefits.

Affordable Housing

Housing is an important social determinant of health. The stability of housing, housing quality, conditions inside and outside the home, the cost of housing, and the environmental and social characteristics of the places people live all affect health (including energy efficiency and insulation, cooler building material, tree canopy, home size). Housing affordability is a key factor, and this section highlights how housing affordability supports not only improved health but also more sustainable land use and transportation patterns. A lack of affordable housing is increasing commute distances for low-income renters and creating health burdens. Strategies that support sustainable transportation and housing patterns, together with increased housing affordability, promote improved health outcomes.

Urban Greening

Urban Greening is well recognized as an important amenity, but the inherent health benefits are not always well understood. Under-resourced and vulnerable areas consistently show a lack of urban greening and higher percentages of concrete, asphalt, and impervious surfaces. Under-resourced communities have a greater proportion of concrete and heat-trapping surfaces and a lower amount of tree cover in the neighborhoods in which they live. Areas with reduced urban greening have the potential to create areas of higher temperatures as heat is reflected from pavements and buildings. By contrast, increasing urban greening can provide air pollution buffers and promote physical activity. Strategies that preserve and create urban parks, green space, natural infrastructure, and sustainable agricultural practices support improved physical and mental health outcomes.

No Action Scenario (Reference)

In a no-action scenario, California would remain dependent on fossil fuels and other GHG emitting technologies. Fossil-fuel powered mobile sources including cars, trucks, trains, tractors, and a myriad of other on-road and off-road vehicles and equipment are the largest source of criteria pollutants and toxic air contaminants that directly affect

community health and contribute the largest portion of GHG emissions.²⁸⁸ Other key GHG emission sources include buildings, natural and working lands, and power production and industry. The no-action scenario reflects a continued reliance on fossil fuels in mobile and stationary sectors, including buildings. The continued production and use of fossil fuels; ongoing dependence on gasoline and diesel cars, trucks, buses, and equipment; continued releases of short-lived climate pollutants; and decreased emphasis on forest and ecosystem health will impact communities by reducing climate resilience and health benefits. Green space will likely remain at the same levels or degrade, and urban heat islands will likely increase. With continued growth of vehicle miles traveled, physical activity and the accompanying health benefits will not increase.

Exposure to wildfire smoke will increase, and air quality is expected to worsen as rising temperatures will increase levels of harmful air pollution. Jobs and economic security will be affected by the continuing potential for price spikes in fossil fuels, impacts to the economy from climate change, and fewer job opportunities in green technologies such as solar and electric vehicles. Food security in California will decrease due to the effects of accelerating climate impacts to agriculture; and without increased recovery of organic waste, including food products, food security will continue to decline under a no action scenario. All these impacts can be linked to worse health outcomes. Adverse health impacts are often most felt by Black, Latino, Native American, and other people of color and in low-income communities. These groups are affected more intensely by the physical stress of environmental pollution, social inequities, and the psychological stress of extreme weather events and food and economic insecurity.

Take Action Scenario

In the Take Action scenario, California will drastically reduce reliance on fossil fuels for motor vehicles, freight, buildings, electricity, or other sectors. This scenario is not a specific scenario within this Scoping Plan but examines the broad outcomes of actions to achieve carbon neutrality in 2045. Implementation of this Scoping Plan would achieve a transition to ZEVs, with 100% sales of light-duty ZEVs by 2035 and 100% sales of zero emission trucks by 2040, along with 30% VMT reductions below 2019 levels by 2045. State and local action that supports sustainable land use and transportation patterns and enables more transit and active transportation will lead to substantial health benefits from physical activity, including reduced illness and deaths.

²⁸⁸ CARB. 2022. *California Greenhouse Gas Emissions for 2000 to 2020*.
https://ww2.arb.ca.gov/sites/default/files/classic/cc/inventory/2000-2020_ghg_inventory_trends.pdf.

The economic benefits of improved health through active transportation can be modeled using the Healthy Mobility Options Tool (HMOT).²⁸⁹ In order to demonstrate the important health and economic benefits of VMT reduction, CARB and CDPH used the HMOT to analyze an illustrative trip reduction scenario for 2050 from the California Transportation Plan (CTP). The CTP has a goal of increasing active modes of travel and transit from the current level of 13 percent to a level of 23 percent of all travel trips. While the CTP goal of 23 percent for active modes of travel is not a VMT reduction target, the scenario increases active transportation through a mix of changes in land use planning for increased transportation options, including increases in biking, walking, and transit use, and it helps to show the health benefits of increased active transportation. By achieving the CTP 2050 goals, nearly 8,000 deaths would be avoided in 2050 alone (see Figure 3-14), along with significant reductions in chronic diseases. Achieving this would rank among the top public health accomplishments (see Appendix G [Public Health] for additional modeling results and detailed discussion).

The dramatic reduction in fossil fuel combustion, combined with reductions in VMT and freight and traffic emissions projected in this Scoping Plan will significantly reduce air pollution and its associated health impacts on a statewide basis and in communities near freight sources. Coordinated action strategies will emphasize natural and working lands management changes, including healthy forests, increased vegetative cover, and increased organic farming. Wildfire smoke exposure will reduce significantly with healthy ecosystem management strategies. Since many communities in California are disproportionately impacted by high levels of traffic pollution, the reduction in petroleum fueled vehicles will reduce the additional impacts of living or going to school near historically highly polluting sources. Indoor air quality is also likely to improve through a shift to non-fossil fuel appliances. Concerted state and local action to support sustainable land use and transportation patterns can enable more active transportation with health benefits from physical activity.

²⁸⁹ ITHIM California. 2020. Transportation Planning for Health, Equity, and Climate Change. <https://skylab.cdph.ca.gov/HealthyMobilityOptionTool-ITHIM/>.

Figure 3-14: Quantified health benefits of active transportation from increased physical activity

8,000 avoided deaths
from increasing Active
Transportation*



*Calculated by the Healthy Mobility Options Tool, active transportation (including walking, rolling, cycling, and taking public transit) from the California Transportation Plan 2050 compared to business as usual for 2050.

Overall community resilience is expected to increase as physical activity and green space increases—potentially decreasing urban heat islands. Efforts to support VMT reduction will include coordination across state agencies on affordable housing measures. Reduced fossil fuel dependence will reduce economic pressure from wildfires, droughts, and price spikes in fossil fuels, especially as more jurisdictions implement plans with similar actions. Investment in sustainable agriculture, healthy forests, urban greening, and clean energy technologies will add sustainable jobs and further promote economic security. More sustainable agriculture and food recovery efforts will add to food security. All these impacts can be linked to wide ranging health benefits, including positive respiratory and cardiovascular effects, healthier birth and brain outcomes, improved mental health indicators, improved life expectancy, reductions in chronic illness and cancers, improved children’s health and development, reduced depression, and other benefits. The magnitude of the possible co-benefits is extremely large, especially in areas that are currently the most affected.

Summary of Health Benefits

Below, Tables 3-14 and 3-15 show overall summaries of the directional benefits by co-benefit area estimated for this Scoping Plan. The supporting epidemiological studies used for qualitative or quantitative analysis of each co-benefit area are included in Appendix G (Public Health). Another section of Chapter 3, together with Appendix C (AB 197 Measure Analysis) and Appendix H (AB 32 GHG Inventory Sector Modeling), also includes the quantitative analysis of air pollution related health impacts, including recently added health endpoints for CARB’s ongoing analysis.

Table 3-14: Scoping Plan directional benefits for health co-benefit areas (heat, affordable housing, food security, economic security, and urban greening)

Health Co-benefit Areas*					
Quantitative vs. Qualitative	Reduced Heat Impacts	Increased Affordable Housing	Increased Food Security	Increased Economic Security	Increased Urban Greening
Research was used for Qualitative Analysis	<ul style="list-style-type: none"> ↓ Mortality ↓ Emergency Room Visits for cardiovascular and respiratory causes and intestinal infections ↓ Hospitalization for cardiovascular, respiratory causes ↓ Preterm Birth ↓ Mental Illness 	<ul style="list-style-type: none"> ↓ Infectious Disease ↓ Chronic Illness ↓ Asthma ↓ Injuries ↓ Mental Illness ↑ Children's Performance in Schools ↑ Children's Health ↓ Children's Behavioral Problems 	<ul style="list-style-type: none"> ↓ Mental Illness ↓ Iron Deficiency ↓ Chronic Diseases ↑ Life Expectancy ↓ Children's Mental Illness ↓ Children's Cognitive Problems ↓ Children's Behavioral Health Problems ↓ Children's Iron Deficiency ↓ Children's Oral Health Problems 	<ul style="list-style-type: none"> ↑ Life Expectancy ↑ Health Status ↑ Mental Health 	<ul style="list-style-type: none"> ↓ Mortality ↓ Asthma Prevalence ↓ Depression ↓ Adverse Birth Outcomes including low birth weight and small for gestational age ↑ Life Expectancy

*See Appendix G (Public Health) for a table with references to research for each health outcome listed.

Table 3-15: Scoping Plan directional benefits for health co-benefit areas (traffic pollution, wildfire, and active transportation)

Health Co-benefit Areas*			
Quantitative vs. Qualitative	Reduced Traffic Pollution	Reduced Wildfire Smoke	Increased Active Transportation
<p>Research was used for Quantitative Analysis</p>	<p>↓ Children's Respiratory Outcomes, Hospital Admissions</p> <p>↓ Children's Respiratory Outcomes, Emergency Room Visits</p> <p>↓ Children's Asthma Onset</p> <p>↓ Children's Asthma Symptoms</p>	<p>↓ All-Cause Mortality</p> <p>↓ Asthma, Hospital Admissions</p> <p>↓ COPD, Hospital Admissions</p> <p>↓ All Respiratory Outcomes, Hospital Admissions</p> <p>↓ Asthma, Emergency Room Visits</p> <p>↓ All Respiratory Outcomes, Emergency Room Visits</p> <p>↓ All Cardiac Outcomes, Emergency Room Visits</p>	<p>↓ Cardiovascular Diseases</p> <p>↓ Colon Cancer</p> <p>↓ Breast Cancer</p> <p>↓ Diabetes</p> <p>↓ Dementia</p> <p>↓ Lung Cancer</p> <p>↓ Respiratory Disease</p> <p>↓ Depression</p> <p>↑ Traffic Accidents</p>
<p>Research was used for Qualitative Analysis</p>	<p>↑ Children's Lung Function Growth</p> <p>↓ Children's Bronchitic Symptoms</p> <p>↓ Children's Impaired Cognitive Development</p> <p>↓ Children's Adverse Birth Outcomes, including low birth weight and preterm birth</p>		

*See Appendix G (Public Health) for a table with references to research for each health outcome listed.

In summary, the qualitative health analysis of the No-Action versus Take-Action scenarios for this Scoping Plan shows an overwhelming benefit for the state by taking action to move forward to carbon neutrality while continuing efforts to increase health equity and resilience in individual communities. Taking action can improve physical and mental health for adults and children, reduce a range of chronic illnesses, and promote improvements in life expectancy. Development and implementation of actions to achieve the outcomes called for in this Scoping Plan should consider how to engage affected communities in implementation, address the existing health and opportunity gaps, and pursue equitable implementation statewide and locally. This Scoping Plan deployment of clean technology and fuels, together with improved land management, will reduce GHGs and air pollution and create more resilient communities that are better able to prepare for and recover from extreme climate events.

Environmental Analysis

In May 2022, CARB, as the lead agency for the Scoping Plan, released for public review the Draft Environmental Analysis (Draft EA) for this Scoping Plan; it assessed the potential environmental impacts of implementing the Scoping Plan. CARB circulated the Draft EA for public review and comment for a period of 45 days that began on May 10, 2022, and ended on June 24, 2022. CARB held a public hearing on June 23, 2022 to provide the opportunity for public comment. During the review period, written and oral comments were received on the Draft EA. CARB reviewed the comments to identify environmental topics and began preparation of responses to those comments.

After the end of the Draft EA public review period, CARB identified potential revisions to certain aspects of this Scoping Plan that merit revisions to the project description. This new information results from, among other things, revisions to the project description regarding energy sector goals (including offshore wind), revised carbon removal targets, and additional strategies for natural and working lands. CARB released a Recirculated Draft EA for a written public comment period that started September 9, 2022, and ended on October 24, 2022. See Chapter 2 of the Recirculated Draft EA²⁹⁰ for further information regarding the changes. The Recirculated Draft EA assesses the potential for significant adverse and beneficial environmental impacts associated with all proposed actions in this Scoping Plan, and provides a programmatic environmental analysis of the reasonably foreseeable compliance responses that could result from implementation of the Scoping

²⁹⁰ CARB. 2022. Recirculated Draft EA. <https://ww2.arb.ca.gov/sites/default/files/2022-09/2022-draft-sp-appendix-b-draft-ea-recirc.pdf>.

Plan.²⁹¹ The Recirculated Draft EA concluded implementation of this Scoping Plan could result in the following:

- Beneficial impacts to: air quality (long-term operational-related) and GHG emissions (short-term construction-related and long-term operational-related)
- Less than significant impacts to: energy demand, mineral resources, population and housing, public services, recreation (short-term construction-related), and wildfire (short-term construction-related)
- Potentially significant and unavoidable adverse impacts to: aesthetics, agriculture and forest resources, air quality (construction-related and operational odors), biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, land use and planning, noise, recreation (long-term operational-related), transportation and traffic, tribal cultural resources, utilities and service systems, and wildfire (long-term operational-related)

Before the public meeting at which the Board will consider this Scoping Plan Update, CARB will publish the Final EA as Appendix B (Final Environmental Analysis) to this Scoping Plan, along with written responses to timely submitted comments raising significant environmental issues received on the Draft EA and the Recirculated Draft EA, which will be presented to the Board for consideration.

²⁹¹ The Recirculated Draft EA is available at <https://ww2.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan/2022-scoping-plan-documents>.

Chapter 4: Key Sectors

Chapter 4 provides an overview of the major energy sources and technology in use today, and of alternative clean technology and fuels to support decarbonization based on the latest information available. Every sector of the economy will need to begin to transition in this decade to meet our GHG reduction goals and achieve carbon neutrality no later than 2045. AB 32 requires climate change mitigation policies to be considered in the context of the sector's contribution to the state's total GHG emissions. The transportation, electricity (in-state and imported), and industrial sectors are the largest contributors of GHGs in the state and present the largest opportunities for GHG reductions. Actions to reduce fossil fuel combustion in these sectors also can provide critical air pollution reductions in low-income communities and communities of color, which are often located adjacent to these sources. A carbon neutrality framework also elevates the role of CO₂ removal through natural and working lands and mechanical capture and storage. Actions that support energy efficiency, reduced VMT, alternative fuels, and renewable power also can provide benefits by reducing both criteria and toxic air pollutants.

What sets this plan apart from previous Scoping Plans is the focus on the accelerated rate of deployment of clean technology and energy within every sector. As a result, specific actions, including accelerated rates of deployment of clean technology and fuels identified within this Scoping Plan, will need to be translated into both new and amended regulations, policies, and incentive programs. State agencies will need to evaluate current authority to align existing policies or develop new ones to achieve outcomes called for in this Scoping Plan. Legislative support may be needed in some cases to ensure authority and funding is sufficient to ensure this Scoping Plan is translatable to action on the ground. Most regulations, or change to existing regulations, ultimately considered by the Board or other state agencies for adoption will be subject to administrative procedure requirements. Accordingly, they must rely on specific subsequent supporting analysis and extensive public processes and consultations with interested tribes to develop and identify appropriate proposals for effective implementation. For example, any proposal to strengthen the LCFS regulations through amendments increasing the stringency of the carbon intensity (CI) targets would be considered on the basis of a public process, including workshops, and focused environmental, economic, and public health analyses.

Policies that ensure economy-wide investment or program decisions that incorporate consideration of GHG emissions are particularly important. As we pursue GHG reduction targets, we must acknowledge the manner in which built and natural environments are connected, how changes in one may impact the other, and how policy choices in one sector can and do impact other sectors. For example, fostering more compact, transportation-efficient development in infill areas and increasing transportation choices with the goal of reducing VMT not only reduces demand for transportation fuel but also requires less energy for buildings and helps to conserve natural and working lands that

sequester carbon. Therefore, the multiple and often interwoven actions that reduce VMT both reduce emissions from the transportation sector and support reductions needed in other sectors.

Legislation, such as SB 350²⁹² (De León and Leno, Chapter 457, Statutes of 2015), has recognized the need for CARB, the CEC, and the CPUC to work together to ensure the state's energy and climate goals are integrated in procurement decisions by load serving entities as part of Integrated Resource Plans. Moving forward, it is especially critical that similar approaches are adopted to break down silos across state agencies to ensure policies and programs are aligned with multiple state priorities outlined in this plan. Finally, supportive legislative direction, such as SB 905 that requires CARB to create the Carbon Capture, Removal, Utilization, and Storage Program, may also benefit emerging areas of policy to provide express agency authority and roles for these nascent efforts, including streamlining of permitting, while ensuring that protections for communities are in place.

Unlike previous Scoping Plans that separated out individual economic sectors, this Scoping Plan approaches decarbonization from two perspectives: (1) managing a phasedown of existing energy sources and technology and (2) ramping up, developing, and deploying alternative clean energy sources and technology over time. This approach supports a more comprehensive consideration of our energy infrastructure, the ability to repurpose existing assets, and the need to build new assets. It also provides multiple metrics beyond just the annual AB 32 GHG Inventory to better enable tracking progress. For example, it clearly demonstrates the production and distribution rates of specific types of clean energy, such as adding 4.3 GW of utility solar and 2.5 GW of storage year-over-year between now and 2035 to be on track to achieve carbon neutrality no later than 2045, and does the same for technology deployment, such as 11 million ZEVs in 2035.

The sections below include key actions to support success in the necessary transition away from fossil combustion, which is an overriding goal of this plan. The wide array of complementary and supporting actions being contemplated or to be undertaken across state government are detailed here. The broad view of actions described in this chapter thus provides context for the specific deployment of clean technology and fuels identified in the Scoping Plan Scenario described in Chapter 2. Actions identified in this Scoping Plan are based on currently known options and the latest science. As part of future Scoping Plan updates, additional clean technology and fuels may be identified and added to the mix of needed tools to continue to reduce the state's GHG emissions, support air quality co-benefits, and remove carbon from the atmosphere.

²⁹² California Air Resources Board. SB 350 Electricity Sector Greenhouse Gas Planning Targets. <https://ww2.arb.ca.gov/our-work/programs/sb350>.

Transportation Sustainability

The transportation sector has long relied on liquid petroleum fuels as the primary energy source for internal combustion engine (ICE) vehicles, including cars, trucks, locomotives, marine equipment, and aircraft. Combustion of fossil fuels in vehicles emits significant amounts of GHGs, criteria pollutants, and toxic air contaminants. In 2019,²⁹³ the transportation sector accounted for approximately 50 percent of statewide GHG emissions²⁹⁴ and thus was by far the single largest source of carbon pollution in the state. In addition, the transportation sector accounted for over 80 percent of statewide NOx emissions and 30% of fine particulate matter emissions, including toxic diesel particulate matter.²⁹⁵

Communities adjacent to congested roadways, including ports and distribution centers, are exposed to the highest concentration of toxic pollutants from vehicles and equipment consuming fossil fuels, leading to a number of demonstrated health impacts such as respiratory illnesses, higher likelihood of cancer development, and premature death. In addition, communities located near oil extraction operations or crude oil refineries often experience higher exposure to poor air quality. While CARB's programs, along with local action, have made substantial progress over the past few decades, it is clear that California must transition away from fossil fuels to zero-emission technologies with all possible speed and pursue policies that result in less driving, in order to meet our GHG and air quality targets.

The transportation sector can be divided into three general categories: Technology, Fuels, and Vehicle Miles Traveled.

- *Technology* refers to the vehicles themselves, as well as the associated refueling infrastructure for those vehicles.
- *Fuels* refers to the energy source used to power vehicles and the facilities that produce them.
- Vehicle travel is measured as *vehicle miles traveled* (VMT), and is a product of development patterns and available transportation options.

²⁹³ In 2020 the state experienced shelter-in-place orders in response to the COVID-19 pandemic. The orders, and the effects of the pandemic, led to a significant year-over-year decline in transportation emissions in 2020. This means 2019 is likely a more representative year for overall transportation emissions and 2020 a likely outlier in the historical transportation emissions trend data.

²⁹⁴ CARB. 2022. *California Greenhouse Gas Emissions for 2000 to 2020*.

https://ww2.arb.ca.gov/sites/default/files/classic/cc/inventory/2000-2020_ghg_inventory_trends.pdf. This includes upstream oil extraction and refining emissions.

²⁹⁵ CARB. California Greenhouse Gas Emission Inventory Program. <https://ww2.arb.ca.gov/our-work/programs/ghg-inventory-program>.

Sector Transition

Technology

Vehicles must transition to zero emission technology to decarbonize the transportation sector. Executive Order N-79-20²⁹⁶ reflects the urgency of transitioning to zero emission vehicles (ZEVs) by establishing target dates for reaching 100 percent ZEV sales or fleet transitions to ZEV technology. The primary ZEV technologies available today are battery-electric and hydrogen fuel cell electric vehicles (FCEVs), both of which emit zero tailpipe GHGs, criteria pollutants, and toxic air contaminants, as they do not burn fuel. These vehicles are rapidly growing in performance, affordability, and popularity.²⁹⁷ Plug-in hybrid electric vehicles also offer a limited but increasing range of zero emission operation and will play a role in the transition to ZEVs.

Light-duty passenger vehicles consume the majority of gasoline in the state—12.9 billion gallons in 2019²⁹⁸—and are well-suited for transitioning to ZEVs. EO N-79-20 calls for 100 percent ZEV sales of new light-duty vehicles by 2035, and this target is reflected in this Scoping Plan.²⁹⁹ The Advanced Clean Cars II regulation fulfills the goal in the Executive Order and serves as the primary mechanism to help deploy ZEVs. A number of existing incentive programs also support this transition, including the Clean Cars 4 All Program.³⁰⁰ Heavy-duty trucks are the largest source of diesel particulate matter, a toxic air contaminant that is directly linked to a number of adverse health impacts, and EO N-79-20 also sets targets for transitioning the medium- and heavy-duty fleet to zero emissions: by 2035 for drayage trucks and by 2045 for buses and heavy-duty long-haul trucks where feasible. Replacing heavy-duty vehicles with ZEV technology will significantly reduce GHG emissions and diesel PM emissions in low-income communities and communities of color adjacent to ports, distribution centers, and highways. The existing Advanced Clean Trucks regulation, paired with the proposed Advanced Clean Fleets regulation, are designed to transition a significant amount of the

²⁹⁶ Executive Department. State of California. Executive Order N-79-20. <https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-79-20-Climate.pdf>.

²⁹⁷ CARB. 2021. Public Workshop for Advanced Clean Cars II. May 6.

https://ww2.arb.ca.gov/sites/default/files/2021-05/acc2_workshop_slides_may062021_ac.pdf.

²⁹⁸ CARB. 2022. *Fuel Activity for California's Greenhouse Gas Inventory by Sector and Activity*. https://ww2.arb.ca.gov/sites/default/files/classic/cc/inventory/fuel_activity_inventory_by_sector_all_00-20.xlsx.

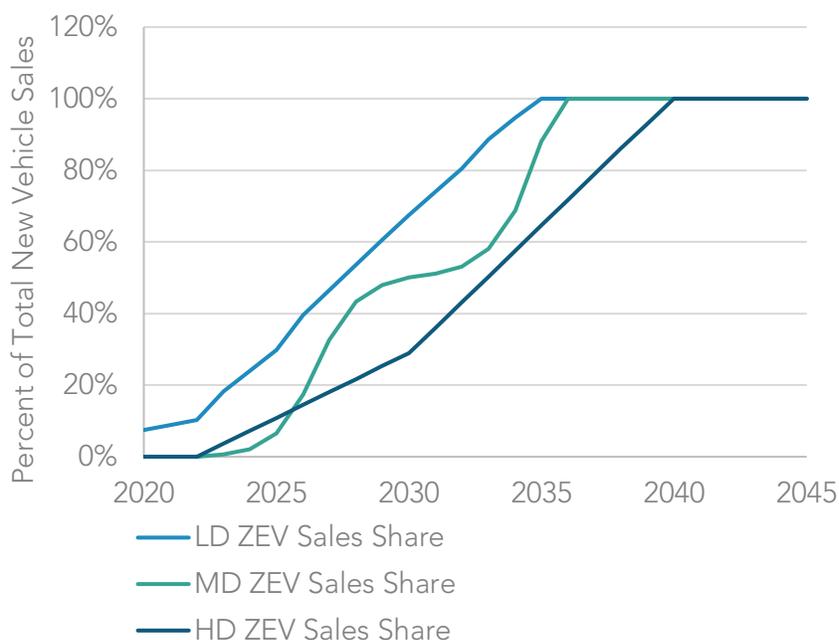
²⁹⁹ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, F1A, with reference to the date at which all new vehicle sales are ZEVs. [finalejacrecs.pdf \(arb.ca.gov\)](https://www.arb.ca.gov/finalejacrecs.pdf).

³⁰⁰ CARB. Clean Cars 4 All. <https://ww2.arb.ca.gov/our-work/programs/clean-cars-4-all>. The Clean Vehicle Rebate Project (CVRP) also supports the transition to ZEVs. <https://cleanvehiclerebate.org/en>.

California truck fleet to ZEV technology. As with the LDV sector, a number of incentive programs support this transition, such as the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP).³⁰¹

Figure 4-1 below illustrates the pace of transition in vehicle technology needed to drastically reduce GHG emissions from vehicles. All vehicle classes reach 100 percent ZEV sales before 2045, with some achieving this well before. The ZEV technology across the vehicle classes is assumed to be primarily battery electric and hydrogen fuel cell (reflecting the primary ZEV technologies available today).³⁰²

Figure 4-1: Transition of on-road vehicle sales to ZEV technology in the Scoping Plan Scenario



Today, off-road vehicles also rely heavily on ICE technology. Executive Order N-79-20 sets an off-road equipment target of transitioning the entire fleet to ZEV technology by 2035, where feasible. There is a great need for both investment and innovation in the off-road space in order to develop and commercialize zero emission equipment types that meet or exceed the performance of existing equipment. A number of funding sources currently support this transition, including programs such as FARMER, Carl Moyer, and

³⁰¹ California HVIP. Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project. <https://californiahvip.org/?msclkid=efaf65f2c26f11eca6bdd08ecc323864>.

³⁰² The light-duty fleet includes more than 11 million battery electric and hydrogen fuel cell vehicles in 2035 and over 23 million battery electric and hydrogen fuel cell vehicles in 2045.

the Community Air Protection Incentives—as well as Low Carbon Transportation Incentives, including the Clean Off-Road Equipment (CORE) program. In addition, the 2021–22 California budget provided record-high allocations for funding ZEVs, including off-road equipment, and the 2022–23 budget is similarly ambitious.³⁰³ Several regulations focused on transitioning to zero emission off-road equipment have recently been adopted or are in the works, and apply to locomotives,³⁰⁴ forklifts, ocean-going vessels at berth,³⁰⁵ commercial harbor craft,³⁰⁶ small off-road engines,³⁰⁷ and more.

Intrastate aviation relies on ICE technology today, but battery-electric and hydrogen fuel cell aviation applications are in development, along with sustainable aviation fuel. The Scoping Plan Scenario includes a transition of 20% of aviation fuel demand to ZEV technologies by 2045 and sustainable aviation fuel for the rest.

Refueling infrastructure is a crucial component of transforming transportation technology. Electric vehicle chargers and hydrogen refueling stations must become easily accessible for all drivers to support a wholesale transition to ZEV technology. Deployment of ZEV refueling infrastructure is currently supported by a number of existing local and state public funding mechanisms, the new National Electric Vehicle Infrastructure (NEVI) federal funding mechanism, California’s electric utilities, the Electrify America initiative that was established in response to the Volkswagen ZEV commitment, and by numerous companies, such as EVgo, ChargePoint, Tesla, Ford, FirstElement Fuel, Chevron, Shell, and Iwatani, who are investing substantial private resources into developing these networks. Private investment in reliable, affordable and ubiquitous refueling infrastructure must drive the transition as the business case for ZEVs continues to strengthen.

Strategies for Achieving Success

- Achieve 100 percent ZEV sales of light-duty vehicles by 2035³⁰⁸ and medium-heavy-duty vehicles by 2040.
- Achieve a 20% zero emission target for the aviation sector.

³⁰³ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, F1C. CARB and the Administration are committed to increasing focus on transportation equity investment as was reflected in the governor’s 2022–23 budget. [finalejacrecs.pdf \(arb.ca.gov\)](#).

³⁰⁴ CARB. Reducing Rail Emissions in California. <https://ww2.arb.ca.gov/our-work/programs/reducing-rail-emissions-california>.

³⁰⁵ CARB. Ocean-Going Vessels At Berth Regulation. <https://ww2.arb.ca.gov/our-work/programs/ocean-going-vessels-berth-regulation>.

³⁰⁶ CARB. CARB passes amendments to commercial harbor craft regulation. <https://ww2.arb.ca.gov/news/carb-passes-amendments-commercial-harbor-craft-regulation>.

³⁰⁷ CARB. Small Off-Road Engines (SORE). <https://ww2.arb.ca.gov/our-work/programs/small-off-road-engines-sore>.

³⁰⁸ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, F1A. [finalejacrecs.pdf \(arb.ca.gov\)](#).

- Develop a rapid and robust network of ZEV refueling infrastructure to support the needed transition to ZEVs.
- Ensure that the transition to ZEV technology is affordable for low-income households and communities of color, and meets the needs of communities and small businesses.³⁰⁹
- Prioritize incentive funding for heavy-duty ZEV technology deployment in regions of the state with the highest concentrations of harmful criteria and toxic air contaminant emissions.³¹⁰
- Promote private investment in the transition to ZEV technology, undergirded by regulatory certainty such as infrastructure credits in the Low Carbon Fuel Standard for hydrogen and electricity³¹¹ and hydrogen station grants from the CEC's Clean Transportation Program³¹² pursuant to Executive Order B-48-18.³¹³
- Evaluate and continue to offer incentives similar to those through FARMER,³¹⁴ Carl Moyer,³¹⁵ the Clean Fuel Reward Program,³¹⁶ the Community Air Protection Program,³¹⁷ and Low Carbon Transportation,³¹⁸ including CORE.³¹⁹ Where feasible, prioritize and increase funding for clean transportation equity programs.³²⁰
- Continue and accelerate funding support for zero emission vehicles and refueling infrastructure through 2030 to ensure the rapid transformation of the transportation sector.

³⁰⁹ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, NF6, in the context of communities. [finalejacrecs.pdf \(arb.ca.gov\)](#).

³¹⁰ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, NF7. [finalejacrecs.pdf \(arb.ca.gov\)](#).

³¹¹ CARB. LCFS ZEV Infrastructure Crediting. <https://ww2.arb.ca.gov/resources/documents/lcfs-zev-infrastructure-crediting>.

³¹² CEC. Clean Transportation Program. <https://www.energy.ca.gov/programs-and-topics/programs/clean-transportation-program>.

³¹³ EO B-48-18 calls for 200 hydrogen refueling stations by 2025. <https://www.library.ca.gov/wp-content/uploads/GovernmentPublications/executive-order-proclamation/39-B-48-18.pdf>.

³¹⁴ CARB. FARMER program. <https://ww2.arb.ca.gov/our-work/programs/farmer-program>.

³¹⁵ CARB. Carl Moyer program. <https://ww2.arb.ca.gov/our-work/programs/carl-moyer-memorial-air-quality-standards-attainment-program>.

³¹⁶ California Clean Fuel Reward Program. <https://cleanfuelreward.com/>.

³¹⁷ CARB. Community Air Protection Program. <https://ww2.arb.ca.gov/capp>.

³¹⁸ CARB. Low Carbon Transportation Investments and Air Quality Improvement Program. <https://ww2.arb.ca.gov/our-work/programs/low-carbon-transportation-investments-and-air-quality-improvement-program>.

³¹⁹ Clean Off-Road Equipment (CORE) Voucher Incentive Program. <https://californiacore.org/>.

³²⁰ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, F1C. [finalejacrecs.pdf \(arb.ca.gov\)](#).

- Evaluate and align with this Scoping Plan relevant CARB policies such as Advanced Clean Cars II,³²¹ Innovative Clean Transit,³²² Zero Emission Airport Shuttle,³²³ California Phase 2 GHG Standards,³²⁴ Advanced Clean Trucks, Advanced Clean Fleets, Zero Emission Forklifts,³²⁵ In-use Locomotives,³²⁶ the Off-Road Zero-Emission Targeted Manufacturer rule, Clean Off-Road Fleet Recognition Program, In-use Off-Road Diesel-Fueled Fleets Regulation,³²⁷ Commercial Harbor Craft,³²⁸ Off-Road Zero-Emission Targeted Manufacturer rule, Clean Off-Road Fleet Recognition Program, Amendments to the In-use Off-Road Diesel-Fueled Fleets Regulation,³²⁹ carbon pricing through the Cap-and-Trade Program,³³⁰ and the Low Carbon Fuel Standard.³³¹
- Identify and address permitting and market barriers to successful rapid ZEV technology deployment while protecting public health and the environment.

Fuels

Transitioning away from conventional ICE vehicles is part of the solution, but we must ensure that an adequate supply of zero-carbon alternative fuel and distribution is available to power these vehicles. Electricity and hydrogen are currently the primary fuels for ZEVs,

³²¹ CARB. Advanced Clean Cars Program. <https://ww2.arb.ca.gov/our-work/programs/advanced-clean-cars-program>. Cal. Code Regs., tit. 13, §§ 1900, 1961.2, 1961.3, 1961.4, 1962.2, 1962.3, 1962.4, 1962.5, 1962.6, 1962.7, 1962.8, 1965, 1968.2, 1969, 1976, 1978, 2037, 2038, 2112, 2139, 2140, 2147, 2317, 2903.

³²² CARB. Innovative Clean Transit. <https://ww2.arb.ca.gov/our-work/programs/innovative-clean-transit>. Cal. Code Regs., tit. 13, §§ 2023—2023.11.

³²³ CARB. Zero-Emission Airport Shuttle. <https://ww2.arb.ca.gov/our-work/programs/zero-emission-airport-shuttle>. Cal. Code Regs., tit. 17, §§ 95690.1—95690.8.

³²⁴ CARB. California Phase 2 Greenhouse Gas Standards. <https://ww2.arb.ca.gov/our-work/programs/greenhouse-gas-standards-medium-and-heavy-duty-engines-and-vehicles/phase2>. Cal. Code Regs., tit. 13, §§ 1956.8 and 2036; and Cal. Code Regs., tit. 17, §§ 95301, 95302, 95303, and 95663.

³²⁵ CARB. Zero-Emission Forklifts. <https://ww2.arb.ca.gov/our-work/programs/zero-emission-forklifts>. Cal. Code Regs., tit. 17, §§ 95690.1—95690.8.

³²⁶ CARB. Reducing Rail Emissions. <https://ww2.arb.ca.gov/our-work/programs/reducing-rail-emissions-california>. Proposed Cal. Code Regs., tit. 13, §§ 2478—2478.16.

³²⁷ CARB. In-use Off-Road Diesel-Fueled Fleets Regulation. <https://ww2.arb.ca.gov/our-work/programs/use-road-diesel-fueled-fleets-regulation>. Cal. Code Regs., tit. 13, §§ 2449, 2449.1, 2449.2.

³²⁸ CARB. Commercial Harbor Craft. <https://ww2.arb.ca.gov/our-work/programs/commercial-harbor-craft>. Cal. Code Regs., tit. 13, § 2299.5.

³²⁹ CARB. In-use Off-Road Diesel-Fueled Fleets Regulation. <https://ww2.arb.ca.gov/our-work/programs/use-road-diesel-fueled-fleets-regulation>.

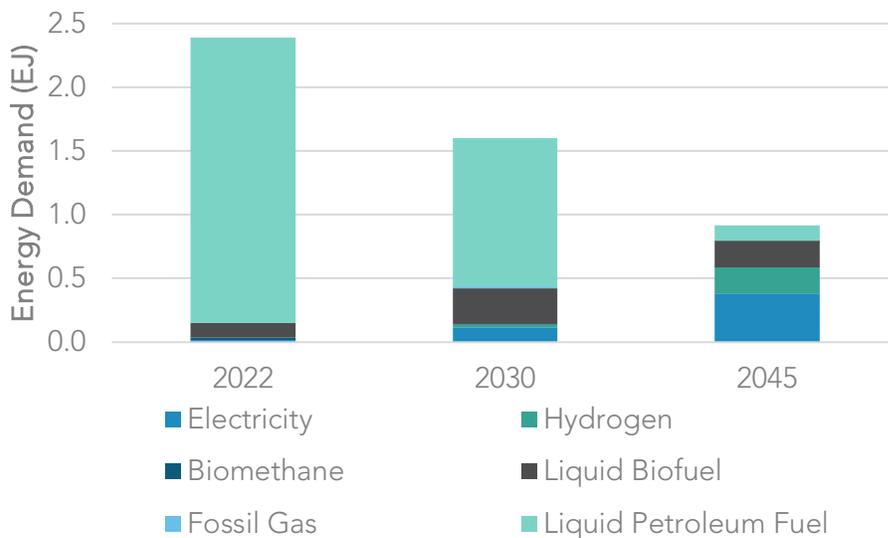
³³⁰ CARB. Cap-and-Trade Program. <https://ww2.arb.ca.gov/our-work/programs/cap-and-trade-program>. Cal. Code Regs., tit. 17, §§ 95801 et seq.

³³¹ CARB. Low Carbon Fuel Standard. <https://ww2.arb.ca.gov/our-work/programs/low-carbon-fuel-standard>. Cal. Code Regs., tit. 17, §§ 95480 et seq.

and both fuels must be produced using low-carbon technology and feedstocks to minimize upstream emissions.

The transition to complete ZEV technology will not happen overnight. Conventional ICE vehicles from legacy fleets will remain on the road for some time, even after all new vehicle sales have transitioned to ZEV technology. In addition, some equipment types are only now in the initial stages of development of ZEV technology for propulsion, such as commercial aircraft or ocean-going vessels. In addition to building the production and distribution infrastructure for zero-carbon fuels, the state must continue to support low-carbon liquid fuels during this period of transition and for much harder sectors for ZEV technology such as aviation, locomotives, and marine applications. Biomethane currently displaces fossil fuels in transportation and will largely be needed for hard-to-decarbonize sectors but will likely continue to play a targeted role in some fleets while the transportation sector transitions to ZEVs. Figure 4-2 provides the detail on fuels used in 2020 and the fuel mix under the Scoping Plan Scenario for 2035 and 2045.

Figure 4-2: Transportation fuel mix in 2022, 2030, and 2045 in the Scoping Plan Scenario³³²



Private investment in alternative fuels will play a key role in diversifying the transportation fuel supply away from fossil fuels. The Low Carbon Fuel Standard is the primary mechanism for transforming California’s transportation fuel pool with low-carbon

³³² See <https://ww2.arb.ca.gov/sites/default/files/2022-11/2022-sp-PATHWAYS-data-E3.xlsx> for transportation fuels by year.

alternatives and has fostered a growing alternative fuel market. Partially as a result of the powerful market signals from the LCFS, fuels like renewable diesel, sustainable aviation fuel, biomethane, and electricity have all gained significant market shares and continue to displace gasoline and diesel in both on- and off-road vehicles. In addition, Executive Order N-79-20 calls on state agencies to support the transition of existing fuel production facilities away from fossil fuels and directs that this transition also protect and support workers, public health, safety, and the environment. In line with this direction, existing refineries could be repurposed to produce sustainable aviation fuel, renewable diesel, and hydrogen. This trend has already begun, and continuing to develop fuel production capacity in-state to support the energy transition while making the most efficient use of existing assets is critical to avoiding emissions leakage. If fuel demand persists after fuel production facilities have ceased operations, fuel demand will have to be met through imports.

As we transition or build new energy production facilities and infrastructure, it will be important to ensure low-income communities, tribes, and communities of color do not experience increases in existing air pollution disparities and continue to experience a reduction in the air pollution disparities that exist today. California must use the best available science to ensure that raw materials used to produce transportation fuels do not incentivize feedstocks with little to no GHG reductions from a life cycle perspective. A dramatic increase in alternative fuel production must not come at the expense of global deforestation, unsustainable land conversion, or adverse food supply impacts, to name a few examples. CARB will continue to monitor scientific findings on these topics to ensure that California policies, such as the LCFS, send the appropriate market signals and do not result in unintended consequences.³³³

Strategies for Achieving Success

- Accelerate the reduction and replacement of fossil fuel production and consumption in California.³³⁴
- Incentivize private investment in new zero-carbon fuel production in California.
- Incentivize the transition of existing fuel production and distribution assets to support deployment of low- and zero-carbon fuels while protecting public health and the environment.
- Invest in the infrastructure to support reliable refueling for transportation such as electricity and hydrogen refueling.

³³³ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, F1E. [finalejacrecs.pdf \(arb.ca.gov\)](#).

³³⁴ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, F3. [finalejacrecs.pdf \(arb.ca.gov\)](#).

- Evaluate and propose, as needed, changes to strengthen the Cap-and-Trade Program.
- Initiate a public process focused on options to increase the stringency and scope of the LCFS:
 - Evaluate and propose accelerated carbon intensity targets pre-2030 for LCFS.
 - Evaluate and propose further declines in LCFS post-2030 carbon intensity targets to align with this 2022 Scoping Plan.
 - Consider integrating opt-in sectors into the program.
 - Provide capacity credits for hydrogen and electricity for heavy-duty fueling.
- Monitor for and ensure that raw materials used to produce low-carbon fuels or technologies do not result in unintended consequences.³³⁵

Vehicle Miles Traveled

Transforming the transportation sector goes beyond phasing out combustion technology and producing cleaner fuels. Managing total demand for transportation energy by reducing the miles people need to drive on a daily basis is also critical as the state aims for a sustainable transportation sector in a carbon neutral economy. Though GHG emissions are declining due to cleaner vehicles and fuels, rising VMT can offset the effective benefits of adopted regulations.

Even under full implementation of Executive Order N-79-20 and CARB’s Advanced Clean Cars II Regulations, with 100 percent ZEV sales in the light-duty vehicle sector by 2035, a significant portion of passenger vehicles will still rely on ICE technology, as demonstrated in Figure 4-2 above. Accordingly, VMT reductions will play an indispensable role in reducing overall transportation energy demand and achieving the state’s climate, air quality, and equity goals. After a significant pandemic-induced reduction in VMT during 2020, passenger VMT has steadily climbed back up and is now closing in on pre-pandemic levels.³³⁶ Driving alone with no passengers remains the primary mode of travel in California, amounting to 75 percent of the mode share for daily commute trips. Conversely, the transit industry, which was significantly impacted during

³³⁵ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, F1E. [finalejacrecs.pdf \(arb.ca.gov\)](#).

³³⁶ U.S. Department of Transportation. 2021. December 2021 Traffic Volume Trends. Figure 3 - Seasonally Adjusted Vehicle Miles Traveled by Month. https://www.fhwa.dot.gov/policyinformation/travel_monitoring/21dectvt/figure3.cfm.

the lockdown months, and has struggled to recover; ridership only averages two-thirds of pre-pandemic levels,³³⁷ ³³⁸ and service levels also lag behind.

Sustained VMT reductions have been difficult to achieve for much of the past decade, in large part due to entrenched transportation, land use, and housing policies and practices. Specifically, historic decision-making favoring single-occupancy vehicle travel has shaped development patterns and transportation policy, generating further growth in driving (and making transit, biking and walking less viable alternatives). These policies have also reinforced long-standing racial and economic injustices that leave people with little choice but to spend significant time and money commuting long distances, placing a disproportionate burden on low-income Californians, who pay the highest proportion of their wages on housing and transportation. While CARB has included VMT reduction targets and strategies in the Scoping Plan and appendices, these targets are not regulatory requirements, but would inform future planning processes. CARB is not setting regulatory limits on VMT in the 2022 Scoping Plan; the authority to reduce VMT largely lies with state, regional, and local transportation, land use, and housing agencies, along with the Legislature and its budgeting choices.

Appendix E (Sustainable and Equitable Communities) elaborates on reasons for reducing VMT and identifies a series of policies that, if implemented by various responsible authorities, could help to achieve the recommended VMT reduction trajectory included in this Scoping Plan (and related mode share increases for transit and active transportation). These policies aim to advance four strategic objectives:

1. Align current and future funding for transportation infrastructure with the state's climate goals, preventing new state-funded projects from inducing significant VMT growth and supporting an ambitious expansion of transit service and other multimodal alternatives.
2. Move funding for transportation beyond the gasoline and diesel taxes and implement fuel-agnostic pricing strategies that accomplish more productive uses of the roadway network and generate revenues to further improve transit and other multimodal alternatives.
3. Deploy autonomous vehicles, ride-hailing services, and other new mobility options toward high passenger-occupancy and low VMT-impact service models that complement transit and ensure equitable access for priority populations.
4. Encourage future housing production and multi-use development in infill locations and other areas in ways that make future trip origins and destinations

³³⁷ U.S. Government Accountability Office. January 25, 2022. During COVID-19, Road Fatalities Increased and Transit Ridership Dipped. <https://www.gao.gov/blog/during-covid-19-road-fatalities-increased-and-transit-ridership-dipped>.

³³⁸ American Public Transportation Association. APTA - Ridership Trends. <https://transitapp.com/APTA>.

closer together and create more viable environments for transit, walking, and biking.

The pace of change to reduce VMT must be accelerated. Certainly, structural reform will be challenging, but California has demonstrated time and again that it possesses the collective leadership and commitment to break away from ideas that no longer represent Californians' values and their aspirations for the many generations to come.

Strategies for Achieving Success

- Achieve a per capita VMT reduction of at least 25 percent below 2019 levels by 2030 and 30 percent below 2019 levels by 2045.³³⁹
- Reimagine new roadway projects that decrease VMT in a way that meets community needs and reduces the need to drive.
- Invest in making public transit a viable alternative to driving by increasing affordability, reliability, coverage, service frequency, and consumer experience.³⁴⁰
- Implement equitable roadway pricing strategies based on local context and need, reallocating revenues to improve transit, bicycling, and other sustainable transportation choices.³⁴¹
- Expand and complete planned networks of high-quality active transportation infrastructure.³⁴²
- Channel the deployment of autonomous vehicles, ride-hailing services, and other new mobility options toward high passenger-occupancy and low VMT-impact service models that complement transit and ensure equitable access for priority populations.
- Streamline access to public transportation through programs such as the California Integrated Travel Project.
- Ensure alignment of land use, housing, transportation, and conservation planning in adopted regional plans, such as regional transportation plans (RTP)/ sustainable communities strategies (SCS), regional housing needs assessments (RHNA), and local plans (e.g., general plans, zoning, and local transportation plans), and develop tools to support implementation of these plans.

³³⁹ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, F1D. [finalejacrecs.pdf \(arb.ca.gov\)](#).

³⁴⁰ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, F1D. [finalejacrecs.pdf \(arb.ca.gov\)](#).

³⁴¹ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, F1D. [finalejacrecs.pdf \(arb.ca.gov\)](#).

³⁴² AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, F1F. [finalejacrecs.pdf \(arb.ca.gov\)](#).

- Accelerate infill development and housing production at all affordability levels in transportation-efficient places, with a focus on housing for lower-income residents.

Clean Electricity Grid

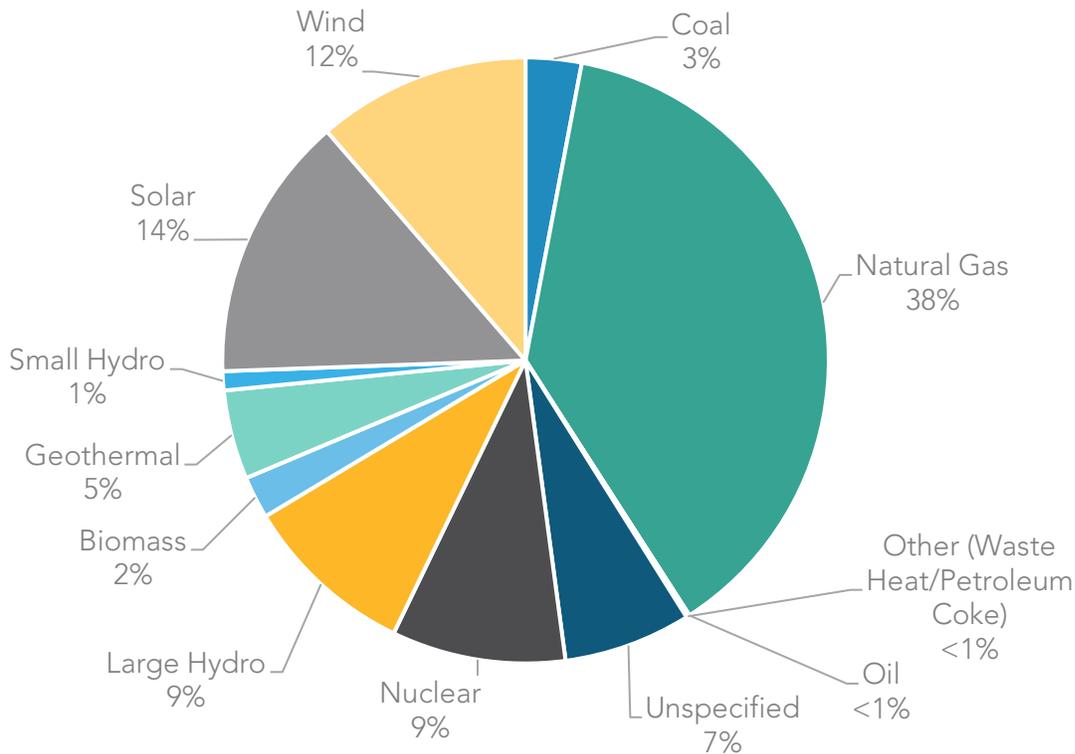
Much of the state's success to date in reducing GHGs is due to decarbonization of the electricity sector as a result of the RPS, SB 100 implementation, and the Cap-and-Trade Program. Moving forward, a clean, affordable, and reliable electricity grid will serve as a backbone to support deep decarbonization across California's economy. Under this Scoping Plan, the role of electricity in powering the economy will grow in almost every sector.

In 2021, 70 percent of California electricity demand was served by in-state power plants totaling about 82 GW, with the rest coming from out-of-state imports.³⁴³ Additionally, approximately 8 GW of customer solar photovoltaic capacity has been installed to date to help with in-state demand.³⁴⁴ Figure 4-3 shows the breakdown of in-state and imported sources of electricity.

³⁴³ CEC. 2021. Electric Generation Capacity and Energy. Data available at: <https://www.energy.ca.gov/data-reports/energy-almanac/california-electricity-data/electric-generation-capacity-and-energy> and CEC. 2021. Total System Electric Generation. Data available at: <https://www.energy.ca.gov/data-reports/energy-almanac/california-electricity-data/2021-total-system-electric-generation>. Capacity values are nameplate capacity from sources 1 MW and larger.

³⁴⁴ CEC. 2021. *SB 100 Joint Agency Report Summary: Achieving 100% Clean Electricity in California, An Initial Assessment*. 10. <https://www.energy.ca.gov/publications/2021/2021-sb-100-joint-agency-report-achieving-100-percent-clean-electricity>.

Figure 4-3: 2021 total system electric generation (based on GWh)³⁴⁵



Note: Imports contributing to total system generation are comprised of 58% zero-carbon energy and 42% non-renewable and unspecified energy. Percentages do not add to exactly 100 due to rounding.

In 2021, about 48 percent of electricity generation serving California came from non-renewable and unspecified³⁴⁶ resources, while 52 percent came from renewable and zero-carbon resources. The state’s Strategic Reliability Reserve, established in AB 205 to provide additional reliability insurance during extreme events, may make three of the fossil gas-fired OTC plants planned for retirement available to support the grid on a limited basis after 2023. The state also adopted legislation to facilitate extension of the Diablo Canyon Nuclear Power Plant for five years beyond its 2025 planned closure.³⁴⁷ At the

³⁴⁵ *Total system generation* is the sum of all utility-scale, in-state generation, plus net electricity imports. CEC. 2021 Total System Electricity Generation. <https://www.energy.ca.gov/data-reports/energy-almanac/california-electricity-data/2021-total-system-electric-generation>.

³⁴⁶ *Unspecified power* refers to electricity that is not traceable to a specific generating facility, such as electricity traded through open market transactions. It typically consists of a mix of resources and may include renewables.

³⁴⁷ In accordance with SB 846 (Dodd, Chapter 239, Statutes of 2022).

same time, the state continues to rapidly expand deployment of clean energy generation and storage resources and plan for increased electrification.³⁴⁸ This is critical to reducing GHG emissions and addressing the long-term impacts of climate change.

Climate change is causing unprecedented stress on California's energy system—driving high demand and constraining supply. Heat, drought, and wildfires can both reduce electricity supply from reductions in hydropower generation and impacts on generation and transmission performance, and increase demand, especially in the evening hours when solar generation is declining.

California has experienced three straight years of energy reliability challenges, including a multi-day extreme heat event across the western United States with temperatures up to 20 degrees above normal in California, resulting in rotating outages in August 2020. In 2021, heat waves in June prompted a Grid Warning and the onset of emergency conditions, and the Bootleg Fire caused the loss of one transmission line, reducing import capability by 3,000 megawatts into the California Independent System Operator (CAISO) balancing authority area. And from August 31–September 9, 2022, a 10-day extreme heat event resulted in an unprecedented, sustained period of high peak loads in the CAISO system, averaging 47,000 MW and maxing at an all-time record of over 52,000 MW on September 6. The Western region also hit its record peak load on September 6, at 167.5 GW.

Reliable electricity service was maintained throughout the 10-day September 2022 heat wave in spite of the record breaking load levels. Factors that contributed to this outcome include the installation of over 3,500 MW of lithium-ion battery storage since summer 2020, enhanced coordination and communication within and outside of California, engagement with customer groups and other stakeholders, state actions to reduce load during critical times, and the additional capacity provided through the Strategic Reliability Reserve and other new state programs authorized in the 2022 Budget to provide load reduction and support the grid in extreme events. CEC, CPUC, CAISO, and the California Department of Water Resources will continue to build out strategies to enhance reliability in light of the increasing and compounding impacts of climate change on the electricity system.

³⁴⁸ In June 2021, the CPUC adopted D.21-06-035 directing procurement of 11,500 MW of new capacity between 2023 and 2026 to ensure systemwide electric reliability as Diablo Canyon and several OTC facilities retire. It requires that, out of the 11,500 MW, 2,500 MW must be from zero-emission resources. Additionally, 2,000 MW must be long lead-time resources, with at least 1,000 MW of long-duration storage and 1,000 MW of firm capacity with zero on-site emissions or that qualifies under the RPS eligibility requirements.

While the electricity sector is using less fossil fuel due to increasing amounts of renewables,³⁴⁹ existing fossil gas generation will continue to play a critical role in grid reliability until other clean, dispatchable alternatives can be deployed at scale. The integration of greater amounts of variable renewable generation resources³⁵⁰ is changing power system planning and operations, and system operators need resources with flexible attributes to balance shifting supply and demand.

High levels of solar generation can lead to instances of oversupply during the middle of the day, when the sun is brightest.³⁵¹ In the evening hours, as the sun is setting, solar generation declines to zero and customers with solar generation shift back to the electric grid. In hot weather, customer demand remains high well into the summer evening period to power air conditioning, which can lead to reliability challenges.³⁵²

Figure 4-4 shows the energy sources used throughout one summer day in July. Renewable energy is consistent during the middle of the day, but it cannot meet all of the evening demand in the gray area. As illustrated in the figure, fossil gas generation is currently a resource that is typically ramped up to meet this evening demand as solar production begins to drop and electrical loads increase. To help address this challenge, resource installations that pair solar with batteries, as well as a greater amount of battery build-out, are coming online currently and over the next five years. Nevertheless, the state's electricity grid is expected to be stressed further in the coming years by heat waves, drought, wildfires, and the growing intermittent power supply from renewables. California must accelerate deployment of diverse clean energy resources to maintain reliability and affordability in the face of climate change.

³⁴⁹ CARB. 2022. *California Greenhouse Gas Emissions for 2000 to 2020*.

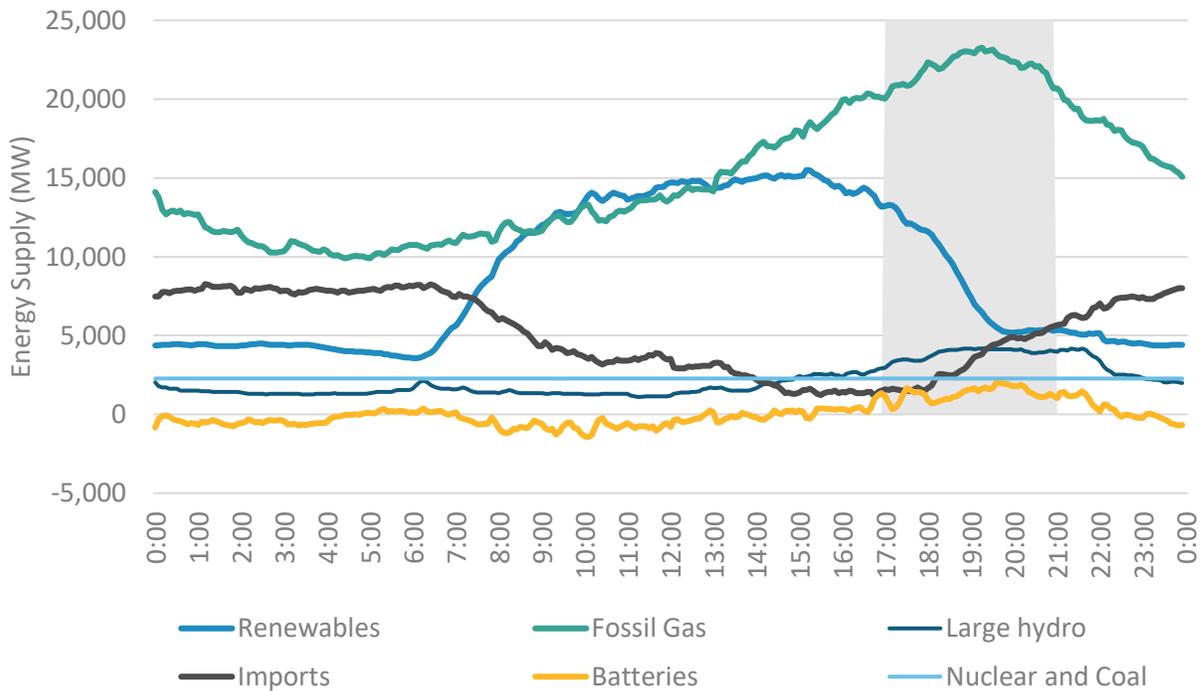
https://ww2.arb.ca.gov/sites/default/files/classic/cc/inventory/2000-2020_ghg_inventory_trends.pdf.

³⁵⁰ A *variable renewable generation resource* is a renewable source of electricity that is non-dispatchable due to its fluctuating nature and only produces electricity when weather conditions are right, such as when the sun is shining or the wind is blowing. Renewable resources that can be controlled and are dispatchable include geothermal, biomass, and dam-based hydroelectric power.

³⁵¹ *Brightness* is used colloquially here; solar energy depends on insolation (e.g., sun-hours), which is the measurement of cumulative solar energy that reaches an area over a period of time.

³⁵² CAISO, CPUC, and CEC. 2021. *Final Root Cause Analysis: Mid-August 2020 Extreme Heat Wave*. <http://www.caiso.com/Documents/Final-Root-Cause-Analysis-Mid-August-2020-Extreme-Heat-Wave.pdf>.

Figure 4-4: Electricity supply trend by resource for a California summer day, July 2022



Sector Transition

Decarbonizing the electricity sector is a crucial pillar of this Scoping Plan. It depends on both using energy more efficiently and replacing fossil-fueled generation with renewable and zero carbon resources, including solar, wind, energy storage,³⁵³ geothermal, biomass, and hydroelectric power. The RPS Program³⁵⁴ and the Cap-and-Trade Program continue to incentivize dispatch of renewables over fossil generation to serve state demand. SB 100 increased RPS stringency to require 60 percent renewables by 2030 and for California to provide 100 percent of its retail sales³⁵⁵ of electricity from renewable and zero-carbon resources by 2045. Furthermore, SB 1020 has added interim targets to

³⁵³ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, NF1, NF2. [finalejacrecs.pdf \(arb.ca.gov\)](#).

³⁵⁴ The CEC estimates that 36 percent of California's 2019 retail electricity sales was served by RPS-eligible renewable resources (see CPUC. 2021. CPUC Perspectives on Electric Sector Decarbonization. <https://ww2.arb.ca.gov/sites/default/files/2021-11/CPUC-sp22-electricity-ws-11-02-21.pdf>).

³⁵⁵ SB 100 speaks only to retail sales and state agency procurement of electricity. The 2021 SB 100 Joint Agency Report interprets this to mean that other loads—wholesale or non-retail sales and losses from storage and transmission and distribution lines—are not subject to the law.

SB 100's policy framework to require renewable and zero-carbon resources to supply 90 percent of all retail electricity sales by 2035 and 95 percent of all electricity retail sales by 2040; the governor has asked the CEC to establish a planning goal of at least 20 GW of offshore wind by 2045; and the governor directed that state agencies plan for an energy transition that avoids the need for new fossil gas capacity to meet California's long-term energy goals.³⁵⁶ In addition to grid-level resources, state efforts have supported rapid growth of the distributed solar industry through key actions like the California Solar Initiative (SB 1, Murray, Chapter 132, Statutes of 2006).³⁵⁷ Steps to commercialize microgrids powered by clean resources³⁵⁸ are also being examined as part of SB 1339 (Stern, Chapter 566, Statutes of 2018).³⁵⁹

California also continues to advance its appliance and building energy efficiency standards to reduce growth in electricity consumption and meet the SB 350 goal to double statewide energy efficiency savings in electricity and fossil gas end uses³⁶⁰ by 2030. In 2018, the CEC adopted a building energy efficiency code requiring most new homes to have solar photovoltaic systems³⁶¹ (or be powered by a solar array nearby) starting January 1, 2020. In 2019, California reached the milestone of 1 million solar rooftop installations.

Increased transportation and building electrification and continued policy commitment to behind-the-meter solar and storage will continue to drive growth of microgrids and other distributed energy resources (DER).³⁶² The CPUC's High-DER proceeding is examining how to prepare the electric grid for a high DER future by determining how to integrate

³⁵⁶ Newsom, Gavin. July 22, 2022. Letter from Governor Newsom to CARB Chair Liane Randolph. <https://www.gov.ca.gov/wp-content/uploads/2022/07/07.22.2022-Governors-Letter-to-CARB.pdf>.

³⁵⁷ More information on the program, which closed in 2016, can be found on the CPUC website, including annual program assessment reports, at: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/california-solar-initiative>.

³⁵⁸ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, In part (NF2, NF13). [finalejacrecs.pdf \(arb.ca.gov\)](#).

³⁵⁹ CPUC. Resiliency and Microgrids. <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/infrastructure/resiliency-and-microgrids>.

³⁶⁰ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, NF1, ES1. [finalejacrecs.pdf \(arb.ca.gov\)](#).

³⁶¹ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, NF2. [finalejacrecs.pdf \(arb.ca.gov\)](#).

³⁶² Distributed energy resources include rooftop solar and other distributed renewable generation resources, energy storage, electric vehicles, time variant and dynamic electric rates, flexible load management, demand response, and energy efficiency technologies.

millions of DERs within the distribution grid to maximize societal and ratepayer benefits from DERs while ensuring grid reliability and affordable rates.³⁶³

SB 350 also aims to connect long-term planning for electricity needs with the state's climate targets. This is primarily accomplished through CARB's establishment of 2030 GHG emissions targets for the electricity sector in general and for each electricity provider, which inform the CPUC and publicly owned utilities' integrated resource planning. A GHG planning target range of 30 to 53 MMTCO₂e—informed by the 2017 Scoping Plan—was originally developed and adopted by CARB in 2018. In its 2021 IRP planning cycle, the CPUC adopted a 38 MMT GHG target for the electricity sector in 2030, which drops to 35 MMT in 2032.³⁶⁴

The Scoping Plan Scenario incorporates SB 350's energy efficiency doubling goal, aligns with the CPUC's IRP 2030 GHG target and latest GHG emissions benchmarks through 2035,³⁶⁵ the governor's 20 GW offshore wind and no new gas generation³⁶⁶ goals, and SB 100's 2030 RPS and 2045 zero-carbon retail sales targets to reduce dependence on fossil fuels in the electricity sector by transitioning substantial energy demand to renewable and zero-carbon resources.³⁶⁷ As described in Chapter 2, CCS is applied in limited sectors, including on 16.7 MMT of CO₂ from existing fossil gas electricity generation in 2045, to ensure the state achieves the 85 percent reduction in anthropogenic emissions required by AB 1279. Continued transition to renewable and

³⁶³ The High-DER proceeding is one of four “anchor” proceedings in the CPUC's DER Action Plan 2.0 and is within the Action Plan's infrastructure track. Information on the High-DER proceeding is available at: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/infrastructure/distribution-planning>. The Action Plan can be accessed at: <https://www.cpuc.ca.gov/about-cpuc/divisions/energy-division/der-action-plan>.

³⁶⁴ The February 10, 2022, Decision 22-02-004 by the CPUC adopts the 2021 Preferred System Plan, completing the 2019–21 IRP cycle.

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M451/K412/451412947.PDF>. The Decision requires load serving entities to submit plans in the next IRP cycle detailing how they will meet their proportionate share of a 30 MMT electric sector target, as well as a 38 MMT GHG target.

³⁶⁵ June 15, 2022, Administrative Law Judge's Ruling for 2022 integrated resource plan filings specifies the need for GHG targets to plan for in 2035 to continue progress toward the 2045 goal. The ruling proposes a straight-line projection from the GHG planning target for 2030. Corresponding to the adopted Preferred System Plan in D.22-02-004, 38 MMT in 2030 leads to a target of 30 MMT in 2035.

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M485/K625/485625915.PDF>.

³⁶⁶ The governor's July 22, 2022, letter specifies no new gas generation but does not place any constraints on existing gas resources. Therefore, for purposes of RESOLVE electricity sector modeling, existing gas capacity is an available resource that is able to be reduced over time based on announced retirements or if selected for retirement by the model.

³⁶⁷ CARB. 2021. PATHWAYS Scenario Modeling: 2022 Scoping Plan Update – Attachment B: Generation Technologies to be included in Modeling. https://ww2.arb.ca.gov/sites/default/files/2021-12/Revised_2022SP_ScenarioAssumptions_15Dec.pdf.

zero-carbon electricity resources will enable electricity to become a zero-carbon substitute for fossil fuels across the economy.

Figure 4-5 shows the modeled resource capacity to meet the SB 100 retail sales target.³⁶⁸ Energy efficiency moderates some of the need for additional electricity generation. However, that is quickly surpassed by growing electricity demand of 26 percent by 2030 and 76 percent by 2045 compared to today (2022) from increased population and electrification of other sectors, as shown in Figure 4-6. The estimated resource build needed to meet this level of demand amounts to approximately 72 GW of utility solar³⁶⁹ and 37 GW of battery storage by 2045. Annual build rates (over the 2022–2035 period) for the Scoping Plan Scenario will need to increase by about 60 percent and over 700 percent for utility solar and battery storage, respectively, compared to historic maximum rates.³⁷⁰ To reach the 2045 target, the state will need to quadruple its current level of wind and solar capacity. This does not include capacity associated with hydrogen production nor mechanical CDR, which was modeled off-grid; assuming hydrogen production via electrolysis, this would roughly be equivalent to an additional 10 GW³⁷¹ of solar generation needed in 2045, and an additional 64 GW of solar generation for direct air capture in 2045. The scale of solar and battery build rates needed could be reduced through the commercialization of new zero-carbon technologies.

³⁶⁸ SB 846 requires that load-serving entities exclude energy, capacity, or any attribute from the Diablo Canyon power plant in their resource plans. The Scoping Plan Scenario excludes energy, capacity, or any attribute from the Diablo Canyon power plant after the prior planned retirement date of 2025.

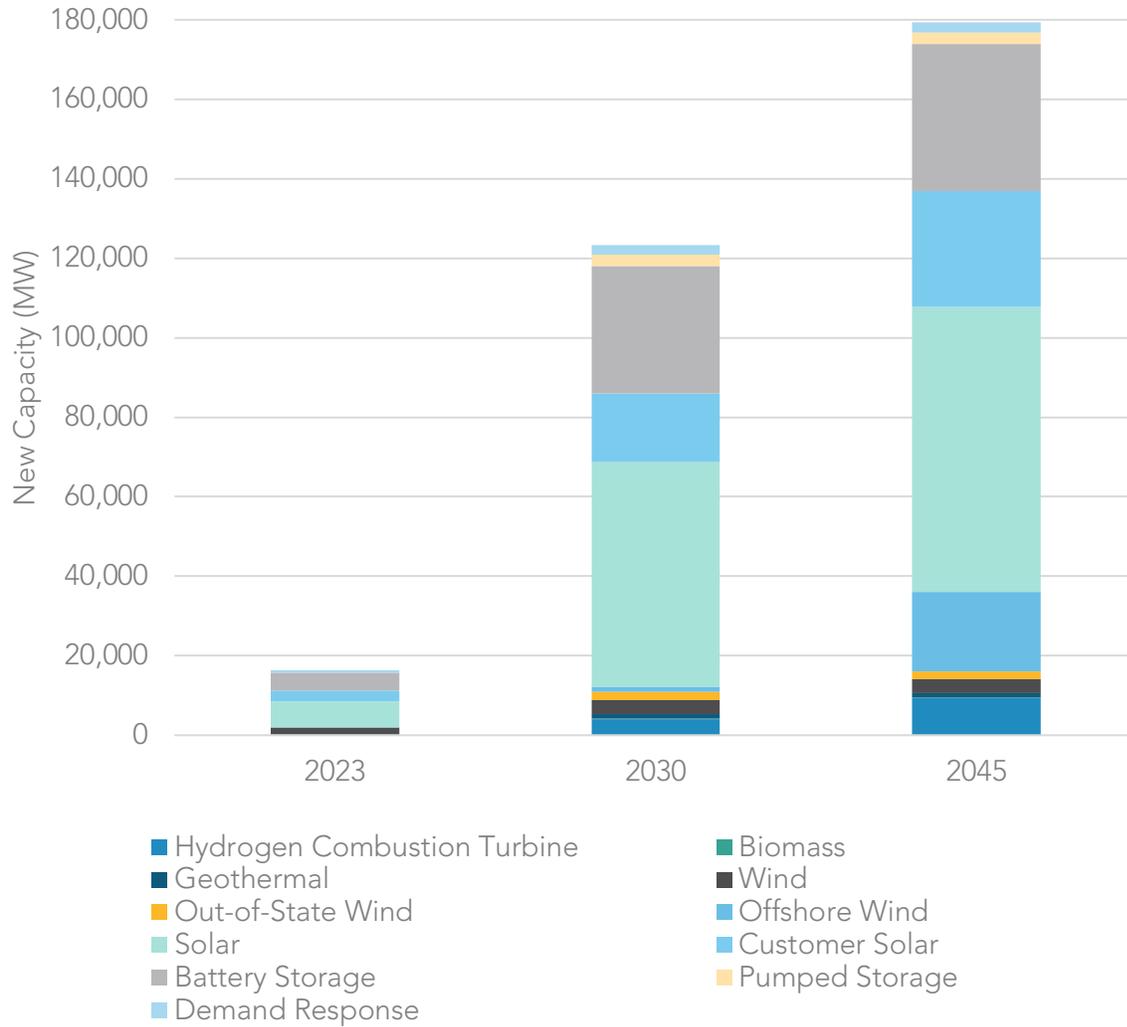
³⁶⁹ The amount of additional customer solar included in the Scoping Plan Scenario is 29,208 MW by 2045.

³⁷⁰ E3. 2022. CARB Scoping Plan: AB32 Source Emissions Final Modeling Results. PowerPoint.

<https://ww2.arb.ca.gov/sites/default/files/2022-11/SP22-MODELING-RESULTS-E3-PPT.pdf>. Build rates are from EIA data historical builds in the 2011–2021 time frame.

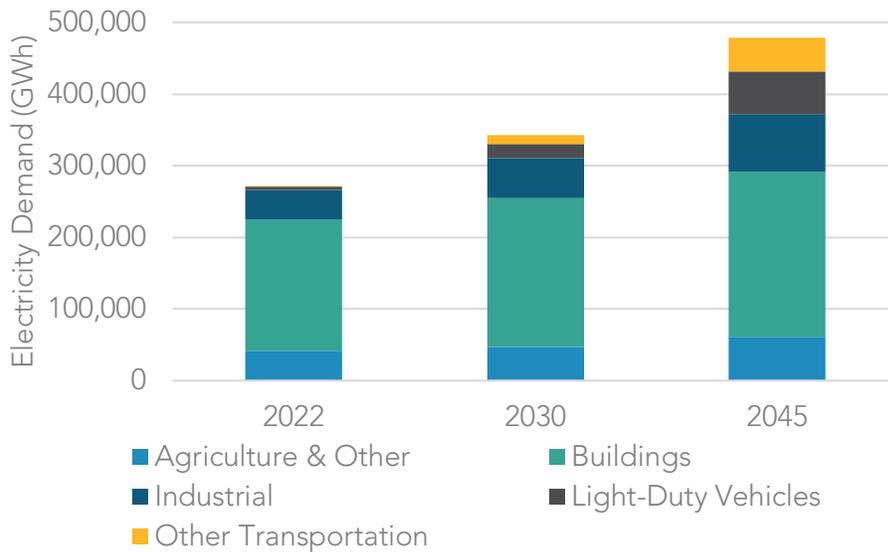
³⁷¹ The estimate does not include hydrogen production assumed to be produced with bioenergy with carbon capture and storage (BECCS) and steam methane reforming (SMR).

Figure 4-5: Projected new electricity resources needed by 2045 in the Scoping Plan Scenario³⁷²



³⁷² See <https://ww2.arb.ca.gov/sites/default/files/2022-11/2022-sp-PATHWAYS-data-E3.xlsx> for the capacity build-out by resource type.

Figure 4-6: Electric loads in 2022, 2030 and 2045 for the Scoping Plan Scenario³⁷³



This transformation will drive investments in a large fleet of generation and storage resources but will also require significant transmission to accommodate these new capacity additions. Transmission needs include high-voltage lines to access out-of-state resources and major in-state generation pockets. In consideration of typical 8- to 10-year lead times for many projects, the CAISO published its first 20-Year Transmission Outlook to inform transmission planning focused on meeting the needs identified through the 2021 SB 100 Joint Agency Report process. The outlook calls for significant transmission development to access offshore wind and out-of-state wind and reinforce the existing CAISO footprint at an estimated cost of \$30.5 billion.³⁷⁴

Presently, fossil gas power plants provide about 75 percent of the flexible capacity for grid reliability as more renewable power enters the system. Moving forward, other resources such as storage and demand-side management are essential to maintain reliability with high concentrations of renewables. Hydrogen produced from renewable resources and renewable feedstocks can serve a dual role as a low-carbon fuel for existing combustion turbines or fuel cells, and as energy storage for later use. Reliability

³⁷³ *Other Transportation* includes all non-light-duty vehicles and reflects electrification of modes like passenger and freight rail, aviation, and ocean-going vessels.

³⁷⁴ CAISO. 2022. *20 Year Transmission Outlook*. <http://www.caiso.com/InitiativeDocuments/20-YearTransmissionOutlook-May2022.pdf>.

also can be supported through increased coordination and markets in the interconnected western power grid; this is already helping to better integrate renewables.³⁷⁵

Strategies for Achieving Success

- Use long-term planning processes (Integrated Energy Policy Report, IRP, CAISO Transmission Planning Process, AB 32 Climate Change Scoping Plan) to support grid reliability and expansion of renewable and zero-carbon resource and infrastructure deployment.
- Complete systemwide and local reliability assessments across CAISO and other balancing authority areas, using realistic assumptions for land use, build rates, statewide and distribution system level constraints, and energy needs. Such assessments should be completed before state agencies update their electricity sector GHG targets.
- Prioritize actions to mitigate impacts to electricity reliability and affordability and provide sufficient flexibility in the state’s decarbonization roadmap for adjustments as may be needed.
- Facilitate long lead-time resource development through the IRP and the SB 100 interagency process and through technology development and demonstration funding³⁷⁶ that includes resources such as long-duration energy storage and hydrogen production.
- Continue coordination between energy agencies and energy proceedings to maximize opportunities for demand response.
- Continue to explore the benefits of regional markets to enhance decarbonization, reliability, and affordability.
- Address resource build-out challenges, including permitting, interconnection, and transmission network upgrades.
- Explore new financing mechanisms and rate designs to address affordability.³⁷⁷
- Per SB 350, double statewide energy efficiency savings in electricity and fossil gas end uses by 2030, through a combination of energy efficiency and fuel substitution actions.³⁷⁸
- Per SB 100 and SB 1020, achieve 90 percent, 95 percent, and 100 percent

³⁷⁵ CEC. 2021. *2021 SB 100 Joint Agency Report – Achieving 100 Percent Clean Electricity in California: An Initial Assessment*. Publication Number: CEC-200-2021-001.

³⁷⁶ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, ES2. The committee recommendation speaks specifically to offshore wind production. [finalejacrecs.pdf \(arb.ca.gov\)](#).

³⁷⁷ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, NF30. [finalejacrecs.pdf \(arb.ca.gov\)](#).

³⁷⁸ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, NF1, NF2. [finalejacrecs.pdf \(arb.ca.gov\)](#).

renewable and zero-carbon retail sales by 2035, 2040, and 2045, respectively.

- Evaluate and propose, as needed, changes to strengthen the Cap-and-Trade Program.
- Target programs and incentives to support and improve access to renewable and zero-carbon energy projects (e.g., rooftop solar, community owned or controlled solar or wind, battery storage, and microgrids) for communities most at need, including frontline, low-income, rural, and indigenous communities.³⁷⁹
- Prioritize public investments in zero-carbon energy projects to first benefit the most overly burdened communities affected by pollution, climate impacts, and poverty.³⁸⁰

Sustainable Manufacturing and Buildings

Fossil gas is the primary gaseous fossil fuel used to produce heat at industrial facilities, as well as in residential and commercial buildings. In buildings, space and water heating, cooking, and clothes drying all rely on gaseous fuels today. Industrial processes that require heat for conventional boilers and other processes also rely on gaseous fuels. Refineries rely on fossil gas and other gaseous fossil fuels, like liquefied petroleum gas and refinery fuel gas, and fossil gas is also used to generate electricity, as discussed earlier.

Gaseous fossil fuel use can be displaced by four primary alternatives: zero-carbon electricity, solar thermal heat, hydrogen, and biogas/biomethane. Displacing gaseous fossil fuel use can yield indoor air quality benefits, protect public health and property from unexpected fossil gas leaks, and reduce short-lived climate pollutants, which are many times more potent in affecting climate change than CO₂. The Scoping Plan Scenario reduces dependence on fossil gas in the industrial and building sectors by transitioning substantial energy demand to alternative fuels. Reducing fossil gas combustion also will help toward achieving our air quality and equity goals by reducing pollution in neighboring areas and communities. In addition, reduced dependence on gasoline and diesel in the transportation sector diminishes the need for gaseous fossil fuels to support oil and gas production and petroleum refining operations as those are phased down relative to the demand.

³⁷⁹ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, NF2, NF9, NF11, NF12, NF13. [finalejacrecs.pdf \(arb.ca.gov\)](#).

³⁸⁰ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, NF14. [finalejacrecs.pdf \(arb.ca.gov\)](#).

Sector Transition

Industry

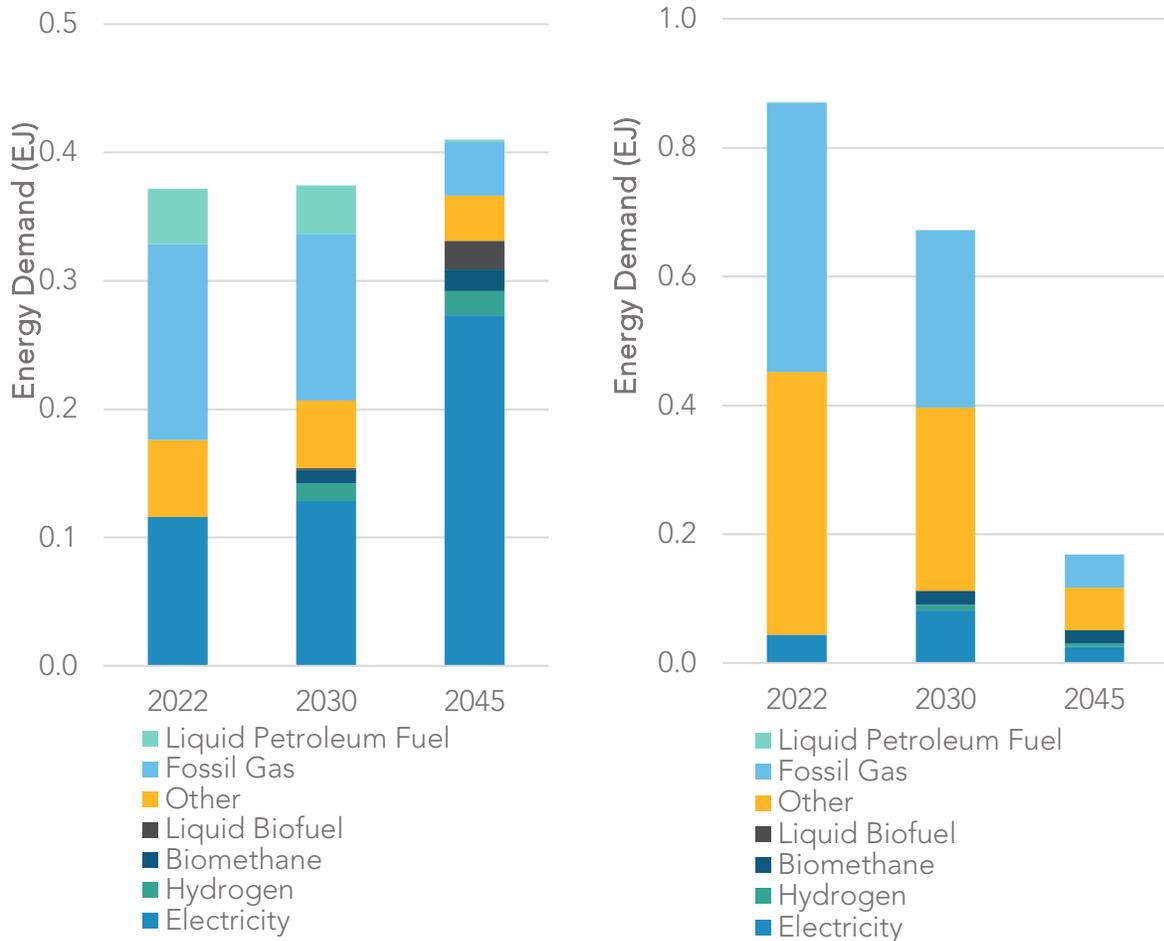
California's industrial sector contributes significantly to the state's economy, with a total output from manufacturing in 2019 of \$324 billion (10.4 percent of the state total)³⁸¹ and employment of 1,222,000 manufacturing jobs (7.6 percent of the total state workforce).³⁸² California industry includes a diverse range of facilities, including cement plants, refineries, glass manufacturers, oil and gas producers, paper manufacturers, mining operations, metal processors, and food processors. Combustion of fossil gas, other gaseous fossil fuels, and solid fossil fuels provide energy to meet three broad industry needs: electricity, steam, and process heat. Non-combustion emissions result from fugitive emissions and from the chemical transformations inherent to some manufacturing processes. About 20 percent of the GHG emissions from the industrial sector are non-combustion emissions.

Decarbonizing industrial facilities depends upon displacing fossil fuel use with a mix of electrification, solar thermal heat, biomethane, low- or zero-carbon hydrogen, and other low-carbon fuels to provide energy for heat and reduce combustion emissions. Emissions also can be reduced by implementing energy efficiency measures and using substitute raw materials that can reduce energy demand and some process emissions. Some remaining combustion emissions and some non-combustion CO₂ emissions can be captured and sequestered. The strategy employed will depend on the industrial subsector and the specific processes utilized in production. The left side of Figure 4-7 illustrates the fuels used to meet industrial manufacturing energy demand in 2020. Industrial manufacturing energy demand needs to transition to the fuel mix shown for 2035 and 2045. The right side of Figure 4-7 illustrates the fuel mix needed to meet the energy demand of oil and gas extraction and petroleum refining operations for the same years. Energy demand in this portion of the industrial sector declines along with decreased demand for gasoline and diesel in the transportation sector. In both figures there is a continuing demand for fossil gas due to lack of non-combustion technologically feasible or cost-effective alternatives for certain industrial sectors. Policies that support decarbonization strategies like electrification, use of renewable energy, and transition to alternative fuels are needed.

³⁸¹ National Association of Manufacturers (NAM). 2021 California Manufacturing Facts. <https://www.nam.org/state-manufacturing-data/2021-california-manufacturing-facts/>.

³⁸² NAM. 2021 California Manufacturing Facts. <https://www.nam.org/state-manufacturing-data/2021-california-manufacturing-facts/>.

Figure 4-7: Final energy demand in industrial manufacturing (left) and in oil and gas extraction and petroleum refining (right) in 2022, 2030, and 2045 in the Scoping Plan Scenario³⁸³



Electrification and solar thermal heat are best-suited to industrial processes that have relatively low heat requirements, such as food processors, paper mills, and industries that use low-pressure steam in their processes. Approaches could include replacing fossil gas boilers with electric boilers, process heaters with industrial electric heat pumps, steel forging furnaces with induction heaters, and implementing other sector-specific process electrification. Under current rate structures for industrial electricity and fossil gas in

³⁸³ *Other* fuel in the industrial manufacturing sector is primarily coke and coal for cement production. *Other* fuel in the petroleum refining sector is primarily fossil gas associated with refining petroleum products.

California, most projects to electrify a fossil gas-powered industrial process will face operating cost barriers and potential reliability concerns. Microgrids powered by renewable resources and with battery storage are emerging as a key enabler of electrification and decarbonization at industrial facilities.

There are fewer commercially available and economically viable electrification options to replace industrial processes that require higher-temperature heat. For these processes, onsite combustion may continue to be needed, and decarbonization will require fuel substitution to hydrogen,³⁸⁴ biomethane, or other low-carbon fuels. Fuel substitution and continued combustion will require monitoring and mitigation of any potential air quality impacts, especially in low-income and communities of color which already face disproportionate air pollution burdens. Industries in California with high heat needs include steel forging, glass manufacturing, and industries with calcination processes, such as manufacturing lime and cement.

Onsite emissions from cement manufacturing derive from two main sources: (1) fuel combustion to heat the kiln to a very high temperature and (2) process CO₂ emissions from the chemical transformation of limestone. Over 60 percent of emissions from the sector are process emissions unrelated to fuel use, and most emissions related to fuel use are from coal and petroleum coke combustion. Process emissions from cement manufacturing are significant and will continue even if the sector were to operate using only zero-carbon fuels; thus carbon capture and use/sequestration will be a likely component of any strategy to fully decarbonize cement manufacturing. There are additional opportunities to reduce GHG emissions from cement manufacturing via the combination of fuel-switching to low-carbon fuels (e.g., biomethane, municipal solid waste, biochar), increased blending of non-clinker materials, and efficiency improvements. High technological and economic barriers exist to electrifying kiln process heat at cement plants, as clinker production requires temperatures in excess of 1,500°C. There are potential decarbonization opportunities throughout the value chain of cement use, including in cement manufacturing, concrete mixing, and construction practices.³⁸⁵ SB 596 (Becker, Chapter 246, Statutes of 2021), which was signed by Governor Newsom in September 2021, requires CARB to develop a comprehensive strategy for cement use in California to achieve a GHG intensity 40 percent below 2019 levels by 2035, and net-zero emissions by 2045.

³⁸⁴ Griffiths, Steve, Benjamin K. Sovacool, Jinsoo Kim, Morgan Bazilian, and Joao M. Uratani. 2021. "Industrial decarbonization via hydrogen: A critical and systematic review of developments, socio-technical systems and policy options." *Energy Research & Social Science* 80. 102208, ISSN 2214-6296. <https://doi.org/10.1016/j.erss.2021.102208>.

³⁸⁵ California Nevada Cement Association. Achieving Carbon Neutrality in the California Cement Industry. <https://cncement.org/attaining-carbon-neutrality>.

Oil and gas extraction and refining make up over half of California’s industrial GHG emissions. Reduced demand for transportation fossil fuels corresponds to reduced supply of fossil gas and other gaseous fossil fuels for refineries to produce these fuels. Some refining operations will continue to operate to produce fossil fuel for the remaining transportation energy demands, along with renewable diesel and sustainable aviation fuel, as discussed in the Transportation Sustainability section of this chapter.

Across industrial subsectors and processes, California facilities also could realize significant reductions in GHG emissions and energy-related costs by implementing advanced energy efficiency projects and tools.³⁸⁶ While enhanced operation and maintenance practices are typical at industrial facilities, additional strategic energy management practices offer greater efficiency gains by focusing on setting goals, tracking progress, and reporting results.

Strategies for Achieving Success

- Maximize air quality benefits using the best available control technologies for stationary sources in communities most in need, including frontline, low-income, disadvantaged, rural, and tribal communities.³⁸⁷
- Prioritize alternative fuel transitions first in communities most in need, including frontline, low-income, disadvantaged, rural, and tribal communities.³⁸⁸
- Invest in research and development and pilot projects to identify options to reduce materials and process emissions along with energy emissions in California’s industrial manufacturing facilities, leveraging programs like the CEC’s Electric Program Investment Charge (EPIC).³⁸⁹
- Evaluate and propose, as needed, changes to strengthen the Cap-and-Trade Program.
- Support electrification with changes to industrial rate structures.
- Develop infrastructure for CCS and hydrogen production to reduce GHG emissions where cost-effective and technologically feasible non-combustion alternatives are not available.
- Implement SB 905.

³⁸⁶ Therkelsen, Peter, Aimee McKane, Ridah Sabouini, and Tracy Evans. 2013. *Assessing the Costs and Benefits of the Superior Energy Performance Program*. U.S Department of Energy.

<https://www.osti.gov/servlets/purl/1165470>.

³⁸⁷ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, JT14. [finalejacrecs.pdf \(arb.ca.gov\)](#).

³⁸⁸ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, JT15. [finalejacrecs.pdf \(arb.ca.gov\)](#).

³⁸⁹ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, M20. [finalejacrecs.pdf \(arb.ca.gov\)](#).

- Establish markets for low-carbon products and recycled materials using Buy Clean California Act and other mechanisms relying on robust data
- Develop a net-zero cement strategy to meet SB 596 targets for the GHG intensity of cement use in California.
- Continue to leverage energy-efficiency programs, including the U.S. DOE's ENERGY STAR program,³⁹⁰ U.S. DOE's Superior Energy Performance program,³⁹¹ and ISO 50001.³⁹²
- Evaluate and continue to offer incentives to install energy efficiency and renewable energy technologies through programs such as CPUC decisions as part of rulemaking R.19-09-009³⁹³ and the CEC's Food Production Investment Program (FPIP) and EPIC programs.³⁹⁴
- Leverage low-carbon hydrogen programs, including the Bipartisan Infrastructure Law, for regional hydrogen hubs, hydrogen electrolysis, and hydrogen manufacturing and recycling.
- Evaluate the role of hydrogen in meeting GHG emission reductions, including policy recommendations regarding the use of hydrogen in California as required by SB 1075.
- Address cost barriers to promote low-carbon fuels for hard-to-electrify industrial applications.

Buildings

Buildings have cross-sector interactions that influence our public health and well-being and affect land use and transportation patterns, energy use, water use, and indoor and outdoor environments.³⁹⁵ There are about 14 million existing homes and over 7.5 billion square feet of existing commercial buildings³⁹⁶ in California. Fossil gas supplies about half of the energy consumed by end uses in these buildings. In addition to GHG emissions, fossil gas usage in buildings also produces CO₂, NO_x, PM_{2.5}, and

³⁹⁰ ENERGY STAR. ENERGY STAR Guidelines for Energy Management.

<https://www.energystar.gov/buildings/tools-and-resources/energy-star-guidelines-energy-management>.

³⁹¹ Energy.gov. Superior Energy Performance 50001. <https://www.energy.gov/eere/amo/superior-energy-performance>.

³⁹² ISO. ISO 50001 Energy Management. <https://www.iso.org/iso-50001-energy-management.html>.

³⁹³ CPUC. January 14, 2021. CPUC Adopts Strategies to Help Facilitate Commercialization of Microgrids Statewide. <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M360/K370/360370887.PDF>.

³⁹⁴ Bailey, Stephanie, David Erne, and Michael Gravely. 2021. *Final 2020 Integrated Energy Policy Report Update, Volume II: The Role of Microgrids in California's Clean and Resilient Energy Future, Lessons Learned From the California Energy Commission's Research*. California Energy Commission. Publication Number: CEC-100-2020-001-V2-CMF.

³⁹⁵ See Appendix F (Building Decarbonization).

³⁹⁶ CEC. 2021. California Building Decarbonization Assessment.

<https://efiling.energy.ca.gov/GetDocument.aspx?tn=239311&DocumentContentId=72767>.

formaldehyde.³⁹⁷ Each year, about 120,000 new homes³⁹⁸ and more than 100 million-square feet³⁹⁹ of commercial buildings are newly constructed across California. These new buildings will represent between a third to half of the total building stock by mid-century.

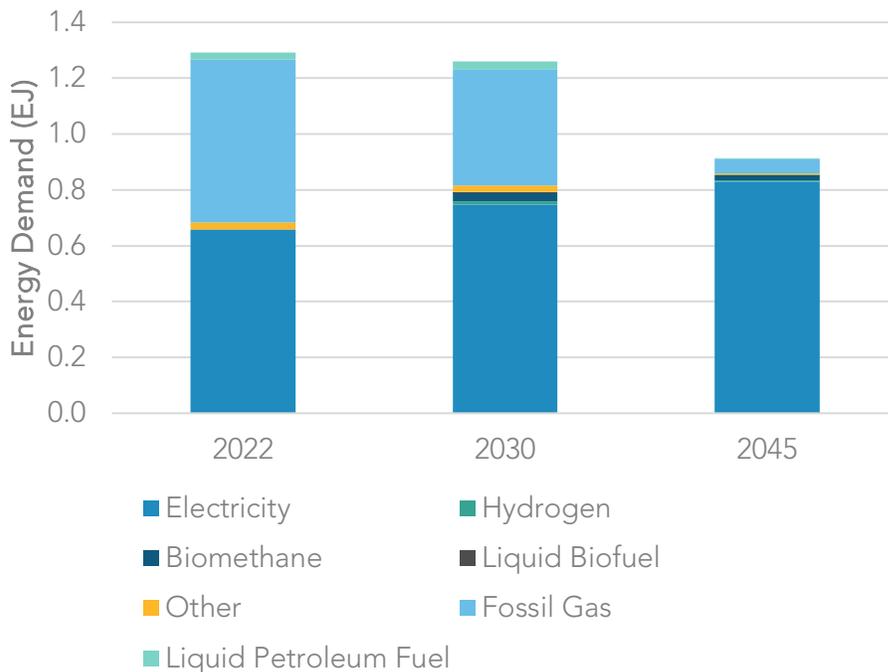
Achieving carbon neutrality must include transitioning away from fossil gas in residential and commercial buildings, and will rely primarily on advancing energy efficiency while replacing gas appliances with non-combustion alternatives. This transition must include the goal of trimming back the existing gas infrastructure so pockets of gas-fueled residential and commercial buildings do not require ongoing maintenance of the entire limb for gas delivery. Blending low-carbon fuels such as hydrogen and biomethane into the pipeline further displaces fossil gas. Pipeline safety and reliability must be evaluated to accommodate low-carbon fuels. Figure 4-8 illustrates the energy Californians use in buildings at present compared with the Scoping Plan Scenario, which introduces alternatives to fossil gas. In that scenario almost 90 percent of energy demand is electrified by 2045, and the remaining energy demand is met with combustion of hydrogen, biomethane, and fossil gas.

³⁹⁷ Zhu, Yifang, et al. 2020. *Effects of Residential Gas Appliances on Indoor and Outdoor Air Quality and Public Health in California*. UCLA Fielding School of Public Health Department of Environmental Health Sciences.

³⁹⁸ Construction Industry Research Board. 2018. Annual Building Permit Summary. <http://www.cirbreport.org>.

³⁹⁹ Delforge, Pierre. August 11, 2021. California Forging Ahead on Zero Emission Buildings. Blog. NRDC. <https://www.nrdc.org/experts/pierre-delforge/california-forging-ahead-zero-emission-buildings>.

Figure 4-8: Final energy demand in buildings in 2022, 2030, and 2045 in the Scoping Plan Scenario⁴⁰⁰

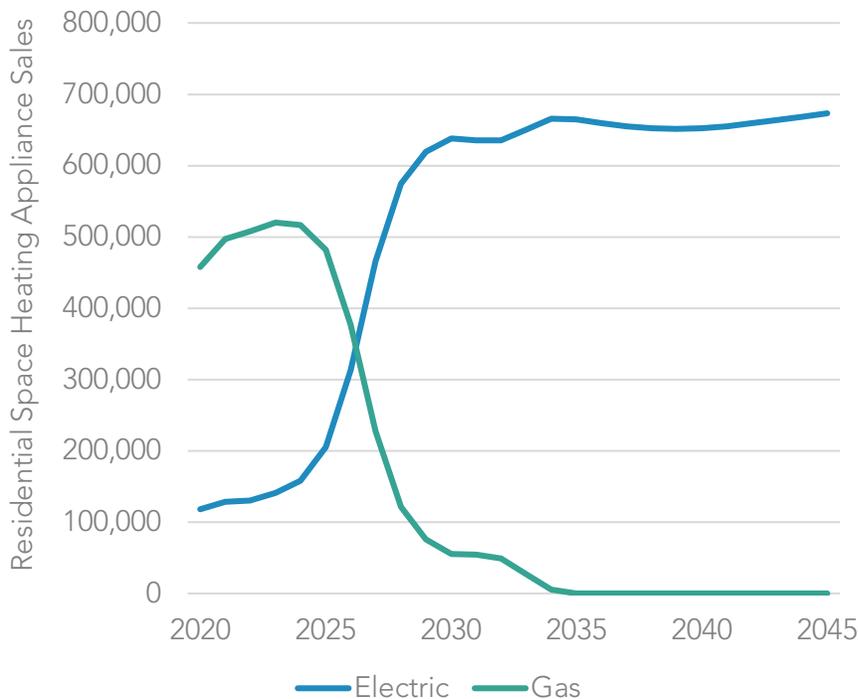


This transition is achieved when all new buildings constructed include non-combustion appliances, and appliances in existing buildings are replaced at the end of their useful life with non-combustion alternatives. Currently, electric alternatives, combined with the decarbonizing of California’s grid, are the most effective alternatives, and the Scoping Plan Scenario modeled these alternatives. The Scoping Plan Scenario assumes three million all-electric and electric-ready homes by 2030 and seven million by 2035. Figure 4-9 illustrates the pace at which electric space heating appliance sales increase and gas space heating appliance sales decrease in residences in the Scoping Plan Scenario, such that by 2035 100 percent of residential home appliance sales are electric. By 2030 over six million electric heat pumps are installed statewide. The residential electric space heating appliance sales increases rapidly in the near term as new all-electric buildings are constructed and as existing buildings are renovated to utilize electric appliances. A similar transition is envisioned for other home appliances. Commercial buildings also will undergo a transition away from gas appliances to electric appliances, achieving 80 percent sales of all-electric appliances by 2035 and 100 percent by 2045. Appendix F (Building Decarbonization) describes a holistic policy approach to rapidly grow the

⁴⁰⁰ *Other* fuel in the buildings sector is primarily liquid petroleum gas and waste heat.

number of zero emission appliances and buildings, to surmount the market barriers, and to prioritize an equitable transition for vulnerable communities.

Figure 4-9: Residential space heating appliance sales in the Scoping Plan Scenario



Strategies for Achieving Success

- Prioritize California’s most vulnerable residents with the majority of funds in the new \$922 million Equitable Building Decarbonization program, created through the 2022–2023 state budget. This would include residents in frontline, low-income, disadvantaged, rural, and tribal communities. This program is dedicated to a statewide direct-install building retrofit program for low-income households to replace fossil fuel appliances with electric appliances, energy-efficient lighting, and building insulation and sealing while also coordinating reductions in gas infrastructure in specific geographic areas.
- Achieve three million all-electric and electric-ready homes by 2030 and seven million by 2035 with six million heat pumps installed statewide by 2030.
- Expand incentive programs to support the holistic retrofit of existing buildings, especially for vulnerable communities.
- Ensure that incentive programs prioritize energy affordability and tenant protections, promote affordable and low-income household retrofits that improve habitability and reduce expenses, protect and empower small landlords and homeowners, address overlooked consumer groups, and pair decarbonization

with other critically needed renovation efforts to ensure that buildings support human health and are climate- and weather-resistant.⁴⁰¹

- End fossil gas infrastructure expansion for newly constructed buildings.⁴⁰²
- Evaluate and propose, as needed, changes to strengthen the Cap-and-Trade Program.
- Strengthen California’s building standards to support zero-emission new construction.
- Develop building performance standards for existing buildings.
- Adopt a zero-emission standard for new space and water heaters sold in California beginning in 2030, as specified in the 2022 State Strategy for the State Implementation Plan.
- Expand use of low-GWP refrigerants within buildings.
- Support electrification with changes to utility rate structures and by promoting load management programs.
- Increase funding for incentive programs and expand financing assistance programs focused on existing buildings and appliance replacements.
- Expand consumer education efforts to raise awareness and stimulate the adoption of decarbonized buildings and appliances, especially in vulnerable communities.
- Implement biomethane procurement targets for investor-owned utilities as specified in SB 1440 (Hueso, Chapter 739, Statutes of 2018) to reduce GHG emissions in remaining pipeline gas and reduce methane emissions from organic waste.

⁴⁰¹ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, NF23, NF24, NF25, NF26, NF28. [finalejacrecs.pdf \(arb.ca.gov\)](#).

⁴⁰² AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, NF22. [finalejacrecs.pdf \(arb.ca.gov\)](#).

Carbon Dioxide Removal and Capture

Climate Change 2022: Mitigation of Climate Change,⁴⁰³ a report by the IPCC released in early 2022, states “The deployment of CDR to counterbalance hard-to-abate residual emissions is unavoidable if net zero CO₂ or GHG emissions are to be achieved. The scale and timing of deployment will depend on the trajectories of gross emission reductions in different sectors. Upscaling the deployment of CDR depends on developing effective approaches to address feasibility and sustainability constraints especially at large scales.” In line with that report, this Scoping Plan considers CDR as a complement to technologically feasible and cost-effective GHG emissions mitigation, and the size of its role will depend on the degree of success in reducing GHG emissions at the source across the economy.⁴⁰⁴ The modeling shows that emissions from the AB 32 GHG Inventory sources will continue to persist even if all fossil related combustion emissions are phased out. These residual emissions must be compensated for to achieve carbon neutrality. Options for CDR include both sequestration in natural and working lands and mechanical approaches like direct air capture. Chapter 2 provides estimates on how much CO₂ removal is possible by our natural and working lands and how much must be removed by mechanical CDR.

CCS, which is carbon capture from anthropogenic point sources, is described in Chapter 2 and involves capturing carbon from a smokestack of an emitting facility. Direct air capture, on the other hand, captures carbon directly from the atmosphere. Direct air capture technologies, unlike CCS, are not associated with any particular point source.

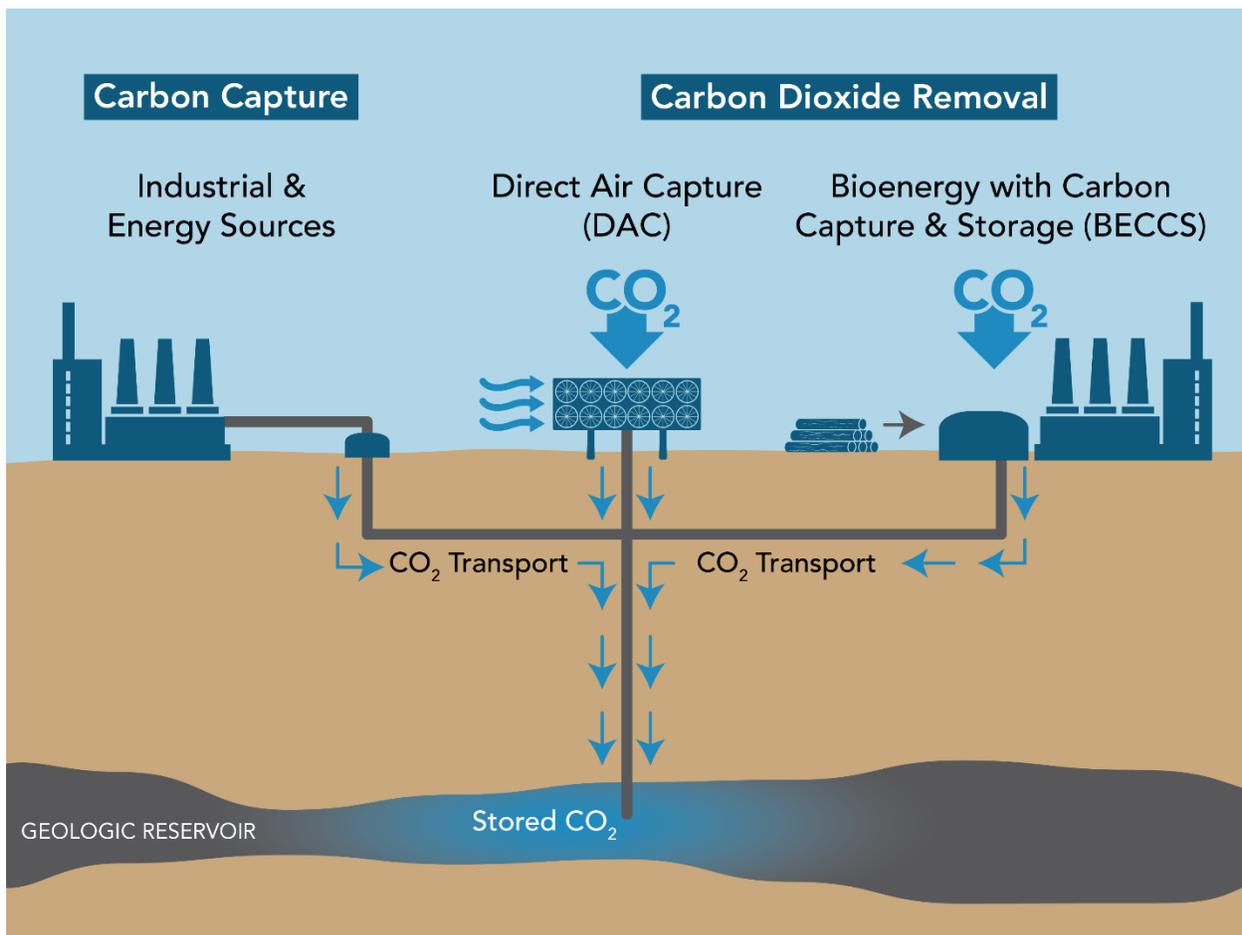
For this section, *carbon management* refers to the capture, movement, and sequestration of CO₂ through mechanical solutions for both capture at point sources and direct removal from the atmosphere through direct air capture.⁴⁰⁵ Enabling policies and regulations across each of these steps are necessary for individual projects, and on a broader scale, for delivering reductions in support of the state’s carbon neutrality and long-term carbon-negative goals. Figure 4-10 provides a graphic of the typical carbon management infrastructure.

⁴⁰³ IPCC. 2022. *Climate Change 2022: Mitigation of Climate Change*. <https://www.ipcc.ch/report/sixth-assessment-report-working-group-3/>.

⁴⁰⁴ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, F4.7. [finalejacrecs.pdf \(arb.ca.gov\)](#).

⁴⁰⁵ CDR through natural and working lands is discussed in Chapter 2 and later in this chapter.

Figure 4-10: Carbon management infrastructure



Carbon dioxide removal directly from the atmosphere itself refers to a suite of carbon negative technologies that can be used to draw down ongoing and historical carbon emissions already in the atmosphere. Some CO₂ removal technologies leverage the abilities of both natural photosynthesis and mechanical removal by using biomass wastes as inputs to make low- or zero-carbon energy or fuels, all while capturing and storing produced CO₂.

Captured CO₂ from point sources or from the atmosphere is permanently stored in specialized geologic formations, typically half a mile or more underground. A recent Stanford University study estimated the state's commercial storage potential is nearly 70,000 million metric tons of CO₂, even when excluding oil and gas reservoirs.⁴⁰⁶ California is well-positioned because few other places on the West Coast are suitable for

⁴⁰⁶ Stanford Center for Carbon Storage. Opportunities and Challenges for CCS in California. <https://sccs.stanford.edu/california-projects/opportunities-and-challenges-for-CCS-in-California>.

geologic storage at scale. To inform discussion around CO₂ removal, CARB held two full-day workshops exploring the types of options for carbon capture and geologic storage and utilization in products.^{407,408,409}

The modeling results provided in Chapter 2 demonstrate the targeted need for CCS on large facilities such as refineries and cement. The CCS numbers do not include the potential additional applications for producing hydrogen with biomethane, other manufacturing, electricity, or other bioenergy. If CCS is not deployed, those emissions would be released directly into the atmosphere and instead need to be addressed through CDR to achieve carbon neutrality. Although a study finds California has 76 existing electricity and industrial facilities that are suitable candidates for CCS retrofit,⁴¹⁰ this Scoping Plan proposes a targeted role for this technology such that it would only be used to address sectors where non-combustion options are not technologically feasible or cost-effective at this time, to the extent needed to achieve the 85 percent reduction in anthropogenic emissions as called for in AB 1279. In future updates to the Scoping Plan, there may be additional options for technologically feasible or cost-effective technologies that may be deployed, which would further reduce the need for CCS and CDR except in situations to address historical GHG emissions.

Recognizing the need for carbon capture and utilization sequestration and removal, the Legislature passed, and the governor signed, SB 905. It includes several key requirements in the development of the state's Carbon Capture Removal, Utilization, and Storage Program. The following is a summary of the work to be completed to establish and administer this program. Many of these steps will address the need to evaluate the safety and efficacy of actions to support carbon removal, sequestration, and transfer via pipelines. Note that not all of these actions are under CARB's authority.

- Review technology to evaluate efficacy, safety, viability of CCUS/CDR methodologies.
- Develop monitoring and reporting requirements and schedules.
- Develop a unified permit application.
- Develop financial responsibility requirements.
- Develop a centralized public database for project status.

⁴⁰⁷ CARB. December 11, 2019. Carbon Neutrality Meetings & Workshops. <https://ww2.arb.ca.gov/our-work/programs/carbon-neutrality/carbon-neutrality-meetings-workshops>.

⁴⁰⁸ CARB. August 2, 2021 Scoping Plan Meetings & Workshops. <https://ww2.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan/scoping-plan-meetings-workshops>.

⁴⁰⁹ *Carbon utilization* refers to the use of captured carbon to produce products such as plastics and concrete.

⁴¹⁰ Glenwright, Kara. 2020. *Roadmap for carbon capture and storage in California*. Precourt Institute for Energy. <https://earth.stanford.edu/news/roadmap-carbon-capture-and-storage-california#gs.y5j78q>.

- Consult with CNRA on pore space requirements as CNRA develops a framework for pore space governing agreements.
- Establish a Geologic Carbon Sequestration Group to identify suitable injection well locations, subsurface monitoring, and potential hazards that may require suspension of injection.

SB 905 also has requirements for project developers such as to develop monitoring plans and to avoid any adverse health and environmental impacts at the carbon capture location—or mitigation of unavoidable impacts as required under existing requirements. For the site of injection, there are requirements for site stability, monitoring, and reporting plans. SB 905 also bans CCS with enhanced oil recovery in California and prohibits the transfer of CO₂ via pipeline until the U.S. Department of Transportation’s Pipelines and Hazardous Materials Safety Administration (PHMSA) completes its current rulemaking to update existing CO₂ pipeline safety requirements.

An often-cited example of pipeline concerns involves a CO₂ pipeline in Mississippi. On February 22, 2020, a CO₂ pipeline operated by Denbury Gulf Coast Pipelines LLC (Denbury) ruptured in proximity to the community of Satartia, Mississippi. The rupture followed heavy rains that resulted in a landslide, creating excessive axial strain on a pipeline weld (DOT 2022). The combination of weather and topography resulted in a slower dissipation of the gas. The pipeline was also carrying hydrogen sulfide, a flammable and toxic gas. The pipeline failed on a steep embankment, which had recently subsided. Heavy rains are believed to have led to a landslide, which created axial strain on the pipeline and resulted in a full circumferential girth weld failure. The PHMSA investigation also revealed several contributing factors to the accident, including but not limited to: Denbury not addressing the risks of geohazards in its plans and procedures, underestimating the potential affected areas that could be impacted by a release in its CO₂ dispersion model, and not notifying local responders to advise them of a potential failure.

As the Satartia example highlights, appropriate pipeline safety and environmental standards in California are critical to minimize any risks from CO₂ transport in the future. As such, SB 905 also tasks CNRA, in consultation with the Public Utilities Commission, to, no later than February 1, 2023, provide a proposal to the Legislature to establish a state framework and standards for the design, operation, siting, and maintenance of intrastate pipelines carrying CO₂ fluids of varying composition and phase to minimize the risk posed to public and environmental health and safety. The recommended framework shall be designed to minimize risk to public health and environmental health and safety, to the extent feasible. Because SB 905 prohibits the transfer of CO₂ via pipeline until the PHMSA completes its current rulemaking to update existing CO₂ pipeline safety requirements, CCS or CDR projects that would require a pipeline to transfer CO₂ are not feasible at this time within California.

Ultimately, and in accordance with SB 905, the merits of each CCS or CDR project must be evaluated on a case-by-case basis.⁴¹¹ Deployment of CCS and CDR could support skilled jobs and workforces, including those in traditional fossil energy communities. Other co-benefits could include criteria air pollutant reductions and water production. It will be important to design projects that do not exacerbate community health impacts, include early and ongoing community engagement, and are in compliance with local, state, and federal public health and environmental protection laws. It also should be noted that, as these types of projects are an emerging area of governance, additional coordination and discussion will be needed among the various levels of authorities involved. SB 905 has already initiated this process by assigning specific agencies with tasks related to their expertise and authority.

Chapter 2 includes a more detailed discussion about the proposed role of CO₂ removal in this Scoping Plan.

Sector Transition

State,⁴¹² national,^{413,414} and global decarbonization analyses⁴¹⁵ indicate a significant role for carbon management infrastructure, yet relatively few projects are operational. Around the world, about two dozen large CCS projects are capturing tens of millions of metric tons of CO₂ each year, with about a dozen operating in the United States.⁴¹⁶ The vast majority of capacity is at industrial facilities, such as ethanol and fertilizer plants, that would otherwise vent nearly pure CO₂ into the atmosphere as a by-product of normal, non-combustion processes. Future research, development, and demonstration projects must refine and commercialize capture systems for more complex applications, especially

⁴¹¹ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, F4.5. [finalejacrecs.pdf \(arb.ca.gov\)](#).

⁴¹² E3. October 2020. Achieving Carbon Neutrality in California Report: Final Presentation. https://ww2.arb.ca.gov/sites/default/files/2020-10/e3_cn_final_presentation_oct2020_2.pdf.

⁴¹³ World Resources Institute. January 31, 2020. CarbonShot: Federal Policy Options for Carbon Removal in the United States. Working paper. <https://www.wri.org/research/carbonshot-federal-policy-options-carbon-removal-united-states>.

⁴¹⁴ C2ES. No date. Getting to Zero: A U.S. Climate Agenda — Center for Climate and Energy Solutions. <https://www.c2es.org/getting-to-zero-a-u-s-climate-agenda-report/>.

⁴¹⁵ IPCC. Mitigation Pathways Compatible with 1.5°C in the Context of Sustainable Development. Chapter 2. <https://www.ipcc.ch/sr15/chapter/chapter-2/>. All analyzed pathways limiting warming to 1.5°C with no or limited overshoot use CDR to some extent to neutralize emissions from sources for which no mitigation measures have been identified and, in most cases, also to achieve net negative emissions to return global warming to 1.5°C following a peak (high confidence). The longer the delay in reducing CO₂ emissions toward zero, the larger the likelihood of exceeding 1.5°C, and the heavier the implied reliance on net negative emissions after mid-century to return warming to 1.5°C (high confidence).

⁴¹⁶ Congressional Research Service. 2021. Carbon Capture and Sequestration (CCS) in the United States. R44902. <https://crsreports.congress.gov/product/pdf/R/R44902?msclid=e45e0012c25911ec8085ca575cb61e82>.

for those with limited decarbonization options. It has only been in the last few years that attention has seriously turned to mechanical CDR. As new information and modeling on climate change have been made available, the science has become clearer that avoiding the most catastrophic impacts of climate change requires both reducing emissions and deploying mechanical CDR.

California is paving a path forward on a science-based carbon management infrastructure policy that can serve as an example for other jurisdictions. The LCFS, which reduces the carbon intensity of transportation fuels, includes a protocol for select carbon management projects to become certified and generate LCFS credits.⁴¹⁷ CCS is not a new concept or technology. Twenty years of CCS testing show it is a safe and reliable tool.⁴¹⁸ As mentioned in Chapter 2, while no new CCS projects have been implemented or generated any credits under the CARB CCS protocol, CCS projects have been implemented elsewhere since the 1970s. Moreover, there has been a U.S. Department of Energy CCS research program underway for more than two decades. These all form a foundation of information for future efforts. Certified projects must successfully demonstrate adherence to rigorous pre-construction, operational, and site closure standards designed to strengthen environmental performance, as described in CARB's CCS Protocol. The protocol is designed to layer on top of existing federal carbon sequestration regulations designed to protect the environment. The protocol would need to be reevaluated if CCS were to be more broadly applied across sectors beyond transportation fuel production.

Direct air capture and carbon mineralization have high potential capacity for removing carbon, but direct air capture is currently limited by high cost. Carbon mineralization may also have high potential for removing carbon from the atmosphere, but understanding of the technology is still limited.⁴¹⁹ Direct air capture could also be deployed at higher rates to remove legacy GHG emissions from the atmosphere. Chapter 2 contains additional information on the current status of CCS and mechanical CDR projects globally, as well as federal support of such technologies.

Strategies for Achieving Success

- Implement SB 905.

⁴¹⁷ CARB. 2018. Carbon Capture and Sequestration Protocol under the Low Carbon Fuel Standard. August 13. https://ww2.arb.ca.gov/sites/default/files/2020-03/CCS_Protocol_Under_LCFS_8-13-18_ada.pdf.

⁴¹⁸ National Energy Technology Laboratory. Permanence and Safety of CCS. <https://netl.doe.gov/coal/carbon-storage/faqs/permanence-safety>.

⁴¹⁹ Aines, Roger. No date. Options for Removing CO₂ from California's Air. Lawrence Livermore National Laboratory. https://ww2.arb.ca.gov/sites/default/files/2021-08/lnl_presentation_sp_engineeredcarbonremoval_august2021.pdf.

- Convene a multi-agency Carbon Capture and Sequestration Group comprised of federal, state, and local agencies to engage with environmental justice advocates, tribes, academics, researchers, and community representatives to identify the current status, concerns, and outstanding questions concerning CCS, and develop a process to engage with communities to understand specific concerns and consider guardrails to ensure safe and effective deployment of CCS.⁴²⁰
- Iteratively update the CARB CCS Protocol with the best available science and implementation experience.
- Incorporate CCS into other sectors and programs beyond transportation where cost-effective and technologically feasible options are not currently available and to achieve the 85 percent reduction in anthropogenic sources below 1990 levels as called for in AB 1279.
- Evaluate and propose, as appropriate, financing mechanisms and incentives to address market barriers for CCS and CDR.
- Evaluate and propose, as appropriate, the role for CCS in cement decarbonization (SB 596) and as part of hydrogen production pathways (SB 1075).
- Support carbon management infrastructure projects through core CEC research, development, and demonstration (RD&D) programs.
- Continue to explore carbon capture applications for producing or leveraging zero-carbon power for reliability needs as part of SB 100.
- Consider carbon capture infrastructure when developing hydrogen roadmaps and strategy, especially for non-electrolysis hydrogen production.
- Evaluate and streamline permitting barriers to project implementation while protecting public health and the environment.
- Explore options for how local air quality benefits can be achieved when CCS is deployed.
- Explore opportunities for CCS and CDR developers to leverage existing infrastructure, including subsurface infrastructure.
- Explore permitting options to allow for scaling the number of sources at carbon sequestration hubs.

Short-Lived Climate Pollutants (Non-Combustion Gases)

Short-lived climate pollutants (SLCPs) include black carbon (soot), methane (CH₄), and fluorinated gases (F-gases, including hydrofluorocarbons [HFCs]). They are powerful climate forcers and harmful air pollutants that have an outsized impact on climate change

⁴²⁰ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, F4.9. [finalejacrecs.pdf \(arb.ca.gov\)](#).

in the near term, compared to longer-lived GHGs, such as CO₂. According to the IPCC's *Climate Change 2021: The Physical Science Basis*, in the near-term (i.e., 10- to 20-year time scale) the warming influence of all SLCPs combined will be at least as large as that of CO₂.⁴²¹ The United Nations Environment Programme's Global Methane Assessment⁴²² advises that achieving the least-cost pathways to limit warming to 1.5°C requires global methane emission reductions of 40–45 percent by 2030 alongside substantial simultaneous reductions of all climate forcers, including CO₂ and SLCPs. Action to reduce these powerful emissions sources today will provide immediate benefits—both to human health locally and to reduce warming globally—as the effects of our policies to transition to low carbon energy systems and achieve carbon neutrality further unfold.

In 2017, the Board approved the comprehensive Short-Lived Climate Pollutant Reduction Strategy (Strategy).⁴²³ This strategy explained how the state would meet the following SB 1383-established targets:

- 40 percent reduction in total methane emissions⁴²⁴ (including a separate 40 percent reduction in dairy and livestock emissions)
- 40 percent reduction in hydrofluorocarbon gas emissions
- 50 percent reduction in anthropogenic black carbon emissions
- 50 percent reduction of organic waste disposal from 2014 levels by 2020, and 75 percent by 2025, including recovery of at least 20 percent of edible food for human consumption

The state is expected to achieve roughly half of the SB 1383 targeted emissions reductions by 2030 through strategies currently in place (See Figure 4-11). As directed by the Legislature under SB 1383, state agencies focused on voluntary, incentive-based mechanisms to reduce SLCP emissions in the early years of implementation to overcome technical and market barriers. Under this “carrot-then-stick” strategy, incentives are replaced with requirements as the solutions become increasingly feasible and cost-effective. To meet legislated targets, more aggressive action is needed.

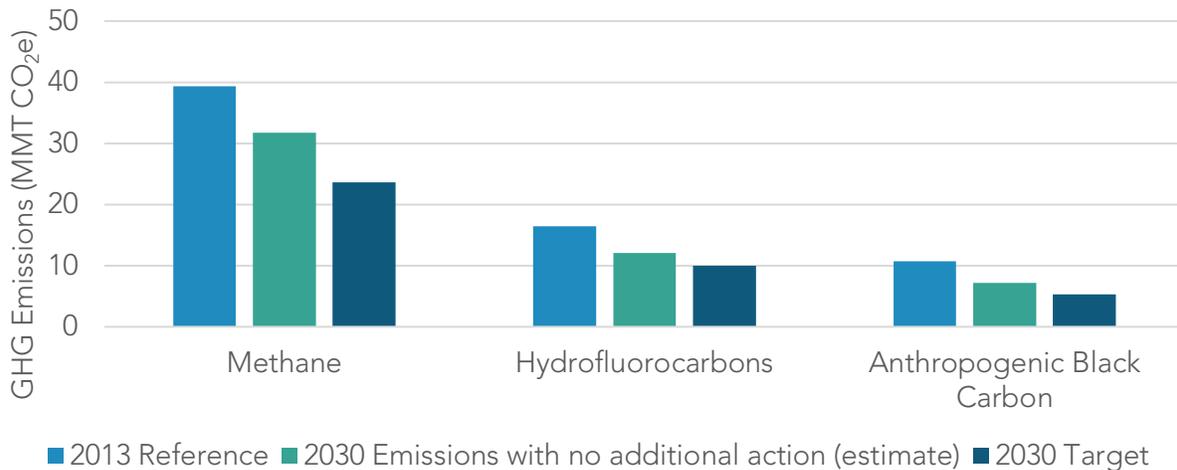
⁴²¹ IPCC. 2021. *Climate Change 2021: The Physical Science Basis*. <https://www.ipcc.ch/report/ar6/wg1/>.

⁴²² United Nations. Global Methane Assessment. Summary for Policymakers. https://wedocs.unep.org/bitstream/handle/20.500.11822/35917/GMA_ES.pdf.

⁴²³ CARB. 2017. Short-Lived Climate Pollution Reduction Strategy. https://ww2.arb.ca.gov/sites/default/files/2020-07/final_SLCP_strategy.pdf.

⁴²⁴ All SB 1383 emissions reductions are mandated to be realized by 2030 and are relative to 2013 levels.

Figure 4-11: Expected progress toward SB 1383 targeted emissions reductions by 2030 through strategies currently in place



While the state’s overall GHG emissions have declined by 9 percent over the past decade, SLCP emissions reductions have not kept pace with broader progress toward decarbonization. After growing steadily in the preceding decade, methane emissions have remained relatively flat since 2013.

HFCs are the fastest growing source of GHG emissions, primarily driven by their use to replace ozone-depleting substances and an increased demand for cooling and refrigeration.⁴²⁵ Since 2005, statewide HFC emissions have more than doubled. While the rate of increase has slowed in recent years due to the state’s measures, HFC emissions are still on the rise in California, and have grown by over 50 percent since 2010.⁴²⁶ Globally, as temperatures rise, adoption of cooling technologies (and refrigerants) is increasing rapidly. If no measures are taken, it is estimated that HFCs will account for 9 to 19 percent of the total global GHG emissions by 2050.⁴²⁷

⁴²⁵ CARB. 2022. *California Greenhouse Gas Emissions for 2000 to 2020: Trends of Emissions and Other Indicators*. https://ww2.arb.ca.gov/sites/default/files/classic/cc/inventory/2000-2020_ghg_inventory_trends.pdf.

⁴²⁶ CARB. 2022. *California Greenhouse Gas Emissions for 2000 to 2020*. https://ww2.arb.ca.gov/sites/default/files/classic/cc/inventory/2000-2020_ghg_inventory_trends.pdf.

⁴²⁷ Velders, G. J., D. W. Fahey, J. S. Daniel, M. McFarland, and S. O. Andersen. 2009. “The large contribution of projected HFC emissions to future climate forcing.” *Proceedings of the National Academy of Sciences* 106(27), 10949–10954.

Methane

Human sources of methane emissions are estimated to be responsible for up to 25 percent of current warming.⁴²⁸ Fortunately, methane's short atmospheric lifetime of ~12 years⁴²⁹ means that emissions reductions will rapidly reduce concentrations in the atmosphere, slowing the pace of temperature rise in this decade. Further, a substantial portion of the targeted reductions can be achieved at low cost and will provide significant human health benefits. For example, the UN's *Global Methane Assessment (2021)*⁴³⁰ found that over half of the available targeted measures have mitigation costs below \$21/MTCO₂e, and that each million metric tons of methane reduced would prevent 1,430 premature deaths annually due to ozone pollution caused by methane.

Following the Twenty Sixth Conference of Parties (COP26) (the United Nations Convention on Climate Change in 2021), over 110 nations have signed onto the Global Methane Pledge (Pledge)⁴³¹ to limit methane emissions by 30 percent relative to 2020 levels. The Pledge covers countries that emit nearly half of all methane and make up 70 percent of global GDP. The UN's *Global Methane Assessment*⁴³² shows that human-caused methane emissions can be reduced by up to 45 percent this decade, which would avoid nearly 0.3°C of global warming by 2045.

As shown in Figure 4-12, the three largest sources of California's methane emissions are the dairy and livestock industry, landfills, and oil and gas systems.

⁴²⁸ IPCC. 2021. *Climate Change 2021: The Physical Science Basis*. <https://www.ipcc.ch/report/ar6/wg1/>.

⁴²⁹ In contrast, the lifetime of CO₂ is hundreds of years. The IPCC Third Assessment Report concluded that no single lifetime can be defined for CO₂ because of the different rates of uptake by different removal processes. According to IPCC Fourth Assessment Report, the majority of an increase in CO₂ will be removed from the atmosphere within decades to a few centuries, while the remaining 20 percent may stay in the atmosphere for many thousands of years.

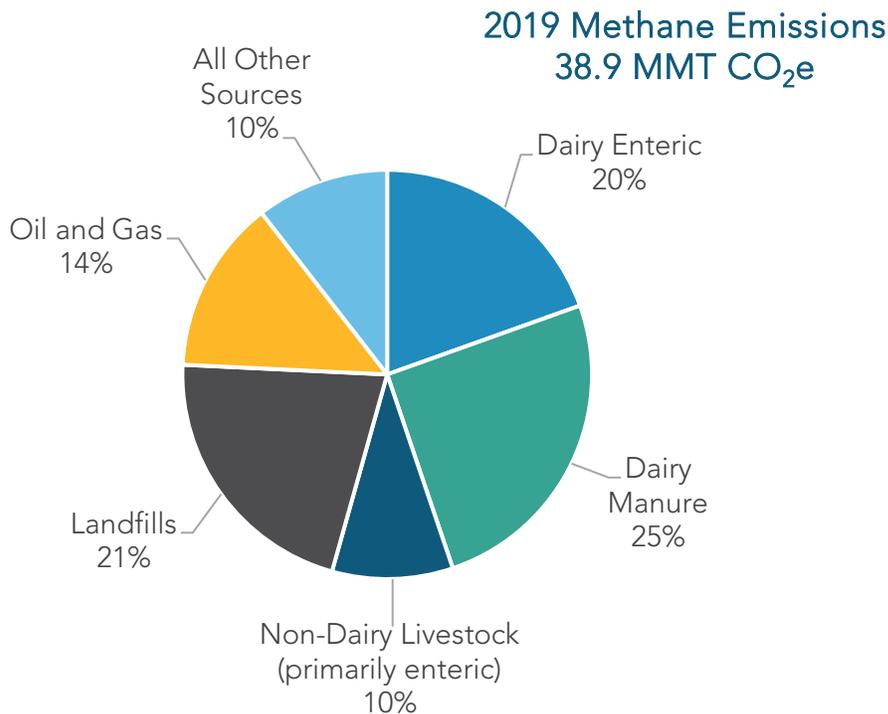
⁴³⁰ United Nations. 2021. *Global Methane Assessment*.

https://wedocs.unep.org/bitstream/handle/20.500.11822/35917/GMA_ES.pdf.

⁴³¹ Global Methane Pledge. <https://www.globalmethanepledge.org/>.

⁴³² United Nations Environment Programme. 2021. *Global Methane Assessment: Benefits and Costs of Mitigating Methane Emissions*. <https://www.unep.org/resources/report/global-methane-assessment-benefits-and-costs-mitigating-methane-emissions?msclkid=00661370c85811eca078eb8fdbd603d1>.

Figure 4-12: Sources of California methane emissions (2019)



Emissions from dairy and livestock operations come from two main sources: (1) enteric fermentation and (2) manure management operations, especially at dairies that employ open anaerobic lagoons that allow methane to escape into the atmosphere. Landfills, the second largest source of methane emissions, produce methane from the decomposition of organic waste. Although approximately 95 percent of all the waste that has been disposed of in the state has been deposited in a landfill that is equipped with a gas collection and control system, as required by California’s Landfill Methane Regulation,⁴³³ a portion of the methane still escapes into the atmosphere. Fugitive methane emissions can be intermittent and highly variable, both seasonally and spatially, particularly at landfills. Research has shown that landfills are complex systems and a wide range of conditions (e.g., atmospheric, operational, biological, chemical, and physical) may contribute to variability in rates of organic waste degradation, methane generation, and capture efficiency, so reducing the amount of organics deposited in landfills is critical to reducing overall landfill methane emissions. And despite the variability in individual landfill emissions, landfill gas collection and control systems remain the most effective strategy

⁴³³ CARB. Landfill Methane Regulation. <https://ww2.arb.ca.gov/our-work/programs/landfill-methane-regulation>.

for reducing methane emissions from waste once it is placed in a landfill. Non-combustion methane emissions from the oil and gas sector are the third largest source of methane emissions in California. Almost three-quarters of the methane emissions from this sector come from leaks and venting from fossil gas transmission and distribution pipelines and equipment.

Hydrofluorocarbons

HFCs are synthetic GHGs that are powerful climate forcers. They are used mainly as refrigerants or heat transfer fluids in refrigeration, space conditioning, and heat pump equipment. Refrigerants are ubiquitous and are used everywhere from supermarkets, convenience stores, cold storage warehouses and wineries, to vending machines and residential and motor vehicle air-conditioners. Additionally, HFCs are also used as foam-blowing agents, solvents, aerosol-propellants, and fire suppressants. While HFCs remain in the atmosphere for a much shorter time than CO₂, the relative global warming potential (GWP) values of HFCs can be hundreds to thousands of times greater than CO₂. The mix of HFCs currently in use in California, weighted by usage (tonnage), have an average 100-year GWP of 1,700.⁴³⁴ The average atmospheric lifetime of the mix of HFCs in use is 15 years.⁴³⁵ Given the short average lifetimes, rapid reductions in HFC emissions can translate into near-term reductions in climate change effects.

As the global temperatures increase, the demand for cooling and refrigerants will continue to grow, as will the use of electric heat pumps to replace conventional fossil gas heating options. Unless addressed, continued use of high-GWP HFCs will perpetuate a feedback loop, where the cooling agents themselves cause additional warming.

In 2016, representatives from 197 nations signed the Kigali Amendment, which amended the existing Montreal Protocol (to reduce ozone-depleting substance production and consumption) to include a global phasedown in the production and consumption of HFCs beginning in 2019.⁴³⁶ As of September 2022, 137 nations have either accepted, approved, or ratified the Kigali Amendment. On September 21, 2022, the U.S. Senate approved ratification of the Kigali Amendment, and it is expected that the United States

⁴³⁴ CARB. 2020. *Initial Statement of Reasons: Public Hearing to Consider the Proposed Amendments to the Prohibitions on Use of Certain Hydrofluorocarbons in Stationary Refrigeration, Chillers, Aerosols-Propellants, and Foam End-Uses Regulation*. October 20. https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2020/hfc2020/isor.pdf?_ga=2.164659835.592460318.1646664679-912670513.1542398285.

⁴³⁵ Zhongming, Z., et al. 2011. *HFCs: A Critical Link in Protecting Climate and the Ozone Layer: A UNEP Synthesis Report*.

⁴³⁶ United Nations Treaty Collection. Chapter XXVII, Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer. https://treaties.un.org/Pages/ViewDetails.aspx?src=IND&mtdsq_no=XXVII-2-f&chapter=27&clang=en.

will soon join the 137 nations that have already ratified.⁴³⁷ In the United States, Congress enacted the federal *American Innovation and Manufacturing (AIM) Act* in December 2020.⁴³⁸ The AIM Act authorizes the U.S. EPA to address HFCs in several ways, including a national HFC phasedown that nearly mirrors the schedule of the global phasedown under the Kigali amendment.⁴³⁹

Nearly 90 percent of HFC emissions in California come from their use as refrigerants in the commercial, industrial, residential, and transportation sectors. The timescales over which the HFC emissions occur vary, depending on the type of application. Thus, strategies to reduce HFC emissions must be tailored by equipment type. CARB has several measures in place to tackle HFC emissions from the various sources shown in Figure 4-13 below. This includes the Refrigerant Management Program⁴⁴⁰ that tracks and manages emissions from large commercial, industrial, and cold storage refrigeration facilities in the state. CARB has adopted regulations to reduce HFC emissions from consumer product aerosol propellants, semiconductor manufacturing, and small cans of automotive refrigerant.⁴⁴¹

In 2018, California adopted HFC prohibitions via regulation and legislation for several sectors, including stationary refrigeration and foam end uses to backstop the partially vacated federal Significant New Alternatives Policy (SNAP) program.⁴⁴² Most recently, in 2020, CARB adopted additional measures that place GWP limits on refrigerants used in refrigeration and air conditioning equipment, which are the largest sources of HFC emissions, and are commonly used in residential, commercial, and industrial buildings. Additionally, CARB adopted a unique pilot program requiring the use of reclaimed refrigerant: the Refrigerant Recovery, Reclaim, and Reuse (R4) Program. The newly adopted HFC rules for the refrigeration and air conditioning sectors are the first of their kind in the nation.

⁴³⁷ U.S. Ratification of the Kigali Amendment - United States Department of State.

<https://www.state.gov/u-s-ratification-of-the-kigali-amendment/>.

⁴³⁸ 42 U.S.C § 7675, Pub. L. 116-260, § 103. https://www.epa.gov/sites/default/files/2021-03/documents/aim_act_section_103_of_h.r._133_consolidated_appropriations_act_2021.pdf.

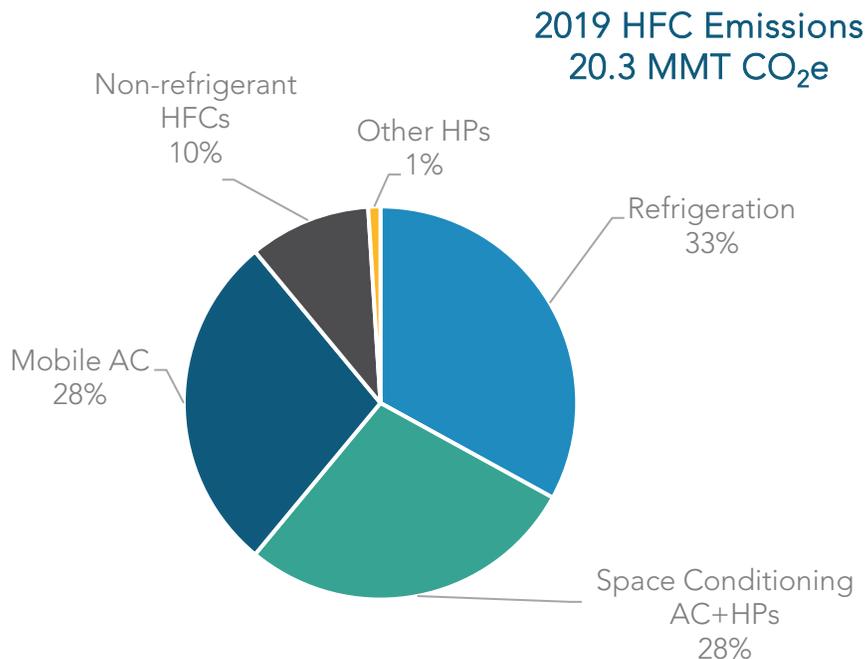
⁴³⁹ 42 U.S.C § 7675, Pub. L. 116-260, § 103.

⁴⁴⁰ Cal. Code of Regs., tit. 17, §§ 95380, et seq.

⁴⁴¹ Contained in various sections, commencing with Cal. Code of Regs., tit. 13, §§ 1900 et seq.

⁴⁴² Cal. Code of Regs., tit. 17, §§ 95371, et seq.; California Cooling Act, Senate Bill 1013 (Lara, Stats. of 2018, Ch. 375, Health & Saf. Code § 39764).

Figure 4-13: Sources of hydrofluorocarbon (HFC) emissions (2019)

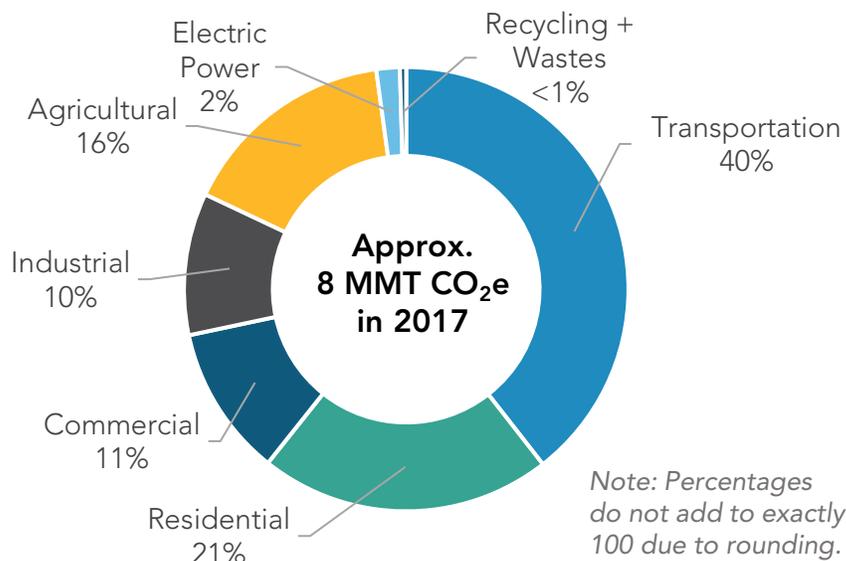


Anthropogenic Black Carbon

Black carbon is not included in AB 32 or the state's AB 32 GHG inventory that tracks progress toward the state's climate targets; however, it has been identified as a powerful climate forcer and is included California's Short-Lived Climate Pollutant Reduction Strategy. The majority of anthropogenic black carbon emissions come from transportation, specifically heavy-duty vehicles, and they have decreased since 2013 due to engine certification standards and in-use rules for on-road and off-road fleets, along with clean fuel requirements and incentives, including California Climate Investments and LCFS credits. Additionally, fuel combustion for residential, commercial, and industrial applications contribute significantly to overall black carbon emissions. Approximately 95 percent of residential black carbon emissions are due to wood combustion; these emissions are being reduced through programs like the Woodsmoke Reduction Program established by SB 563 (Lara, Chapter 671, Statutes of 2017). Alternatives to agricultural burning and policies that phase out agricultural burning will also result in agricultural black carbon emissions reductions. In 2021 CARB provided a preliminary estimate of 2017

black carbon emissions (Figure 4-14).⁴⁴³ This estimate will be finalized as part of a future update to the Short-Lived Climate Pollutant Inventory.

Figure 4-14: Sources of anthropogenic black carbon (preliminary 2017 estimates; AR5 100-yr GWP 900)



Sector Transition

California has long recognized the importance of mitigating non-combustion SLCPs and took several early action measures as part of a comprehensive, ongoing program to reduce in-state GHG emissions under AB 32. The early action measures included CARB's Landfill Methane Regulation,⁴⁴⁴ Refrigerant Management Program,⁴⁴⁵ and Oil and Gas Methane Regulation.⁴⁴⁶

Methane

The methane abatement strategies currently in place are projected to achieve half of the methane emissions needed to meet the overall methane reduction target of SB 1383 (40 percent reduction by 2030). The reduction target translates to a limit of less than 24 MMTCO₂e in 2030 (Figure 4-15). It is anticipated that, since some sectors have fewer

⁴⁴³ CARB. 2021. 2022 Scoping Plan Update – Short-Lived Climate Pollutants Workshop Presentation, September 8. https://ww2.arb.ca.gov/sites/default/files/2021-09/carb_presentation_sp_slcp_september2021_1.pdf.

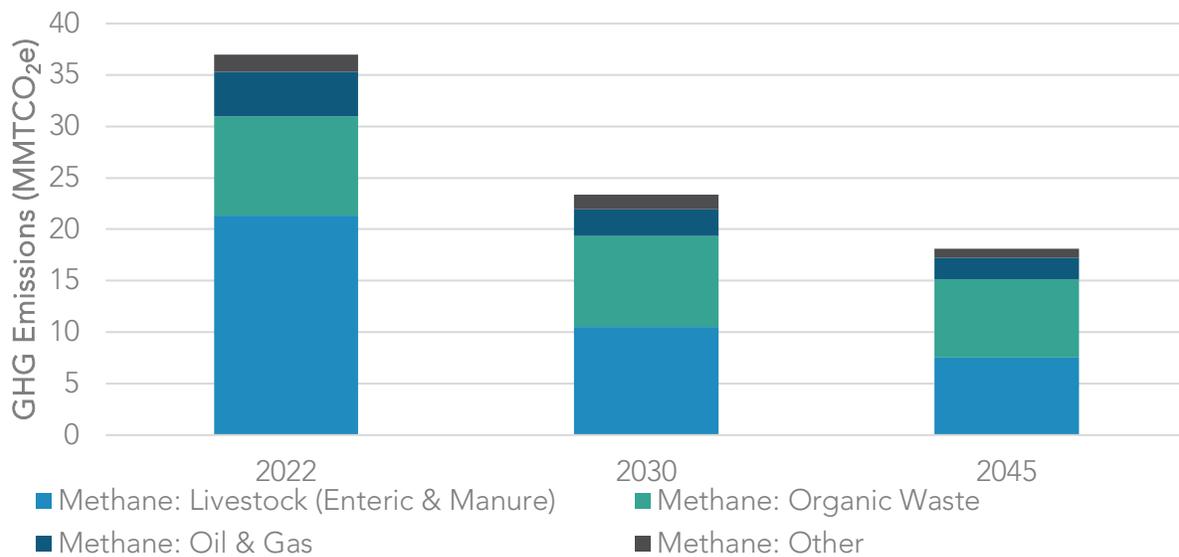
⁴⁴⁴ Cal. Code of Regs., tit. 17, §§ 95460, et seq.

⁴⁴⁵ Cal. Code of Regs., tit. 17, §§ 95380, et seq.

⁴⁴⁶ Cal. Code of Regs., tit. 17, §§ 95665–77.

strategies that can be implemented to reduce methane in the near-term, other sectors will need to go beyond the 40 percent reduction to meet the target.

Figure 4-15: Methane emissions in 2022, 2030, and 2045 in the Scoping Plan Scenario⁴⁴⁷



Dairy and Livestock Methane

California is the largest dairy-producing state, home to one in five U.S. dairy cows. To date, methane emissions reductions from the dairy and livestock sector have mainly been driven by a decreasing animal population and the growing adoption of manure management strategies, including anaerobic digesters and conversion to dry manure systems and pasture systems. CARB recently completed a detailed analysis of the emission reductions expected by 2030 and the estimated additional investment needed to reach the dairy and livestock sector methane reduction target.⁴⁴⁸

Assuming no adoption of additional manure management and enteric mitigations strategies beyond the projects that have committed funding, and a continued annual animal population decrease of 0.5 percent per year through 2030, further reductions of approximately 4.4 MMTCo_{2e} will be needed to achieve the 2030 methane emissions reduction target for the sector set by SB 1383. If the remaining reductions are met through

⁴⁴⁷ The *Organic Waste* category includes methane from landfills, wastewater treatment, and compost facilities.

⁴⁴⁸ CARB. 2021. Analysis of Progress toward Achieving the 2030 Dairy and Livestock Sector Methane Emissions Target. June. <https://ww2.arb.ca.gov/sites/default/files/2021-06/draft-2030-dairy-livestock-ch4-analysis.pdf>.

a mix of dairy projects in which half are dairy digesters and half are alternative manure management projects, then it is estimated that at least 420 additional projects will be necessary. Additional emissions reductions beyond this level will likely be necessary to ensure that the overall state methane emissions reduction targets are met.

Despite the considerable methane emissions mitigation potential of enteric strategies like feed additives, little progress has been made, as few products with proven mitigation potential have become commercially available, and unlike manure management strategies, there is a lack of financial incentives for their adoption.

Market conditions favoring farm consolidation and improved production efficiencies have driven reductions in the California and U.S. dairy population over the past decade.⁴⁴⁹ These efficiency gains have allowed California to maintain production levels despite the decreasing population. If demand for dairy and beef products remains steady or increases, continued improvements in production efficiency and adoption of effective manure management and enteric mitigation strategies will be important to support dairy and livestock methane emission reductions.

Strategies for Achieving Success

- Install state of the art anaerobic digesters that maximize air and water quality protection, maximize biomethane capture, and direct biomethane to sectors that are hard to decarbonize or as a feedstock for energy.
- Increase alternative manure management projects, including but not limited to conversion to “solid,” “dry,” or “scrape” manure management; installation of a compost-bedded pack barn; an increase in the time animals spend on pasture; and implementation of solid-liquid separation technology into flush manure management systems.
- Implement enteric fermentation strategies that are cost-effective, scientifically proven, safe for animal and human health, and acceptable to consumers, and that do not impact animal productivity. Provide financial incentives for these strategies as needed.
- Accelerate demand for dairy and livestock product substitutes such as plant-based or cell-cultured dairy and livestock products to achieve reductions in animal populations.
- In consideration of pace of deployment of methane mitigation strategies and the scale of complimentary incentives, consider regulation development to ensure that the 2030 target is achieved, assuming the conditions outlined in SB 1383 are met.

⁴⁴⁹ MacDonald, James M., Jonathan Law, and Roberto Mosheim. 2020. *Consolidation in U.S. Dairy Farming*. ERR-274. July. <https://www.ers.usda.gov/webdocs/publications/98901/err-274.pdf>.

Landfill Methane

Achieving the 75 percent organic waste disposal reduction target⁴⁵⁰ of SB 1383, and maintaining that level of disposal in subsequent years, would bring annual landfill emissions in 2030 to just below the 2013 baseline. Annual methane emissions will be higher through 2030 than originally anticipated by the SLCP Strategy because the state did not achieve the anticipated reductions in organic waste disposal of 50 percent below 2014 levels by 2020. SB 1383 prohibited the organic disposal regulations from taking effect until 2022,⁴⁵¹ and, as a result, emissions have continued to increase.

Due to the multidecadal time frame required to break down landfilled organic material, the emissions reductions from diverting organic material in one year are realized over the course of several decades. For example, one year of waste diversion in 2030 is expected to avoid 8 MMTCO₂e of landfill emissions, cumulatively, over the lifetime of that waste's decomposition.⁴⁵² Near-term diversion efforts are critical to avoid locking in future landfill methane emissions.

CalRecycle's 2020 report, *Analysis of the Progress Toward the SB 1383 Waste Reduction Goals*,⁴⁵³ estimated that 8 million short tons of composting and anaerobic digestion capacity will be needed to manage organic wastes, above the existing and new capacity expected to be available by 2025. The 2019 report, *Co-Digestion Capacity in California*,⁴⁵⁴ from the State Water Resources Control Board estimated that at least 2.4 million tons of digester capacity is available at urban wastewater treatment plants if sufficient incentives or funding for collection, receiving, and processing operations are provided to enable utilization of this capacity. The CPUC approved a decision in February 2022 implementing the biomethane procurement program, which will require investor-owned utilities by 2025 to procure 17.6 billion cubic feet (BCF) of biomethane produced from organic wastes to support the landfill disposal reduction and SLCP target and reduce fossil gas reliance for

⁴⁵⁰ The target is from 2014 levels by 2025.

Public Resources Code, § 42652.5. CalRecycle approved the SLCP: Organic Waste Reductions regulations (<https://calrecycle.ca.gov/organics/slcp/>) in 2020 and began implementing them in January 2022. These regulations are designed to achieve the 2025 disposal reduction and edible food recovery targets.

⁴⁵² The life cycle emissions reduction is based on anticipated diversion of 27 million short tons of organic waste from CalRecycle (2020) *Analysis of the Progress Toward the SB 1383 Organic Waste Reduction Goals* (<https://www2.calrecycle.ca.gov/Publications/Details/1693>). Under CalRecycle's SLCP regulations, an alternative to landfill disposal must achieve a life cycle GHG reduction of 0.3 MTCO₂e per short ton of waste diverted.

⁴⁵³ CalRecycle. 2020. *Analysis of the Progress Toward the SB 1383 Waste Reduction Goals*. <https://www2.calrecycle.ca.gov/Publications/Details/1693>.

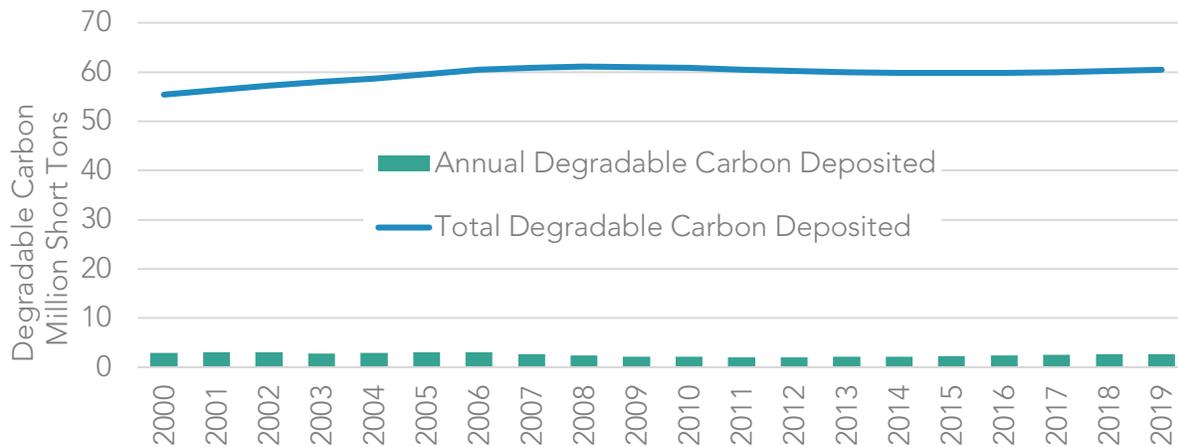
⁴⁵⁴ State Water Resources Control Board. 2019. *Co-Digestion Capacity in California*. https://www.waterboards.ca.gov/water_issues/programs/climate/docs/co_digestion/final_co_digestion_capacity_in_california_report_only.pdf.

residential and commercial customers.⁴⁵⁵ Additionally, the organic waste stream includes more than one million tons of edible food that could be recovered before it enters the waste stream through food rescue programs that combat hunger in communities throughout California.

While reducing organic waste disposal is the most effective means of achieving reductions in waste sector methane, strategies to reduce emissions from waste already in place in landfills also will play a role in achieving near-term reductions. As Figure 4-16 shows, the total degradable carbon (a measure of the amount of waste with potential to generate methane) that is accumulated from waste deposited in previous years is over 20 times greater than the amount added each year. This illustrates that even if we were able to entirely phase out landfilling of organic waste today, the existing waste in place at landfills would continue to generate methane for decades into the future.

Through a combination of improvements in operational practices, use of lower permeability covers, advanced landfill gas collection systems, and increased monitoring to detect and repair leaks, it is estimated that a direct emission reduction of 10 percent is achievable across the state’s landfills by 2030. Technologies to utilize landfill gas efficiently can contribute further emission reductions in the energy sector.

Figure 4-16: Degradable carbon deposited in landfills



Strategies for Achieving Success

- Maximize existing infrastructure and expand it to reduce landfill disposal, with strategies including composting, anaerobic digestion, co-digestion at wastewater treatment plants, and other non-combustion conversion technologies.

⁴⁵⁵ CPUC. 2022. Decision 22-02-025.

- Expand markets for products made from organic waste, including through recognition of the co-benefits of compost, biochar, and other products.⁴⁵⁶
- Recover edible food to combat food insecurity.
- Invest in the infrastructure needed to support growth in organic recycling capacity.
- Utilize existing digesters at wastewater treatment facilities to rapidly expand food waste digestion capacity.
- Direct biomethane captured from landfills and organic waste digesters to sectors that are hard to decarbonize.
- Implement improved technologies and best management practices at composting and digestion operations.
- Reduce emissions from landfills through improvements in operational practices, lower permeability covers, advanced collection systems, and technologies to utilize landfill gas.
- Leverage advances in remote sensing capabilities to quickly pinpoint large methane sources and mitigate leaks, improve understanding of the factors that lead to better capture efficiency, and explore new technologies and practices that can reliably improve methane control at landfills.

Upstream Oil and Gas Methane Reduction

For oil and gas production, processing, and storage, California is currently on track to achieve a 41 percent reduction in methane emissions by 2025 relative to 2013. The additional reductions needed to meet the 2030 target may be achieved by implementing additional regulatory requirements to further reduce intentional venting of fossil gas from equipment. If necessary, additional reductions from transmission and distribution facilities may be achieved by requiring the utilities to increase inspection and repair activities or further reduce emissions from pipeline blowdowns by implementing methods such as using portable compressors, using plugs to isolate sections of pipelines, flaring vented gas, routing gas to fuel gas systems, and installing static seals on compressor rods. Advances in methane detection technologies (e.g., satellites equipped to detect large methane sources) may also help to identify and mitigate methane emissions quickly across the oil and gas sector.

As California transitions away from fossil fuels, in-state oil and gas production will likely decline. This could result in an increase over time in the number of long-term idle and orphan wells (idle wells lacking a financially solvent, responsible owner) in the state. While California has regulations aimed at helping ensure operators manage their idle wells,

⁴⁵⁶ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, F4.4. [finalejacrecs.pdf \(arb.ca.gov\)](#).

there could likely be an increase in California's orphan well population. Plugging all orphan wells, of which there are currently over 5,000, could take decades due to the limited resources California has for orphan well plugging. The benefits from plugging wells include methane emission reductions and job creation; employment gains from well plugging and site remediation activities could help temporarily offset job losses from the oil and gas industry. The California Council on Science and Technology's 2018 report on orphan wells, *Orphan Wells in California: An Initial Assessment of the State's Potential Liabilities to Plug and Decommission Orphan Oil and Gas Wells*,⁴⁵⁷ found that the potential cost to the state of plugging current orphan wells could be approximately \$500 million, and the cost of plugging all active and idle wells could total over \$9.1 billion. As oil and gas production in California declines due to reduced demand for fossil fuels, additional funding will likely be needed to cover the costs of plugging wells that have no viable operator.

Strategies for Achieving Success

- Mitigate emissions from leaks by regular leak detection and repair (LDAR) surveys at all facilities.
- Replace high emitting equipment with zero emission alternatives wherever feasible.⁴⁵⁸
- Have CARB and CalGEM lead a Task Force to identify and address methane leaks from oil infrastructure near communities.
- Pursuant to SB 1137, develop leak detection and repair plans for facilities in health protection zones, implement emission detection system standards, and provide public access to emissions data.
- Minimize emissions from equipment that must vent fossil gas by design (e.g., fossil gas powered compressors).
- Install vapor collection systems on high emitting equipment.
- Phase out venting and routine flaring of associated gas (gas produced as a by-product during oil production).
- Continuous ambient monitoring at fossil gas underground storage facilities to quickly detect large methane sources.
- Reduce pipeline and compressor blowdown emissions.

⁴⁵⁷ The California Council on Science and Technology. 2018. *Orphan Wells in California: An Initial Assessment of the State's Potential Liabilities to Plug and Decommission Orphan Oil and Gas Wells*. <https://ccst.us/wp-content/uploads/CCST-Orphan-Wells-in-California-An-Initial-Assessment.pdf>.

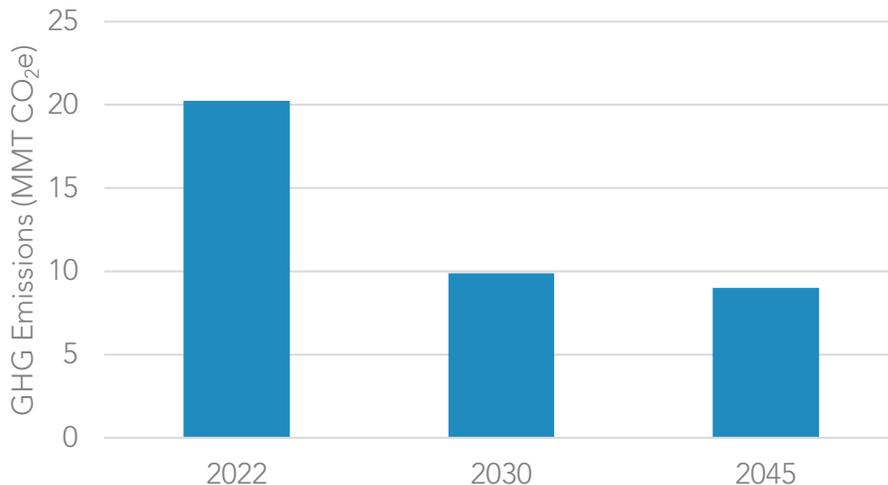
⁴⁵⁸ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, P5. [finalejacrecs.pdf \(arb.ca.gov\)](#).

- Leverage advances in remote sensing capabilities to quickly pinpoint large methane sources and mitigate leaks.⁴⁵⁹

Hydrofluorocarbons

In California, all the HFC measures currently in place will help achieve more than 70 percent of the reductions needed to achieve the 2030 HFC goal and provide very significant emissions reductions by 2045 and beyond. However, new targeted measures will be needed to maintain the pace of reductions, as demand for technologies that currently predominantly use high-GWP refrigerants is anticipated to grow. Despite decarbonization efforts, high-GWP HFCs are expected to be among the last remaining persistent GHG emission sources, as shown in Figure 4-17.⁴⁶⁰

Figure 4-17: Hydrofluorocarbon emissions in 2022, 2030, and 2045 in the Scoping Plan Scenario



HFC emissions from new and existing sources should be addressed in tandem with building decarbonization efforts to maximize reductions.⁴⁶¹ As buildings are electrified in an effort to decarbonize them, the use of heat pumps for space conditioning, water heaters, and clothes dryers is expected to increase significantly. Heat pumps, while using

⁴⁵⁹ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, CC17. [finalejacrecs.pdf \(arb.ca.gov\)](#).

⁴⁶⁰ Energy and Environmental Economics, Inc. 2020. *Achieving Carbon Neutrality*. https://ww2.arb.ca.gov/sites/default/files/2020-10/e3_cn_final_report_oct2020_0.pdf.

⁴⁶¹ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, NF26. [finalejacrecs.pdf \(arb.ca.gov\)](#).

electricity, not fossil gas, currently rely predominantly on high-GWP refrigerants. Very low- or no-GWP technologies and solutions are either available or emerging for various heat pump technologies, and likely to develop further as international efforts to mitigate HFCs continue. However, most of these technologies are still nascent in the United States. In addition, some of the alternatives cannot be used until California building codes are updated, which is currently expected at the earliest in mid-2024 for some technologies based on the recently adopted provisions in AB 209⁴⁶² requiring the California Building Standards Commission to adopt the latest safety standards for refrigerant containing equipment into California’s building codes. The current updates to the building codes will allow the use of many refrigerants with lower GWPs than HFCs currently in use. However, additional building code updates are needed to expand the choices of ultra-low-GWP alternatives, and that will need to happen in the next few years. The adoption of low-GWP refrigerants must occur in parallel with building decarbonization efforts; without such efforts, the vast GHG benefits of the latter will be partially offset, and the proportion of HFC emissions from buildings will continue to grow.

Leaks from existing air conditioning and refrigeration equipment are a major source of statewide and global HFC emissions. Once installed, refrigeration and air conditioning equipment can stay in place for decades, while leaking refrigerants into the atmosphere. This makes it very important that new installed equipment use refrigerants with a GWP as low as possible. The refrigerants inside existing equipment are sometimes collectively referred to as the *installed base* or *banks* of potential HFC emissions. If released spontaneously, the existing HFC banks would equal 60 percent of all annual statewide GHG emissions in California, as illustrated in Figure 4-18.⁴⁶³

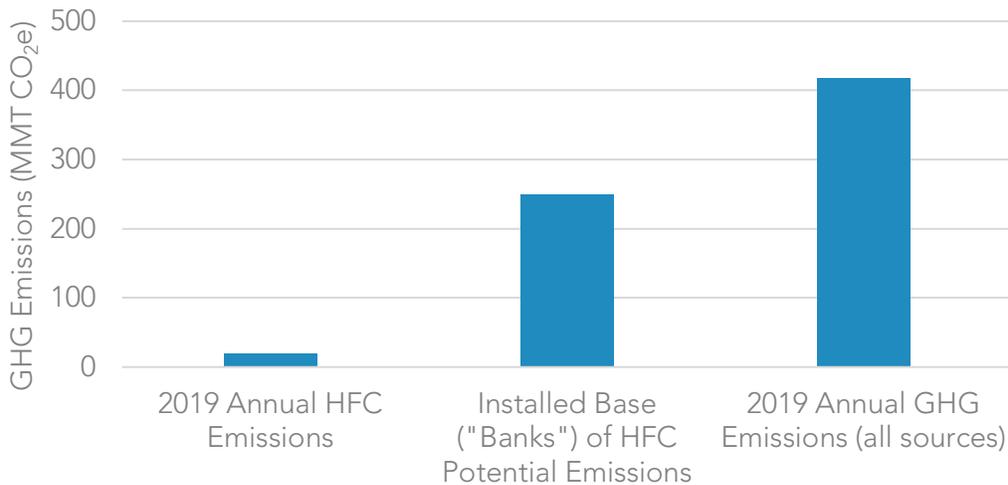
The sales prohibitions on newly produced refrigerants set forth in SB 1206 (2022) and the national/international HFC phasedown will help in reducing HFC emissions from existing equipment by restricting the supply of and increasing the value of existing high-GWP HFCs, thus enabling a circular economy. In the 2022–2023 state budget, CARB received \$45 million in incentive funding for climate-friendly refrigerant technologies; this funding will be critical in shifting the market toward the best available refrigerant technologies in various sectors.

⁴⁶² AB 209: Energy and climate change.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB209.

⁴⁶³ CARB. 2021. 2022 Scoping Plan Update – Short-Lived Climate Pollutants Workshop Presentation. September 8. https://ww2.arb.ca.gov/sites/default/files/2021-09/carb_presentation_sp_slcp_september2021_1.pdf.

Figure 4-18: Potential emissions from refrigerants in existing equipment



Strategies for Achieving Success

- Expand the use of very low- or no-GWP technologies in all HFC end-use sectors, including emerging sectors, like heat pumps for applications other than space conditioning, to maximize the benefits of building decarbonization.⁴⁶⁴
- Convert large HFC emitters such as existing refrigeration systems to the lowest practical GWP technologies.⁴⁶⁵
- Prioritize small-scale and independent grocers serving priority populations in addressing existing “banks” of high-GWP refrigerants.⁴⁶⁶
- Improve recovery, reclamation, and reuse of refrigerants by limiting sales of new or virgin high-GWP refrigerants and requiring the use of reclaimed refrigerants where appropriate.⁴⁶⁷
- Assist low-income and disadvantaged communities in obtaining low-GWP space conditioning units to protect vulnerable communities from heat stress and wildfire smoke.⁴⁶⁸

⁴⁶⁴ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, NF26. [finalejacrecs.pdf \(arb.ca.gov\)](#).

⁴⁶⁵ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, NF22. [finalejacrecs.pdf \(arb.ca.gov\)](#).

⁴⁶⁶ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, JT5 and JT6. [finalejacrecs.pdf \(arb.ca.gov\)](#).

⁴⁶⁷ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, JT1. [finalejacrecs.pdf \(arb.ca.gov\)](#).

⁴⁶⁸ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, NF28, JT5, and JT6. [finalejacrecs.pdf \(arb.ca.gov\)](#).

- Accelerate technology transitions in California and the U.S. overall by collaborating with international partners committed to taking action on HFCs under the Kigali Amendment to the Montreal Protocol; this includes addressing barriers to adoption of very low- or no-GWP refrigerant technologies such as high upfront costs, shortage of trained technicians, and lag in updating safety standards and building codes.

Anthropogenic Black Carbon

Significant progress has been made since 2013 to reduce anthropogenic black carbon emissions, primarily from decreased combustion of distillate fuels in the agricultural sector, as well as improvements to provide cleaner, on-road combustion technologies. Under current strategies, anthropogenic black carbon from transportation is expected to be reduced by over 60 percent in 2030. Continued reductions in combustion emissions across all sectors from both the state's climate and air quality programs will also help reduce anthropogenic black carbon emissions going forward.

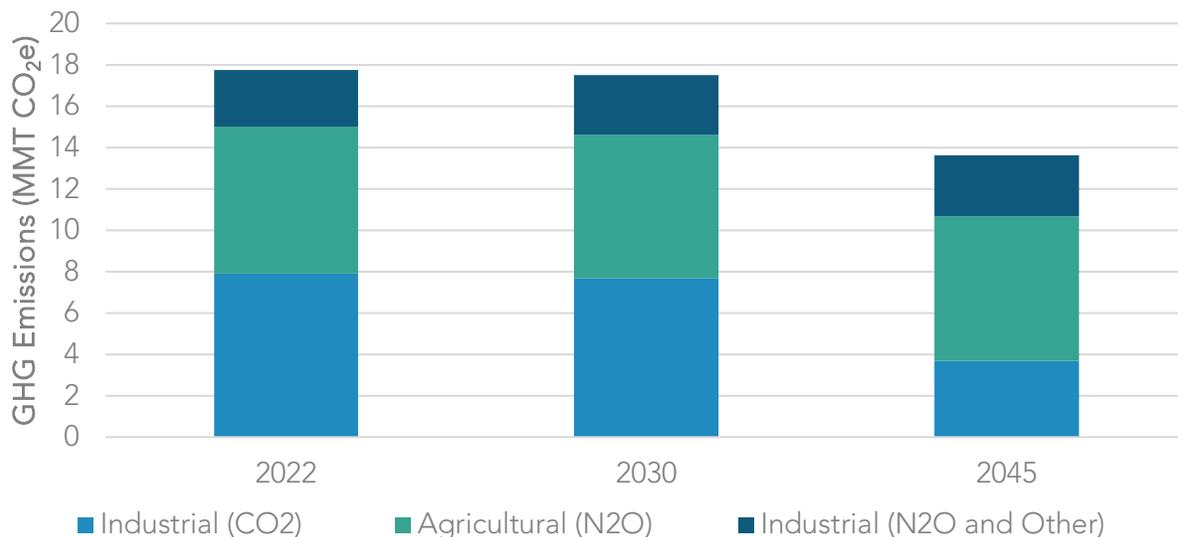
Strategies for Achieving Success

- Reduce fuel combustion commensurate with state's climate and air quality programs, particularly from reductions in transportation emissions and agricultural equipment emissions.⁴⁶⁹
- Invest in residential woodsmoke reduction.

In addition to SLCP emissions, some remaining non-combustion emissions are anticipated to persist in the coming decades, as shown in Figure 4-19. These include CO₂ from industrial processes such as cement manufacturing, oil and gas extraction, and geothermal electric power; N₂O from wastewater treatment, fertilizers, and livestock manure applied to agricultural soils; and other industrial, non-HFC GHG emissions.

⁴⁶⁹ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, F1A and Appendix A (Table Summary of Direct Emission Reduction Strategies). "Emissions reductions from energy consumed by California's agricultural sector, including post-harvest processing, use of tractors and other farm equipment, and water import and irrigation." [finalejacrecs.pdf \(arb.ca.gov\)](#).

Figure 4-19: Remaining non-combustion emissions in 2022, 2030, and 2045 in the Scoping Plan Scenario



Natural and Working Lands

California’s natural and working lands (NWL) cover approximately 90 percent of the state’s 105 million acres,⁴⁷⁰ and include forests, grasslands, shrublands and chaparral, croplands, wetlands, sparsely vegetated lands, and the green spaces in urban and built environments. These lands include California Native American tribes’ ancestral and cultural lands, parks and green spaces in our cities and communities, and the waters and the iconic landscapes we know and love. The diverse landscapes and biodiversity found throughout California’s NWL provide a multitude of benefits to the people of California, including clean water, clean air, biodiversity, food, economic prosperity, recreational opportunities, continuation of traditional tribal ways of life, mental health benefits, and many others.

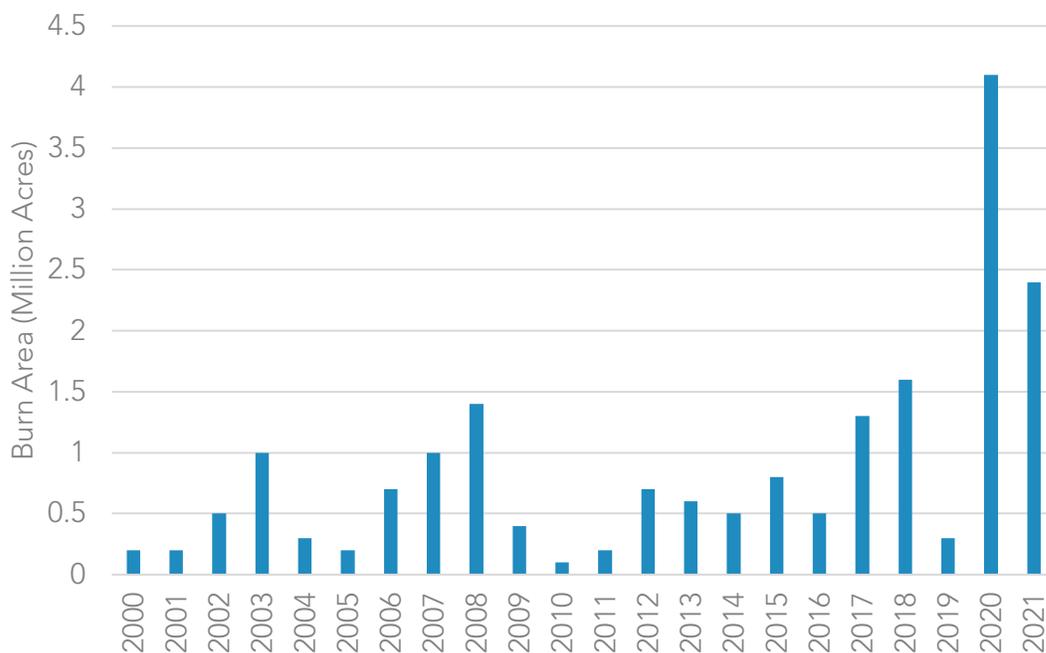
Our lands are a critical sector in California’s fight to achieve carbon neutrality and build resilience to the impacts of climate change. Healthy land can sequester and store atmospheric CO₂. Healthy lands also can reduce emissions of powerful SLCPs, limit the release of future GHG emissions, protect people and nature from the impacts of climate change, and build our resilience to future climate risks. Creation of healthy lands through

⁴⁷⁰ CNRA. 2022. Natural and Working Lands Climate Smart Strategy. https://resources.ca.gov/-/media/CNRA-Website/Files/Initiatives/Expanding-Nature-Based-Solutions/CNRA-Report-2022---Final_Accessible_Compressed.pdf.

multi-benefit and mitigation measures can also support tribal and local traditional lifeways. Unhealthy lands have the opposite effect—they release more GHGs than they store and are more vulnerable to future climate change impacts.

Climate change impacts have become more apparent in recent years and are having significant effects on communities throughout the state. One of these impacts is the much more frequent occurrence of unusually large, high-severity wildfires, which are being driven by climate change and by a recent history of fire-exclusion and land management practices that have resulted in forests with high levels of biomass. These recent large and high-severity wildfires have resulted in a significant amount of burned acreage and emissions in California (Figure 4-20).⁴⁷¹

Figure 4-20: Acreage of burned wildland vegetation area



These wildfires deviate from the lower-severity fires that previously occurred at frequent intervals, around which California’s forests evolved. As climate change accelerates, these large, uncharacteristic wildfires are likely to become more common and impact more of our landscapes. Climate change is also expected to have other significant effects on our lands, including more extreme droughts, floods, extreme heat, and the spread of invasive aquatic and terrestrial species, pests, diseases, and parasites. These impacts can lead

⁴⁷¹ CARB. 2022. Wildfire Emission Estimates for 2021.

<https://ww2.arb.ca.gov/sites/default/files/classic/cc/inventory/Wildfire%20Emission%20Estimates%202000-2021.pdf>.

to negative feedback loops on human and ecological health; for example, increasing the spread of invasive species can lead to increases in pesticide use, if not managed through regulation or mitigation, which can pose risks to human health and the environment.

California’s approach to climate action in the NWL sector is not solely focused on maximizing carbon stocks but instead on supporting carbon management that holistically fosters ecosystem health, resilience, provision of overall climate function, and other co-benefits.

Natural systems operate on a longer timescale than the energy and industrial sectors, and benefits from climate action on our lands can take decades to accrue. Scaling climate smart land management in California requires taking action now and playing the “long game” by establishing and maintaining consistent, patient approaches and programs.

Landscapes

For the first time, this Scoping Plan includes modeling for the NWL sector. The focus of the initial modeling is limited to seven land types that align with the those in the NWL Climate Smart Strategy.⁴⁷² Work will continue to incorporate more landscapes and management practices into the modeling over time. The initial landscapes included in the modeling for this Scoping Plan are:

- Forests
- Shrublands and Chaparral
- Grasslands
- Croplands
- Wetlands
- Developed Lands
- Sparsely Vegetated Lands

Each of these land types are a key component to the state’s approach to increasing climate action in the NWL sector, as called for in Executive Order N-82-20 and AB 1757.⁴⁷³ The Executive Order directs CARB to update the target for this sector in support of carbon neutrality by 2045 as part of this Scoping Plan, and to take into consideration the NWL Climate Smart Strategy. AB 1757 calls for the development of an

⁴⁷² CNRA. 2022. *Natural and Working Lands Climate Smart Strategy. Appendix B.* https://resources.ca.gov/-/media/CNRA-Website/Files/Initiatives/Expanding-Nature-Based-Solutions/Appendix-B_04132022_ada.pdf.

⁴⁷³ AB 1757 California Global Warming Solutions Act of 2006: Climate Goal: Natural and Working Lands. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1757.

ambitious range of targets for the NWL sector to be integrated into the Scoping Plan and other state policies. It directs CARB and CNRA to work closely together to update the NWL Climate Smart Strategy, and establish an expert advisory committee to inform and advise on NWL modeling, targets, and implementation strategies.⁴⁷⁴ Additionally, in 2021, the governor signed SB 27⁴⁷⁵ (Skinner, Chapter 237, Statutes of 2021) into law. It directed CARB to establish CO₂ removal targets for 2030 and beyond and take into consideration the NWL Climate Smart Strategy. The governor's Executive Order, AB 1757, and SB 27 go beyond previous direction from the Legislature and past administrations. These directives emphasize the importance of quantifying land-based carbon both statewide,⁴⁷⁶ and in programs and policies,⁴⁷⁷ setting targets⁴⁷⁸ for NWL to support the state's climate objectives, and advancing land management actions⁴⁷⁹ that support the health and resiliency of these lands.

Blue carbon (also known as carbon captured and held in coastal vegetation and soils, such as seagrasses, seaweeds, and wetlands)—is also important to consider as we look at long-term climate goals. While this landscape is not currently covered by IPCC inventory guidelines or included in California's NWL Inventory, the United States was the first nation to include blue carbon in its national GHG emissions inventory. California's Ocean Protection Council and San Francisco Estuary Institute are partnering to create a new coastal wetlands, beaches, and watersheds inventory. CARB staff will utilize information from this effort and assess other available data to evaluate how this landscape may be integrated into our efforts in the future as more data become available.⁴⁸⁰

⁴⁷⁴ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, N20. [finalejacrecs.pdf \(arb.ca.gov\)](#).

⁴⁷⁵ SB 27 Carbon sequestration: state goals: natural and working lands: registry of projects. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB27.

⁴⁷⁶ SB 859 Public resources: greenhouse gas emissions and biomass (SB 859, Committee on Budget and Fiscal Review, Chapter 368, Statutes of 2016). https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB859.

⁴⁷⁷ SB 1386. Resource conservation: working and natural lands. (SB 1386, Chapter 545, Statutes of 2016). https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1386.

⁴⁷⁸ CARB. 2017. 2017 Climate Change Scoping Plan Update. Board Resolution 17-46. <https://ww2.arb.ca.gov/sites/default/files/barcu/board/res/2017/res17-46.pdf>.

⁴⁷⁹ Executive Department. State of California. EO B-52-18. <https://www.ca.gov/archive/gov39/wp-content/uploads/2018/05/5.10.18-Forest-EO.pdf>.

⁴⁸⁰ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, N2. [finalejacrecs.pdf \(arb.ca.gov\)](#).

Trends of Carbon on Landscapes

CARB currently tracks the carbon stock changes through the Inventory of Ecosystem Carbon in California's Lands⁴⁸¹ (NWL Inventory), which is summarized in Chapter 1. The NWL Inventory is a key tool for tracking changes in carbon stocks across the state, and it will serve as the inventory of record for this sector, tracking sector-wide progress toward the target. The NWL Inventory provides a retrospective snapshot of the status of California's lands, and captures the gains or losses of carbon stocks that occur over time. In addition to tracking carbon stock changes, the NWL Inventory is an important tool for understanding the impacts of our efforts to increase climate action in this sector (such as those identified in this Scoping Plan and the NWL Climate Smart Strategy) on NWL carbon stocks. The inventory is also used as the foundation for Scoping Plan scenario modeling and target setting.

CARB's inventory shows that carbon stocks decreased in NWL lands from 2001 to 2011, releasing more carbon than they were storing, and then increased slightly from 2012 to 2014.⁴⁸² These trends highlight the interannual and interdecadal variability of lands and their ability to be both a source and a sink of carbon, and the importance of looking at NWL data and trends over multiyear and multidecadal time periods, as opposed to looking only at annual changes. This movement is part of the Earth's carbon cycle, where carbon transfers between the land, ocean, and atmosphere. As part of the carbon cycle, over decades or centuries, fire and plant respiration and decomposition move carbon from the land to the atmosphere, while plant growth and other processes move carbon from the atmosphere to the land. Emissions from fossil-fuel combustion are contributing to putting this cycle out of balance.

Additionally, some historic land management practices that have resulted in the loss of carbon from the soil are also contributing to the atmospheric rise of CO₂ while simultaneously exacerbating the imbalance of the water cycle, which is influenced by and linked to the carbon cycle. These emissions are also contributing to a feedback loop for California's lands: as CO₂ emissions accumulate in the atmosphere—and California experiences more warming, extreme heat events, and droughts—the risk and intensity of carbon losses also increases, which in turn transfers more carbon from the land to the atmosphere. And because forests and shrublands comprise approximately 85 percent of the carbon stocks in California, management strategies and disturbances in forest and

⁴⁸¹ CARB. *An Inventory of Ecosystem Carbon in California's Natural & Working Lands*. 2018 Edition. [nwl_inventory.pdf \(ca.gov\)](#). Accessed 3/2/2022.

⁴⁸² These trends are consistent estimates in the most recent AB 1504 reporting period.

shrubland carbon play an important role in determining whether California's lands are providing either net carbon sequestration or net emissions on an annual basis.

The gains and losses of carbon on our lands will fluctuate in the future; what is important is to restore carbon in places where it has been lost and reduce large carbon losses on our NWL through active, attentive, and adaptive management. For additional details on the nexus between NWL and GHGs, see pages 5–6 of the NWL Climate Smart Strategy.

Goals and Accelerating Nature-Based Solutions

The state's climate mitigation targets are traditionally identified by individual years, (i.e., tons of GHG emissions in 2020 or 2030). However, because NWL processes fluctuate year to year and because it can sometimes take decades for climate action to fully impact carbon in NWL, it is important to consider the statewide, long-term trends of carbon stock change when identifying how this sector contributes to California's pathway to achieving carbon neutrality. Tracking carbon stock change over a multi-decadal period is the best way to assess the full direct impact climate action has on carbon storage. Such an approach filters out fluctuations from year-to-year weather variations and multi-year natural climate cycles, such as El Niño patterns.

Current data sources and methods allow us to track only certain carbon stocks that exist on NWL. For target tracking to be successful, each carbon pool must be inventoried using a methodology that can detect changes due to management and climate change. Certain carbon pools lack the scientific data and methodologies necessary for target-setting and tracking. For example, soils in forests, shrublands, and grasslands are not included in the Scoping Plan carbon stock target because, currently, there is no way to track statewide soil carbon through time in a way that would capture the effects of increased climate action and climate change.

When considering how NWL contribute to the state's goal of carbon neutrality, all lands' carbon stock gains and losses must be considered, and the Scoping Plan target is set in these terms. It is not sufficient to aggregate climate benefits only within areas where projects, management, or climate action occur. Much of the state does not receive active or quantifiable management, but these areas still contribute to the state's overall carbon stock change and GHG emissions. To incorporate the entire carbon balance toward true carbon neutrality, the Scoping Plan target is set in terms of carbon stock change across the entire state. This incorporates all lands that both receive and do not receive active management, and includes the end result of all sequestration, emissions, and other changes to carbon on the landscape.

However, carbon stock change is not equivalent to emissions. Currently, the data and emission quantification science is not sufficient to enable inventories to comprehensively track all NWL emissions in a way that would enable us to set an NWL target in terms of

statewide emissions and sequestration. There is a great need, across the entire NWL sector statewide, for more empirical data, science, and tools to track all carbon stocks across each carbon pool, and to begin to track emission and sequestration rates. As California implements AB 1757, there is an opportunity to update the data, science, and tools to enable this level of tracking and target setting in the future.

As outlined in Chapter 2, California is projected to lose carbon stocks over the coming decades, but this Scoping Plan analysis also shows that increasing the pace and scale of climate smart land management in California will reduce the carbon stock losses and GHG emissions from the NWL sector. In response to EO N-82-20 and AB 1757, the proposed target for NWL is shown in Table 4-1.

Table 4-1: Scoping Plan modeled target for NWL, based on increasing action on NWL

Total Carbon Stock % Change from 2014	
2045	-4

Achieving this target will require significant expansion of the pace and scale of climate action on California’s NWL, including the following:

- Increasing climate smart forest, shrubland, and grassland management to at least 2.3 million acres a year—an approximate 10x increase in management from current levels.
- Increasing climate smart agricultural practices by at least 78,000 acres adopted a year, annually conserving at least 8,000 acres a year of croplands, and increasing organic agriculture to comprise at least 20 percent of cultivated acres in California by 2045—an approximate 7.5x increase in healthy soils practices from previous levels and a 2x increase in total acres of organic agriculture.
- Increasing annual investment in urban trees in developed lands by at least 200 percent above historic levels and establishing defensible space on all parcels by 2045.
- Restoring at least 60,000 acres, or approximately 15 percent of all Sacramento–San Joaquin River Delta (Delta) wetlands, by 2045.
- Cutting land conversion of deserts and sparsely vegetated landscapes by at least 50 percent annually from current levels, starting in 2025.

If the carbon stock target above is met, and the management actions above are implemented, the modeling for NWL indicates that California’s lands will be a net source of emissions, producing approximately 7 MMTCO₂e of average annual emissions.

Additional climate smart management practices and additional landscapes, such as those included in the Climate Smart Strategy and discussed below in Additional Management Strategies, have the potential to increase carbon stocks and reduce GHG emissions from NWL beyond the levels modeled for this Scoping Plan.

The purpose of the NWL target and the above estimated outcomes is to provide a numerical guide that can support the state's efforts to accelerate both near-term and long-term climate action on California's lands, prioritizing durable solutions that deliver multiple outcomes. Taking these actions over the coming decades will reduce the potential carbon losses from NWL, reduce GHG emissions from some landscape types (such as croplands and Delta wetlands), and support sequestration of GHGs from NWL between 2025 and 2045. These actions will also deliver significant benefits to Californians beyond advancing our climate goals, such as reducing wildfire emissions and their associated health impacts, increasing habitat for biodiversity, reducing urban heat island effects, reducing harmful pesticide exposure, expanding economic opportunities, and others. Additional information on several economic and health outcomes from the Scoping Plan Scenario is included in Chapters 2 and 3.

Statewide planning and target setting for the NWL sector will only create meaningful change if followed by effective on-the-ground implementation. State government cannot accomplish this implementation alone. Effective large scale climate action is dependent on partnerships among tribal, federal, state, regional, and local partners, and across governmental, private, nonprofit, and commercial sectors. The NWL sector of the Scoping Plan sets a carbon target with climate action recommendations that can be used to achieve the quantified carbon, health, and economic outcomes. Implementation of these actions must be led by local or regional partnerships that plan and execute projects appropriate to the specific conditions. The technical expertise and local knowledge of land managers and stewards in all sectors must be elevated to ensure relevant, efficient, and effective climate action.

Implementation of climate action should contribute to state targets, maximize local benefits, and alleviate environmental injustices and other social inequities. On-the-ground action is largely executed and managed by local and regional actors, but state government agencies must support communities across the state in implementing nature-based climate solutions that address statewide objectives, such as the Scoping Plan carbon target. This includes providing resources and developing frameworks, while greatly increasing capacity and technical assistance to assist and empower local partners. Examples of how this can be done are the Regional Forest and Fire Capacity Program within the forestry sector, the UC Cooperative Extension in the agricultural and forestry sectors—as well as the work of the state's 10 regional Conservancies. These programs provide strong examples to emulate as they facilitate statewide coordination, and information and resource transfer from the state to the regional and local levels. The Regional Forest and Fire Capacity Program provides funding for local and regional groups

to build their organizational capacity to plan and implement wildfire and forest management projects that are informed by their own local expertise. The UC Cooperative Extension is an example of how the state provides technical assistance to local landowners and community organizations, helping them apply the latest science-based management strategies to their lands. California's regional Conservancies play a pivotal role in implementing regional conservation, restoration, and land management efforts through activities such as grant funding, science generation, and planning assistance.

The state also has identified the need to incorporate and elevate traditional indigenous knowledge into climate action on the regional and local scales. Accomplishing this requires close partnerships with tribes for mutual knowledge and resource sharing, while protecting culturally sensitive knowledge and resources. As Tribes are sovereign nations with specialized cultural knowledge and experience in managing lands, climate action on these lands that contribute to the State of California's climate targets can only be accomplished with the full participation and under the leadership of the Tribes that govern those lands.

Strategies for Achieving Success: Crosscutting Items for all NWL

- Implement AB 1757 and SB 27.
- Implement the Climate Smart Strategy.
- Accelerate the pace and scale of climate smart action, consistent with the management levels identified above, as part of a collective effort between federal, state, private, nonprofit, and individual land managers.
- Prioritize and practice equity, including through meaningful community engagement and prioritizing implementation of nature-based solutions that benefit the communities most vulnerable to climate change.⁴⁸³
- Advance multi-benefit, collaborative, landscape-level approaches that engage communities and landowners, and incorporate adaptive managements.
- Consult and partner with California Native American tribes to increase co-management and tribal management authority; restore, protect, and enhance natural cultural resources, traditional foods, and cultural landscapes; respect tribal sovereignty; and support tribes' implementation of tribal expertise and Traditional Ecological Knowledge and cultural easements.⁴⁸⁴

⁴⁸³ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, N8. [finalejacrecs.pdf \(arb.ca.gov\)](#).

⁴⁸⁴ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, N1, N6, N16, N17, N18. [finalejacrecs.pdf \(arb.ca.gov\)](#).

- Leverage existing innovative financial and market mechanisms, and explore new ones, between the public, private, and philanthropic sectors to secure funding of climate smart land management.
- In partnership with communities, tribes, and the private sector, expand and develop new infrastructure for manufacturing and processing of climate smart agricultural and biomass products.
- Leverage and support technical assistance providers: such as the UC Cooperative Extension and California’s 98 Resource Conservation Districts, that have track records of providing technical assistance to local landowners and implementing agriculture, forestry, natural resource management, and restoration projects across the state.
- Establish and expand mechanisms that ensure NWL are protected from land conversion and parcelization (e.g., conservation easements or Williamson Act), in line with the strategies outlined in CNRA’s Pathways to 30x30 California.^{485,486} Pair land conservation projects with management plans that increase carbon sequestration, where feasible.
- Increase opportunities for private and philanthropic investments in nature-based climate solutions, utilizing existing voluntary and compliance carbon markets, existing state and local programs, and the California Carbon Sequestration and Climate Resiliency Project Registry established pursuant to SB 27.
- Expand monitoring and tracking of management actions and outcomes consistent with the tracking and monitoring recommendations of the Climate Smart Strategy.

Forests, Shrublands, and Chaparral

At roughly 29 million acres, forests cover 27 percent of California. Shrublands and chaparral cover 31 percent of the state; roughly 33 million acres. Both types are distinct, with their own ecological dynamics and management strategies, and are modeled within a single model that is calibrated to treat them uniquely.

Together, forests, shrublands, and chaparral support a high biodiversity of plants and animals, in addition to high levels of carbon stocks. They provide important air and water quality benefits to all Californians, as well as recreational opportunities and, for forests, harvested wood products for the state. These landscapes are fire-adapted, and historical tribal management of these lands has fostered ecosystem health and resilience. Over the past century, these lands have been impacted severely by fire exclusion, including

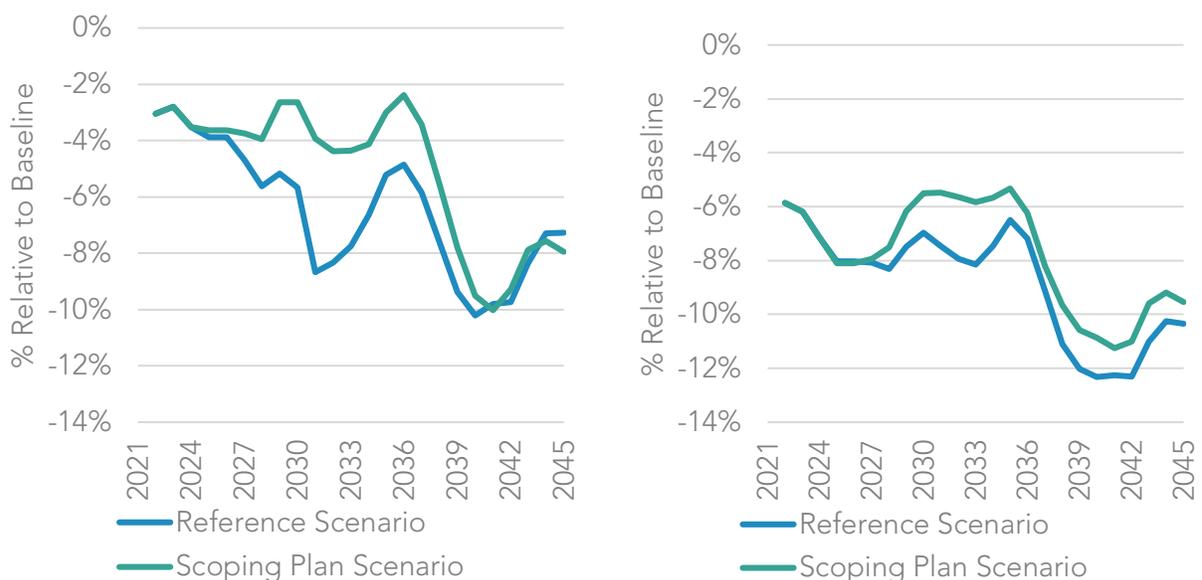
⁴⁸⁵ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, N5, N26, N27. [finalejacrecs.pdf \(arb.ca.gov\)](#).

⁴⁸⁶ CNRA. 2022. *Pathways to 30x30 California*. <https://www.californianature.ca.gov/pages/30x30>.

exclusion of indigenous people’s management and past management practices, which has resulted in less resilient ecosystems and communities and more destructive wildfires today. This, along with drought induced stress and mortality, has changed these landscapes from a carbon sink to a carbon source. Climate smart management can help make forests more resilient to climate change and less prone to catastrophic wildfire. Climate-smart management in shrublands and chaparral face additional challenges and uncertainty, but can still provide protection for threatened communities and natural resources. This management, if conducted on a regular basis to maintain forest health, can help reduce emissions from forests, shrublands, and chaparral, and help strengthen and maintain the co-benefits that Californians experience from them.

Under all management levels, forests and shrublands are expected to lose carbon over the next two decades due to climate change and wildfire (Figure 4-21).

Figure 4-21: Forest (left) and shrubland (right) carbon stocks by 2045^{487,488}



While this decrease in carbon stocks may be inevitable, forest management under the Scoping Plan Scenario can help direct where and how carbon loss occurs. By proactively managing forests and shrublands, the loss of carbon from wildfire can be lessened as the risk of high severity fire is decreased, with the removed biomass going toward a more

⁴⁸⁷ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, N13. [finalejacrecs.pdf \(arb.ca.gov\)](#).

⁴⁸⁸ This analysis is the aggregation of all forests and shrublands from all ownerships across the entire state of California.

useful purpose such as harvested wood products, bioenergy, and engineered carbon removal. Managing for a diverse and resilient forest landscape also can help forests recover more quickly so that when climate change and wildfire impacts occur, forests will be less affected and can continue to thrive and sequester carbon. Additional details on the climate benefit potential of forests and shrublands/chapparral can be found in Section 2 of the NWL Climate Smart Strategy.

Strategies for Achieving Success

- Accelerate the pace and scale of climate smart forest management to at least 2.3 million acres annually by 2025, in line with the climate smart management strategies identified in this Scoping Plan, the NWL Climate Smart Strategy, and the Wildfire and Forest Resilience Action Plan.⁴⁸⁹
- Establish and expand mechanisms that ensure forests, shrublands, and grasslands are protected from land conversion and that support ongoing, rather than one-time, management actions.
- In collaboration with state and local agencies, accelerate the deployment of long-term carbon storage from waste woody biomass residues resulting from climate smart management, including storage in durable wood products, underground reservoirs, soil amendments, and other mediums.
- Expand infrastructure to facilitate processing of biomass resulting from climate smart management.
- Expand permit streamlining in collaboration with state and local agencies to accelerate implementation of climate smart forest management while protecting natural resources.

Grasslands

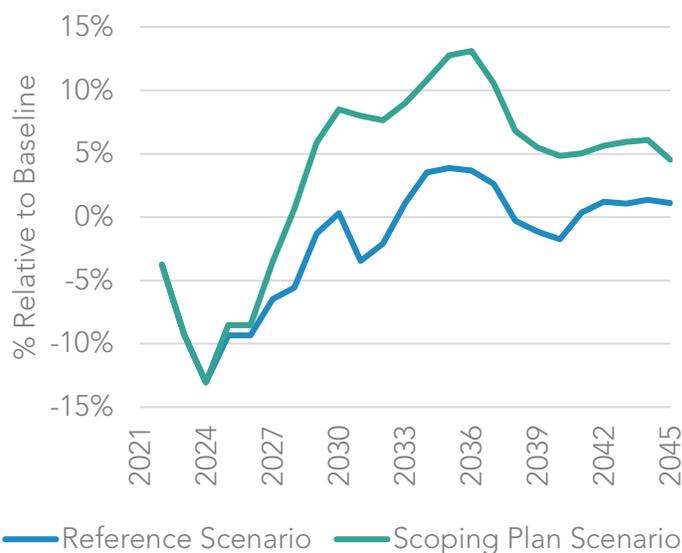
Grasslands cover 9 percent of California, roughly 10 million acres, and are found throughout the state in various landscapes, with concentrations in the foothills surrounding the Sacramento and San Joaquin Valleys. In addition to carbon storage (primarily in the soil), grasslands provide open space, wild habitat, grazing land, and important water filtration and recharge benefits. The protection of grasslands provides an opportunity to reduce sprawl and complement VMT reduction strategies. As grasslands are susceptible to invasive species, climate smart strategies can increase grassland

⁴⁸⁹ Forest Management Task Force. 2021. *California's Wildfire and Forest Resilience Action Plan: Recommendations of the Governor's Forest Management Task Force*. <https://www.fire.ca.gov/media/ps4p2vck/californiawildfireandforestresilienceactionplan.pdf>.

resilience to climate change by improving species diversity and maintaining or increasing soil carbon stocks.

Modeling results show that increased fuels treatments and avoided land conversion can increase carbon stocks on grasslands by 2045, but sequestration rates fluctuate annually. Grasslands are capable of high carbon sequestration rates but are susceptible to carbon losses from wildfire and land conversion. Soil carbon is the major carbon pool on these lands, and continued future improvement of the monitoring and modeling of soil carbon is needed. Similar to forests and shrubland/chaparral, modeling alternatives that include fuels treatments resulted in greater carbon stocks compared to no management, and had lower wildfire emissions. Unlike forests and shrubland/chaparral, which have a general declining carbon stocks trend, the modeling results (Figure 4-22) show grasslands can maintain or increase carbon stocks with active management. Details on the climate benefit potential of grasslands can be found in Section 2 of the NWL Climate Smart Strategy.

Figure 4-22: Grassland carbon stocks by 2045



Strategies for Achieving Success

- Establish and expand mechanisms that ensure grasslands are protected from land conversion/parcelization and that support ongoing, rather than one-time, management actions that improve carbon sequestration.
- Deploy grassland management strategies, like prescribed grazing, compost application, and other regenerative practices, to support soil carbon sequestration, biodiversity, and other ecological improvements.

- Increase adoption of compost production on farms and application of compost in appropriate grassland settings for improved vegetation and carbon storage, and to deliver waste diversion goals through nature-based solutions.

Croplands

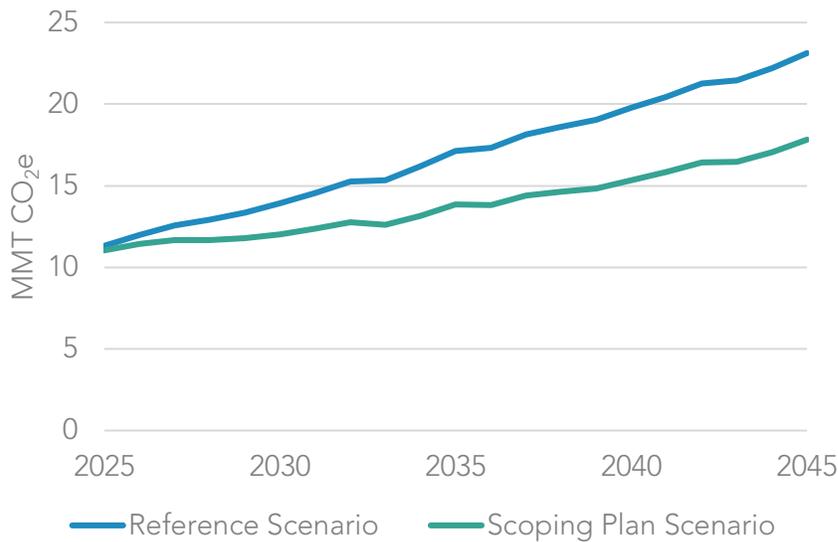
Croplands cover 9 percent of the state, roughly 9.5 million acres. This land is some of the most productive agricultural land in the world, and enables California to be a global leader in agriculture. Aside from developed lands, croplands are the most intensively managed landscapes in the state, and are closely tied to society through the food they produce and the constant, direct contact that people have with croplands through the course of management. In addition to food security, croplands provide considerable carbon storage in the soil and, in perennial croplands, in aboveground biomass. Climate smart practices can improve public health; for example, by reducing synthetic fertilizer and pesticide use. They also help to maintain or increase the climate resilience of cropland productivity through improved soil conditions and increased pollinator habitat.

There is also significant potential to transform this sector to increase soil carbon storage, reduce GHG emissions (Figure 4-23), and reduce pesticide exposure and health impacts. Moving to an agricultural system that improves soil health and water holding capacity reduces over-application of nitrogen, reduces the use of pesticides and fumigants, and increases biodiversity and pollinator habitat, supporting California's pathway to carbon neutrality while simultaneously improving the lives of those who live and work in the agricultural community. Croplands are intricately tied to people, communities, and their health, and through climate smart practices and cropland conservation, these lands have the potential to contribute more to society than just food.⁴⁹⁰ The implementation of climate smart agricultural practices and diversified organic agriculture can help California achieve social and environmental benefits, like improving water use efficiency, increasing pollinator habitat, and reducing synthetic fertilizer and pesticide use.⁴⁹¹ Additional details on the climate benefit potential of croplands can be found in Section 2 of the NWL Climate Smart Strategy.

⁴⁹⁰ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations In-part (N3, N4, N22), N5, N21. [finalejacrecs.pdf \(arb.ca.gov\)](#).

⁴⁹¹ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, N11. [finalejacrecs.pdf \(arb.ca.gov\)](#).

Figure 4-23: Cumulative CO₂e emissions from annual croplands in 2045⁴⁹²



CARB recognizes the complex nature of croplands, cross-sector relationships, and the need to build on this analysis to further our understanding of cropland dynamics. Many more aspects of cropland management need to be explored for potential climate benefits, such as water and nutrient use management, pest control methods, crop rotations, and other management practices. The impacts of climate change on water availability, annual/perennial crop growth, and future carbon sequestration trends are uncertain, and recent policies such as the Sustainable Groundwater Management Act may also influence cropland management in unforeseen ways. Nonetheless, it is clear that greater climate smart practice implementation can prepare California for the future and yield tangible benefits for the state.

Strategies for Achieving Success

- Accelerate the pace and scale of healthy soils practices to 80,000 acres annually by 2025, conserve at least 8,000 acres of annual crops annually, and increase organic agriculture to 20 percent of all cultivated acres by 2045.

⁴⁹² AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, N11. [finalejacrecs.pdf](#) ([arb.ca.gov](#)).

- Utilize the recommendations included in CDFA’s Farmer and Rancher-Led Climate Change Solutions⁴⁹³ report to accelerate deployment of healthy soils practices, organic farming, and climate smart agriculture practices.
- Establish or expand financial mechanisms that support ongoing deployment of healthy soils practices and organic agriculture.⁴⁹⁴
- Support strategies that achieve co-benefits of safer, more sustainable pest management practices and the health and preservation of ecosystems, such as implementing the California Department of Pesticide Regulation’s (DPR’s) Sustainable Pest Management Work Group recommendations.⁴⁹⁵
- Conduct research on the intersection of pesticides, soil health, GHGs, and pest resiliency via a multi-agency effort with DPR, CDFA, and CARB.⁴⁹⁶
- Conduct outreach and education to develop and facilitate the increased adoption of safer, more sustainable pest management practices and tools; reduce the use of harmful pesticides; promote healthy soils; improve water and air quality; and reduce public health impacts.
- In collaboration with state and local agencies, accelerate the deployment of alternatives to agricultural burning that increase long-term carbon storage from waste agricultural biomass, including storage in durable wood products, underground reservoirs, soil amendments, and other mediums.
- Work across state agencies to reduce regulatory and permitting barriers around some healthy soils practices (e.g., composting), where appropriate.
- Utilize innovative agriculture energy use and carbon monitoring and planning tools to reduce on-farm GHG emissions from energy and fertilizer application or to increase carbon storage, as well as to promote on-farm energy production opportunities.

⁴⁹³ California Department of Food and Agriculture. 2021. Farmer and Rancher Led Climate Change Solutions. https://www.cdfa.ca.gov/oefi/climate/docs/cdfa_farmer_and_rancher-led_climate_solutions_meetings_summary.pdf.

⁴⁹⁴ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, N5, N7. [finalejacrecs.pdf \(arb.ca.gov\)](#).

⁴⁹⁵ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations N3, N4, N5, N7, N22. [finalejacrecs.pdf \(arb.ca.gov\)](#).

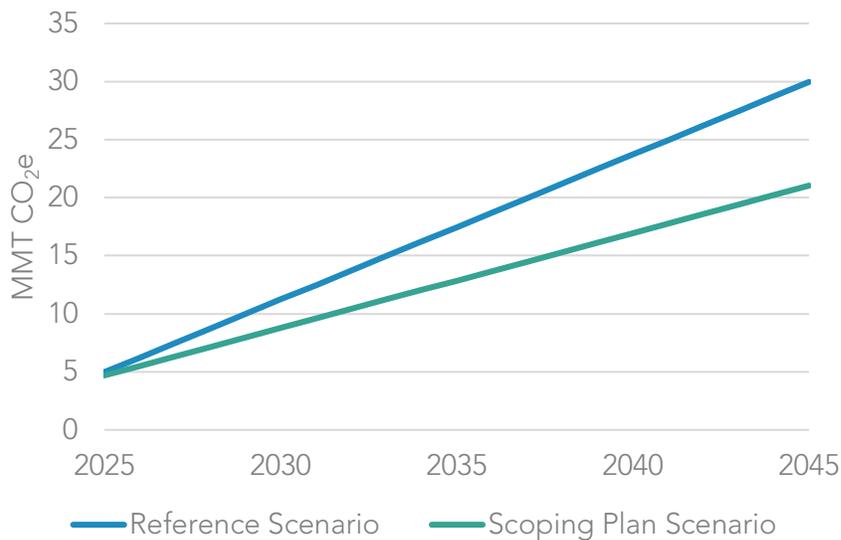
⁴⁹⁶ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, N11. [finalejacrecs.pdf \(arb.ca.gov\)](#).

Wetlands

Wetlands cover 2 percent of the state (roughly 1.7 million acres) and include inland and coastal wetlands, such as vernal pools, peatlands, mountain meadows, salt marshes, and mudflats. These lands are essential to California’s communities as they serve as hotspots for biodiversity, contain considerable carbon in the soil, are critical to the state’s water supply, and protect upland areas from flooding due to sea level rise and storms. Wetlands have been severely degraded through reclamation, diking, draining, and dredging practices in the past, resulting in the emissions of the carbon stored in the soils and the loss of ecosystem benefits. Climate smart strategies to restore and protect all the types of wetlands can reduce emissions while simultaneously improving the climate resilience of surrounding areas and improving the water quality and yield for the state. Restored wetlands also can reduce pressure on California’s aging water infrastructure. These benefits beyond emissions reductions will help in the future, as climate change is predicted to negatively affect water supply.

Avoided conversion and restoration of Delta wetlands reduces CO₂ and methane emissions from wetlands, with GHG reductions scaling with implementation rates (Figure 4-24). Expansion of conservation and restoration efforts will generate benefits such as the conservation of biodiversity, improved water quality and supply, and reduced flood risk. Additional details on the climate benefit potential of wetlands can be found in Section 2 of the NWL Climate Smart Strategy.

Figure 4-24: Cumulative CO₂e emissions from Delta wetlands by 2045



Strategies for Achieving Success

- Restore 60,000 acres of Delta wetlands annually by 2045 to reduce methane emissions from wetlands and reverse the resulting subsidence.

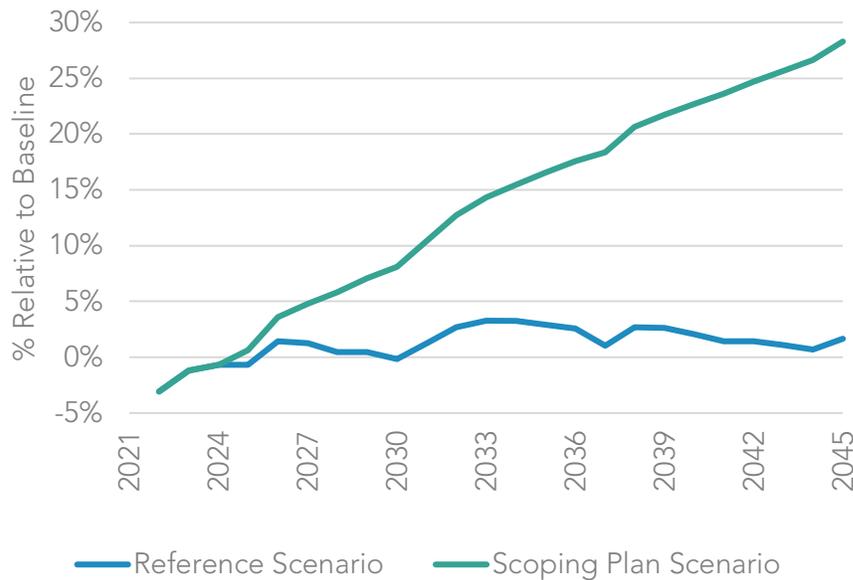
- Identify and prioritize wetland restoration efforts around climate vulnerable communities.
- Leverage other funding and institutions to support wetland restoration projects, including land trusts, local funding (e.g., San Francisco Measure AA), federal funding, and private and philanthropic funding to support wetlands restoration projects.
- Work across state agencies to reduce regulatory and permitting barriers around wetland restoration projects, where appropriate.

Developed Lands

Developed lands cover 6 percent of the state (roughly 6.8 million acres) and include urban, suburban, and rural areas, as well as transportation and supporting infrastructure throughout California. This area encapsulates the land on which the vast majority of Californians reside and call home. The vegetation within cities and communities, and along infrastructure, are all part of developed lands. This vegetation provides numerous benefits to surrounding areas, including carbon storage, air and water filtration, reduced urban heat island effect, and access to nature, aesthetics, and mental health, among others. These areas are susceptible to climate change as well, and climate smart strategies to protect and expand the urban forests, landscaping, green spaces, parks, and associated vegetation can increase their climate resilience and the benefits Californians derive from them. These strategies also have a significant opportunity to benefit disadvantaged communities, who may not have equitable access to these practices or the benefits they provide. Additional details on the climate and equity benefit potential of developed lands can be found in Section 2 and the Introduction of the NWL Climate Smart Strategy.

Urban forests have a significant potential to sequester carbon (Figure 4-25). They are vastly different from wildland forests, as they require investments to maintain and irrigate. This results in the need for a significant increase in investment to increase urban forest carbon. As urban forests become denser and management difficulty increases, the carbon stock returns on investment diminish, making it expensive to maximize carbon in urban forests. Water availability and irrigation efficiency are also an important consideration for increasing urban forest cover. As water becomes scarcer, the prioritization of irrigating trees over lawns or gardens may be required to achieve increases in urban forest carbon.

Figure 4-25: Carbon stocks in urban forests by 2045



Within wildland-urban interface (WUI) areas, defensible space can protect urban and rural communities from wildfire. Analysis results show that 48 percent of parcels are currently fully compliant with defensible space requirements. This highlights how much work needs to be done to protect communities and homes. Defensible space results in a decrease in carbon stocks, as expected when reducing fuels for wildfire.

Strategies for Achieving Success

- Increase urban forestry investment annually by 200 percent, relative to business as usual.
- Increase public awareness of urban forest benefits and, where appropriate, prioritizing irrigation of trees over lawns.
- Provide technical assistance and resources to disadvantaged communities to implement community urban greening projects to provide equitable access to the benefits of urban greening projects.⁴⁹⁷
- Work with state and local agencies to expand technical assistance for and enforcement of the defensible space requirements of PRC 4291 to reduce wildfire risk to homes and structures.

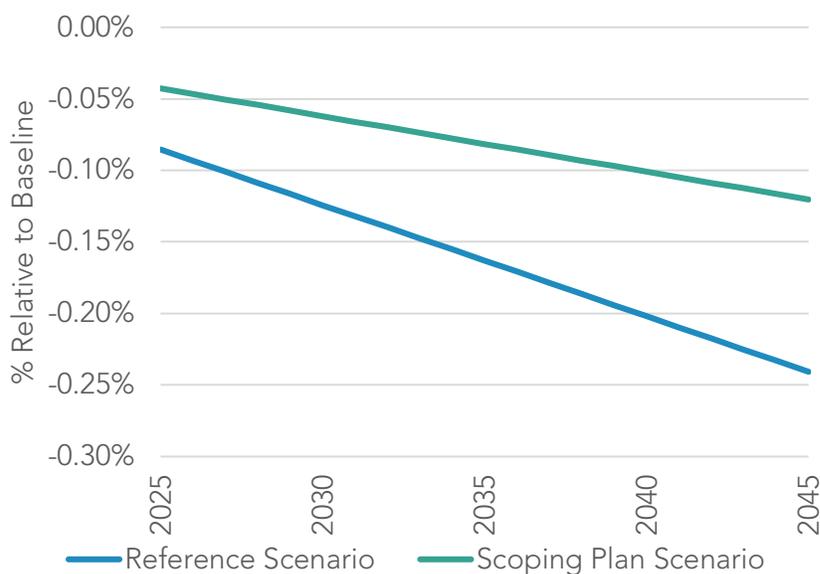
⁴⁹⁷ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, N8. [finalejacrecs.pdf \(arb.ca.gov\)](#).

Sparsely Vegetated Lands

Sparsely vegetated lands cover 10 percent of the state, roughly 10.2 million acres, primarily in the east and southern parts of California. These lands include deserts, beaches, dunes, bare rock, and areas covered in ice and snow (e.g., higher mountain elevations). The limited carbon storage of these lands varies from bare rock and mineral soil to more vegetated areas, though severe climate limits the amount of biomass. Nonetheless, sparsely vegetated lands are important for open space and provide rare and unique habitats for endemic species and a diversity of wildlife. These lands present important recreational opportunities for Californians and serve as important protective buffers in coastal and low-lying areas. Land use change threatens these lands, and conservation efforts are important for protecting these unique areas of California.⁴⁹⁸

Avoided conversion of sparsely vegetated lands reduces the organic carbon lost from the soil, which is the major carbon pool in this land type (Figure 4-26). In identifying the outcomes for sparsely vegetated lands, CARB modeled avoided land conversion to another land use.

Figure 4-26: Carbon stocks in sparsely vegetated lands by 2045



Strategies for Achieving Success

- Establish and expand mechanisms that ensure sparsely vegetated lands are

⁴⁹⁸ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, N26. [finalejacrecs.pdf](#) ([arb.ca.gov](#)).

protected from land conversion, prioritizing those areas most vulnerable to climate change and loss.

Additional Management Strategies

Additional nature-based climate solutions beyond those management strategies modeled for this Scoping Plan are available for implementation, but either cannot currently be modeled and/or affect carbon and the landscape in ways that cannot currently be tracked. Nevertheless, it is important to take action even where these technical gaps exist. Some of these actions, such as cultural burning and indigenous farming practices, have been used on large scales for decades or even centuries, while others are relatively new concepts. The state nevertheless recommends implementing the additional solutions listed here to achieve potential additional climate benefits, as well as other co-benefits. These additional solutions were drawn from the NWL Climate Smart Strategy and stakeholder, tribal government, and interagency feedback.⁴⁹⁹

Considerations

Although these practices are recommended, because of the lack of in-depth modeling and analysis available, several considerations must be addressed when implementing them. These considerations also apply to the management strategies included in the Scoping Plan Scenario.

- Future climate change impacts are uncertain: The negative impact that climate change can have on the ability of these practices to maintain expected climate benefits is uncertain and may significantly change in the future. Climate change is expected to further diminish the already constricting growing conditions in California, with increasing droughts, more extreme weather events, and expanding disturbances from fire, insects, and disease. It is estimated that suitable habitat for many native plant and animal species could shift, creating novel ecosystems without historical precedent. Close monitoring of all practices, including no management, across our NWL will be critical to understand if and how future climate change affects outcomes and how to adapt management to meet the needs of the system under climate change.⁵⁰⁰

⁴⁹⁹ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, N24. [finalejacrecs.pdf \(arb.ca.gov\)](#).

⁵⁰⁰ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, N15. [finalejacrecs.pdf \(arb.ca.gov\)](#).

- Local conditions: Not every practice is applicable, feasible, or even desirable in every location across California. Implementation of these practices should account for local conditions and needs that may affect the appropriateness of that practice.
- Long-term carbon storage: The ability to sequester additional carbon into NWL is only beneficial to the climate if that carbon stays out of the atmosphere. Many of the additional practices listed here may require continual incentives or interventions to ensure permanence of carbon storage in the soil and biomass. For example, in croplands, it is difficult to estimate how much of the carbon stored by no-tillage can be released by a single subsequent tillage, but a return to conventional tillage would usually be expected to erase most gains.^{501,502}
- Scaling actions: There are uncertainties on how these practices may impact both the environment and communities when significantly expanded. For this reason, it is best to take a cautious and measured approach to ramping up actions to a larger scale.
- Infrastructure and operational needs: Scaling up the implementation of some of these practices demands transformational change in the supporting infrastructure and operational frameworks. For example, increasing forest management to the degree included in the Scoping Plan Scenario will require significant changes to wood-processing infrastructure, workforce capacity, permitting processes, technical assistance, and other operational constraints. The increased application of compost to croplands, and potentially to rangelands, will require a significant increase in organic waste and dairy manure collection to increase compost supply, in line with SB 1383. This will also require additional compost production facilities as well as compost/organic waste transportation and application methods.
- Co-benefits: Many co-benefits from these practices exist beyond the climate benefits. These co-benefits include improved public and worker health; improved microbial, insect, and wildlife habitat; enhanced biodiversity; greater labor demand in the nature-based economy; and improved climate resilience.
- Labor and Economics: Many of these practices require additional labor, and an evaluation of how many more jobs are needed to carry out many of these practices

⁵⁰¹ Muñoz-Romero, V., R. J. Lopez-Bellido, P. Fernandez-Garcia, R. Redondo, S. Murillo, and L. Lopez-Bellido. 2017. "Effects of tillage, crop rotation and N application rate on labile and recalcitrant soil carbon in a Mediterranean Vertisol." *Soil Tillage Res.* 169, 118–123.

⁵⁰² Mitchell, J. P., A. Shrestha, W. R. Horwath, R. J. Southard, N. Madden, J. Veenstra, and D. S. Munk. 2015. "Tillage and cover cropping affect crop yields and soil carbon in the San Joaquin Valley." *California Agron. J.* 107, 588–596.

is currently unknown. There will also be the need to explore the costs and economic benefits of implementing these additional practices.

- Retreatments: All of these practices have limits on how long they can enhance carbon sequestration. Many of these practices need to be periodically repeated, followed by complementary practices, or maintained through time. This increases costs and requires diligence and long-term stewardship.

Additional NWL Actions and Strategies

Below is a set of additional actions that should be taken on California's natural and working lands. Again, these practices were not modeled for this Scoping Plan, and all of the considerations listed above should be taken into account before implementing the following actions.

- Conservation of all NWL types (in line with the NWL Climate Smart Strategy and CNRA's Pathways to 30x30 California) is critical to ensuring continued carbon sequestration and provision of co-benefits from these lands for all Californians.⁵⁰³
- Reforestation following disturbance, using appropriate species, is an impactful practice that can help prevent conversion away from forestland and establish new trees to sequester carbon. The number of acres that may need reforestation following high severity wildfires is estimated to continue to increase into the future.
- Restoration of shrublands, chaparral, riparian zones, and oak woodlands across California includes a variety of practices to alter their structure and return endemic species to the areas. These unique habitats provide multiple co-benefits to the state, such as clean water, reduced wildfire risk, and biodiverse habitats for flora and fauna.
- Conservation and restoration of wetlands, beyond the Delta wetlands included in the NWL modeling, can protect these unique habitats and the climate benefits they provide. These wetland types can include but are not limited to coastal wetlands, mountain meadows, vernal pool complexes, alkali sinks and meadows, and floodplains.
- Conservation and restoration of seagrasses and seaweeds provide a number of benefits, including carbon storage and sequestration, habitat provision for many culturally and commercially important species of fishes and invertebrates, shoreline protection, and tourism opportunities.⁵⁰⁴

⁵⁰³ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, N26, N27. [finalejacrecs.pdf \(arb.ca.gov\)](#).

⁵⁰⁴ AB 32 EJ Advisory Committee. 2022 Scoping Plan Recommendations, N2. [finalejacrecs.pdf \(arb.ca.gov\)](#).

- Prescribed herbivory utilizes various livestock to consume vegetation to reduce fuel loads across an area. This fuel management practice can be used in forests, grasslands, and shrublands as an effective alternative to herbicide use, and should be considered wherever local conditions allow.
- Urban and community greening efforts such as green schoolyards, urban farms, rain gardens, community gardens, community composting, and many more provide numerous health benefits to communities.
- Additional Healthy Soils Program practices on annual croplands such as conservation cover and crop rotation, biomass planting for borders, wind barriers, riparian areas, and improved nutrient management can improve soil health, water retention, and increase carbon stocks.
- Healthy Soils Program practices on perennial croplands and rangelands, such as compost application and alley cropping/cover cropping to improve soil health, water retention, erosion control, and biomass growth.⁵⁰⁵
- Stacking of these Healthy Soils Program practices, where appropriate, in perennial and annual systems, can synergistically improve soil health and provide multiple benefits.
- Mulching adds high carbon materials to croplands or fallowed lands to reduce competing vegetation and retain moisture. This practice can support other benefits such as reduced water use and reduced synthetic pesticide and fertilizer use, as well as provide a use for suitable forest and agricultural waste biomass.
- Reductions in the use of synthetic fertilizers in cropland management, generally supported by the implementation of new management tools or technologies, can lead to reductions in GHG emissions from the production and application of fertilizers. This benefit is in addition to the co-benefits of reduced chemical runoff into waterways and reduced exposure of human populations to their harmful effects.

⁵⁰⁵ Various types of organic amendments are being researched for application to particular landscape types. For example, compost application to rangelands is a relatively new practice that has been shown to improve soil health and increase carbon sequestration in the short term, though the science on the long-term impacts of this practice is still developing and the supply of available compost may be limiting.

Chapter 5: Challenge Accepted

This chapter provides an overview of the next steps and partnerships that will be needed to successfully implement this Scoping Plan. The path forward is not dependent on one agency, one state, or even one country. It will take action on a global level to address the threat climate change poses. But, the work begins at home.⁵⁰⁶ The state can lead by engaging Californians and demonstrating how action at the state, regional, and local levels of government, as well as action at community and individual levels, can contribute to addressing the challenge before us. We must build partnerships with academic institutions, private industry, and others to support and accelerate the transition to carbon neutrality. Ultimately, the success of this Scoping Plan will be measured by our ability to implement the actions modeled in the Scoping Plan Scenario at all levels of government and society. This will depend on a mix of legislative action, regulatory program development, incentives, institutional support, workforce and business development, education and outreach, community engagement, and research and development and deployment. Optimizing this mix will help to ensure that clean energy and other climate mitigation strategies are clear, winning alternatives in the marketplace and in communities—to promote equity, drive innovation, and encourage consumer adoption. Bold institutional action will catalyze continued research and push private investment to create jobs and bring innovative ideas to reality.

State-level Action

Achieving the targets described in this Scoping Plan will require continued commitment to and successful implementation of existing policies and programs and identification of new policy tools and technical solutions to go further, faster. California’s Legislature and state agencies will continue to collaborate to achieve the state’s climate, clean air, equity, and broader economic and environmental protection goals. It will be necessary to maintain and strengthen this collaborative effort, and to draw upon the assistance of the federal government, regional and local governments, tribes, communities, academic institutions, and the private sector to achieve the state’s near-term and longer-term emission reduction goals and a more equitable future for all Californians.

⁵⁰⁶ This “polycentric” approach to climate challenges, engaging many levels of government, was articulated in leading papers by Nobel laureate Elinor Ostrom. See, for example, Ostrom, E. 2014. “A Polycentric Approach to Coping with Climate Change.” *Annals of Economics and Finance* 15-1, 97–134.

Regulations and Programmatic Development

Meeting the AB 32 2020 GHG emissions reduction target several years earlier than mandated demonstrated that developing mitigation strategies through a public process, where all stakeholders have a voice, leads to effective actions that address climate change and yields a series of additional economic and environmental co-benefits to the state. Following adoption of this Scoping Plan, state agencies will continue to update and implement new and existing programs to align with the outcomes in the plan. Community, tribal, and stakeholder engagement will be a critical part of this work. Several state agencies, including CARB, the CEC, the California State Transportation Agency (CalSTA), the CPUC, and others will need to be part of various subsequent rulemaking processes. Each of these agencies' leadership and technical staff will engage with the public through public meetings, written and oral comment, and other methods of engagement. This work will be informed by evaluations of the health, air quality, environmental, equity, and economic benefits and impacts of regulations, including an assessment of the societal cost of carbon, as required under AB 197.

Incentive Programs

As described in Chapter 1, incentive programs are one of the most important tools the state has in advancing our low carbon future, especially for climate vulnerable communities. The programs ensure clean technology and energy are accessible and are critical to closing ongoing opportunity gaps. These programs also leverage private-sector investment and build sustainable, growing markets for clean and efficient technologies, and they are particularly necessary to support GHG emission reduction strategies for priority sectors, sources, and technologies. Clean technologies are often already the best and lowest cost option over their lifetimes but incentive funding is critical to ensure that they are broadly available, especially in climate vulnerable communities. Incentives also build on California's long track record of driving innovative technology developments, and creating new industries, with targeted investment. The Inflation Reduction Act also provides a new source of funding and tax incentives that must be leveraged to help achieve the state's climate goals.

Many state funding programs are designed to achieve multiple objectives simultaneously: reduce emissions from GHGs, criteria pollutants, and toxic air contaminants; manage natural and working lands for carbon sequestration; and address health and opportunity gaps in disadvantaged communities. California's incentive programs focused on jump-starting the transition to a zero emission transportation future are a good example of this "stacked" approach. The state is investing billions of dollars through programs such as the On-Road Heavy-Duty Voucher Incentive Program and Clean Cars 4 All in order to replace the light- and heavy-duty vehicles most responsible for the state's GHG emissions and poor air quality, all while bolstering the nascent ZEV market. Further strategies aid in developing new technologies, in ramping up access for all, and in shifting to cleaner

modes of transport; for instance, by supporting investments in walkable, bikeable communities and transit, as well as in vehicles. This funding strategy is, of course, paired with the regulatory approach described above.

Local Action

Local action by cities can support and amplify efforts to reduce GHGs. For example, the City of Oakland requires all new construction to be all-electric and is currently working on electrifying existing buildings.⁵⁰⁷ In addition, starting in 2023, the City of Sacramento will require all new buildings under three stories to be all-electric, and it extends the mandate to all new construction by 2026 with some limited exemptions. The City of Sacramento also requires levels of EV charging infrastructure in new construction starting in 2023, higher than the minimum state requirements, and provides parking incentives for zero-emission carsharing and EV charging.⁵⁰⁸ Local governments asserting this type of leadership are critical partners in supporting state-level measures to contain the growth of GHG emissions associated with the transportation system and the built environment.

California must accommodate population and economic growth in a far more sustainable and equitable manner than in the past. Good climate policy can and should create affordable and pleasant places to live, with effective transport and clean air for all—a future in which local governments and communities are central partners. Local governments have the primary authority to plan, zone, approve, and permit how and where land is developed to accommodate population growth, economic growth, and the changing needs of their jurisdictions. They also make critical decisions on how and when to deploy transportation infrastructure, and can choose to support transit, walking, bicycling, and neighborhoods that do not force people into cars. Local governments also have the option to adopt building ordinances that exceed statewide building code requirements, and play a critical role in facilitating the rollout of ZEV infrastructure. As a result, local government decisions play a critical role in supporting state-level measures to contain the growth of GHG emissions associated with the transportation system and the built environment—the two largest GHG emissions sectors over which local governments have authority.

Local governments are also frequently the source of innovative and practical climate solutions that can be replicated in other areas. Their efforts to reduce GHG emissions within their jurisdictions are vital to achieving the state’s near-term air quality and long-term climate goals. Local governments must continue to take action that affirmatively

⁵⁰⁷ City of Oakland. Building Electrification. <https://www.oaklandca.gov/projects/building-electrification>.

⁵⁰⁸ City of Sacramento. Electrification of New Construction. <http://www.cityofsacramento.org/SacElectrificationOrdinance>.

builds the projects and expend the funds needed to further the state’s collective path toward equitable emissions reductions. As such, aligning local jurisdiction action with state-level priorities to tackle climate change and the outcomes called for in this Scoping Plan is critical to achieving the statutory targets for 2030 and 2045. Local governments can implement climate strategies that can effectively engage residents by addressing local conditions and issues that also deliver local economic benefits.

Local Climate Action Planning and Permitting

California encourages local jurisdictions to take ambitious, coordinated climate action at the community scale; action that is consistent with and supportive of the state’s climate goals.⁵⁰⁹ As discussed in more detail in Appendix D (Local Actions), local jurisdictions can do much to enable statewide priorities, such as taking local action to help the state develop the housing, transport systems, and other tools we all need. Indeed, state tools—such as the Cap-and-Trade Program or zero-emission vehicle programs—do not substitute for these local efforts. Multiple legal tools are open to local jurisdictions to support this approach, including development of a climate action plan (CAP), sustainability plan, or inclusion of a plan for reduction of GHG emissions and climate actions within a jurisdiction’s general plan. Any of these can help to align zoning, permitting, and other local tools with climate action.

Once adopted, the GHG emissions reductions plans detailed in CAPs can provide local governments with a valuable tool for coordinated climate planning in their community. When a local CAP complies with CEQA requirements, individual projects that comply with the CAP are allowed to streamline the project-specific GHG analysis.^{510,511} Effectively, local governments that adopt a CEQA-compliant CAP enable project developers to use this streamlined approach. This saves time and resources and provides more consistent expectations for how GHG reduction measures are applied across projects in the jurisdiction. While the state encourages local governments to follow this approach, we acknowledge not all jurisdictions have the resources to develop a CAP that meets the CEQA requirements.

In addition to being required for a local CAP to comply with CEQA, local GHG reduction targets have long been recommended as part of the process of developing a climate

⁵⁰⁹ This plan provides more detailed guidance and tools to local governments in Appendix D (Local Actions).

⁵¹⁰ Cal. Code of Regs., tit. 14, § 15183.5.

⁵¹¹ California Governor’s Office of Planning and Research. n.d. “General Plan Guidelines - Chapter 8 Climate Change.”

action plan.⁵¹² One challenge local jurisdictions have faced is how to evaluate and adopt quantitative, locally appropriate goals that align with statewide goals. An effective response to this challenge is to focus on goals that can help implement overall state priorities—enabling the key transformations California needs.

There are many ways that local governments can make key contributions to this transformation, depending on the characteristics of their jurisdiction and community. For example, some jurisdictions will inherently have more land capacity to remove and store carbon, whether through natural and working lands or by other means. Other jurisdictions will be host to GHG-emitting facilities that serve necessary functions and will take time to transition to clean technology (e.g., municipal wastewater treatment plants, landfills, and energy generation and transmission facilities). It is important to recognize that we will need to build new energy production and distribution infrastructure, and repurpose existing ones, for clean technology and energy before we are able to phase down existing fossil sources. There also will be a need to handle the significant amount of biomass resulting from sustainable forest management for catastrophic wildfire prevention, agricultural waste, and landfill diversion.

Regional efforts can support change too: energy and transportation systems that serve Californians do not stop at jurisdictional boundaries, and some local decisions can have ramifications for other communities. For instance, Metropolitan Planning Organizations (MPOs) can help to integrate local efforts by planning consistent with the Scoping Plan and Climate Action Plan for Transportation Infrastructure, including by removing polluting roadway capacity expansions from project pipelines and instead focusing on climate-friendly solutions. These varied capabilities and needs should be taken into account in setting targets for local climate plans. For instance, although net zero targets can often be valuable and achievable, and mitigation is important, targets should be considered in the larger context of these goals. This all means any GHG targets on a local scale should take into consideration the actions and outcomes included in this Scoping Plan. Jurisdictions considering “net zero” targets should carefully consider the implications such targets may have on emissions in neighboring communities and the ability of the state to meet our collective targets.

Jurisdictions without formal CAPs also have important opportunities within this context. These jurisdictions can still take actions that effectively translate key state plans, goals, and targets, including those articulated in this Scoping Plan for local action. For instance, state ZEV targets can advance local efforts to promote broad and equitable access to charging and fueling. Similarly, local jurisdictions can enable reduced dependence on

⁵¹² Climate Smart Communities. 2014. Climate Action Planning Guide. https://cdrpc.org/wp-content/uploads/2015/05/CAP-Guide_MAR-2014_FINAL.pdf.

single-occupancy vehicles by supporting dense infill housing and transit, among other actions. Such actions can be reflected in particular project plans, in general plans, or through other local policies. Regional partnerships among these jurisdictions can also help tap resources and provide for more effective overall action.

Unlocking CEQA Mitigation for Local Success

The California Environmental Quality Act also provides important tools for lead agencies to support the achievement of the state’s GHG and VMT reduction goals. Although many climate-friendly local government actions already fall into categories that may not require a full CEQA analysis, thanks to streamlining or other tools, and although certain product types (such as affordable infill housing) are generally clearly consistent with state climate goals, CEQA analyses may still sometimes be required. CEQA can be a powerful and useful tool to engage the public, identify additional opportunities to support climate efforts, and localize change. It is important that lead agencies look for ways to use CEQA to support these core purposes, ensuring that these processes do not become sources of delay but instead unlock more opportunities. The uncertainty analysis in Chapter 2 evaluates how project implementation delays can lead to missed state climate targets and continued dependence on fossil energy. Mitigation measures applied in the communities affected by projects subject to CEQA have the added benefit of improving health, social, and economic resiliency as climate impacts worsen.

Appendix D (Local Actions) explores the role of local government action and CEQA in detail. As discussed there, an important CEQA-related tool is mitigation—which can be used to further drive local action consistent with state climate goals. When a lead agency determines that a proposed project would result in potentially significant GHG impacts due to its GHG emissions or a conflict with state climate goals, the lead agency must impose feasible mitigation measures to minimize the impact. Appendix D (Local Actions) provides suggestions for prioritizing the various types of mitigation, starting with on-site GHG-reducing design features⁵¹³ and mitigation measures, such as methods to reduce VMT and support building decarbonization, access to shared mobility services or transit, and EV charging. After exhausting all the on-site GHG mitigation measures, CARB recommends prioritizing local, off-site GHG mitigation measures, including both direct investment and voluntary GHG reduction or sequestration projects, in the neighborhoods impacted by the project. This could include, for example, development of a neighborhood green space, investment in street trees, or expansion of transit services. Implementing GHG mitigation measures in the project’s vicinity would allow the project proponent and the lead agency to work directly with the affected community to identify and prioritize the

⁵¹³ Cal. Code of Regs., tit. 14, § 15126.4(c)(2) and (3).

mitigation measures that meet their needs while minimizing multiple environmental and societal impacts.

Once all potential on-site and local off-site GHG mitigation measures have been incorporated to the extent feasible, Appendix D (Local Actions) provides further suggestions for prioritizing other mitigation types, including non-local off-site mitigation, and voluntary offsets issued by a recognized and reputable voluntary carbon registry (as listed on CARB's website⁵¹⁴) may be appropriate. Additional in-state mitigation also may be available in the upcoming SB 27⁵¹⁵ (Skinner, Chapter 237, Statutes of 2021) registry, which will serve as a database of projects in the state that drive climate action on natural and working lands. Lead agencies should use substantial evidence to demonstrate that the project proponent explored and prioritized investments in feasible, local mitigation prior to moving mitigation to a geography located farther away from the project.

Communities and Environmental Justice

As noted in Board Resolution 20-33,⁵¹⁶ it is incumbent on CARB to function as an agent of responsible social change, especially when it is clear that environmental injustices continue to persist for low-income communities, tribes, and communities of color.

State law defines *environmental justice* as the fair treatment of all people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies.⁵¹⁷ Government Alliance for Race and Equity (GARE)⁵¹⁸ defines *racial equity* as when race can no longer be used to predict life outcomes and outcomes for all groups are improved.

For this Scoping Plan to be successful, it must address environmental justice and advance racial equity. Implementation of the plan needs to address the needs of those communities that are disproportionately burdened by climate impacts and continue to face significant health and opportunity gaps. Now, we need to ensure our actions allow these communities to not only have a seat at the table, but also inform and shape the policies

⁵¹⁴ CARB. 2022. Offset Project Registries. <https://ww2.arb.ca.gov/our-work/programs/compliance-offset-program/offset-project-registries>.

⁵¹⁵ SB 27. Carbon sequestration: state goals: natural and working lands: registry of projects. (SB 27, Skinner, Chapter 237, Statutes of 2021). https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20210220SB27.

⁵¹⁶ CARB. 2020. Resolution 20-33: A Commitment to Racial Equity and Social Justice. October 22. <https://ww2.arb.ca.gov/sites/default/files/barcu/board/res/2020/res20-33.pdf>.

⁵¹⁷ Gov. Code, § 65040.12, subd. (e).

⁵¹⁸ Local and Regional Government Alliance on Race and Equity. 2015. *Advancing Racial Equity and Transforming Government: A Resource Guide to Put Ideas into Action*. Page 9. https://racialequityalliance.org/wp-content/uploads/2015/02/GARE-Resource_Guide.pdf.

to ensure their communities thrive. With this Scoping Plan, the state also adds a new tool to identify which communities will be the least resilient in the face of selected climate impacts and will see disproportionate economic impacts as a result. As described in Chapter 3, the CVM will enable the state to target programs and policies to build resiliency in the specific regions that will feel climate impacts more acutely due to existing health and opportunity disparities leading to disproportionate economic impacts. This tool will be critical in the state's efforts to address climate impacts while accounting for environmental injustices and racial inequities. CARB will incorporate the CVM into its work as it moves forward and will share this new tool with other agencies to align our efforts. The goal is to keep expanding the CVM to incorporate additional climate impacts to better identify disproportionate economic impacts as community level data becomes available.

AB 617 is another important tool for both Air Districts and CARB to bring resources to communities that have long been disproportionately burdened by poor air quality. While AB 617 does not require local agencies to participate in the Community Air Protection Program, several AB 617 communities are finding ways to bring local land use agencies to the table to respond to community priorities. We look forward to more opportunities to foster relationships with local authorities and continued collaboration between state and air district programs.

In alignment with AB 32, and to ensure environmental justice and racial equity were integrated into this Scoping Plan, CARB reconvened the AB 32 Environmental Justice Advisory Committee (EJ Advisory Committee) to advise CARB on the development of this Scoping Plan. Since reconvening in May 2021, the EJ Advisory Committee has engaged in the following activities:

- In October 2021, the EJ Advisory Committee sent a letter to the governor requesting a timeline extension for the Scoping Plan process. In response to the EJ Advisory Committee's letter, CARB modified this Scoping Plan process⁵¹⁹ and committed to an active engagement with the EJ Advisory Committee following the approval of this Scoping Plan. The EJ Advisory Committee also presented to the CARB Board⁵²⁰ at its October 2021 Board meeting, reiterating its request for a timeline extension, as well as sharing additional concerns about process.

⁵¹⁹ Randolph, L. M. 2021. LMR October 19 response to Environmental Justice Advisory Committee Letter. <https://ww2.arb.ca.gov/sites/default/files/2021-10/LMR%20October%2019%20response%20to%20EJAC%20Letter%20Final.pdf>.

⁵²⁰ Argüello, M. D., K. Hamilton, S. Taylor, and P. Torres. 2021. EJ Advisory Committee Co-Chair Informational Presentation to CARB Board. October 28. <https://ww2.arb.ca.gov/sites/default/files/barcu/board/books/2021/102821/21-11-4pres.pdf>.

- In December 2021, the EJ Advisory Committee shared its responses to Scenario Input Questions,⁵²¹ as well as a narrative document outlining their concerns⁵²² around the process, the need for evaluation, and the need for a tribal representative. In response to the EJ Advisory Committee Scenario Input Questions, CARB incorporated the EJ Advisory Committee responses into the Scenario Assumptions document,⁵²³ and modeled results from PATHWAYS.⁵²⁴ In response to the EJ Advisory Committee's concerns, CARB worked diligently to appoint a tribal representative⁵²⁵ in February 2022, and to outline additional opportunities for the EJ Advisory Committee to engage in the Scoping Plan process.⁵²⁶
- In March 2022, the EJ Advisory Committee presented at the joint EJ Advisory Committee / CARB Board meeting⁵²⁷ and walked through their preliminary draft recommendations to inform this Scoping Plan. In April, the EJ Advisory Committee shared its revised preliminary draft recommendations⁵²⁸ to inform this Scoping Plan.
- In September 2022, the EJ Advisory Committee presented at the joint EJ Advisory Committee / CARB Board meeting⁵²⁹ and engaged in discussion about priority items as they relate to incorporating environmental justice into the Scoping Plan. By the end of September, the EJ Advisory Committee shared its final

⁵²¹ EJ Advisory Committee. 2021. EJ Advisory Committee Final Responses to CARB Scenario Inputs. December 2. https://ww2.arb.ca.gov/sites/default/files/2021-12/EJAC%20Final%20Responses%20to%20CARB%20Scenario%20Inputs_12_2_21.pdf.

⁵²² EJ Advisory Committee. 2021. EJ Advisory Committee Responses to Scenario Input Questions. EJ Advisory Committee narrative document regarding scenario input recommendations. December 1. https://ww2.arb.ca.gov/sites/default/files/2021-12/EJAC%20Narrative%20Document%20re%20Scenario%20Input%20Recommendations%2012_1_2021.pdf.

⁵²³ CARB. 2021. PATHWAYS Scenario Modeling. https://ww2.arb.ca.gov/sites/default/files/2021-12/Revised_2022SP_ScenarioAssumptions_15Dec.pdf.

⁵²⁴ E3. 2022. CARB Draft Scoping Plan AB32 Source Emissions Initial Modeling Results. March 15. <https://ww2.arb.ca.gov/sites/default/files/2022-03/SP22-Model-Results-E3-ppt.pdf>.

⁵²⁵ CARB. AB32 EJ Advisory Committee Meeting, February 28, 2022 CARB Update. <https://ww2.arb.ca.gov/sites/default/files/2022-02/CARB%20EJAC022822presentation.pdf>.

⁵²⁶ Fletcher, C. 2021. CARB Response to EJ Advisory Committee Narrative. CARB. December 15. <https://ww2.arb.ca.gov/sites/default/files/2021-12/CARB%20response%20to%20EJAC%20Narrative.pdf>.

⁵²⁷ EJ Advisory Committee. 2022. EJ Advisory Committee Presentation: Preliminary Draft Recommendations. March 10. <https://ww2.arb.ca.gov/sites/default/files/barcu/board/books/2022/031022/ejacpres.pdf>.

⁵²⁸ AB 32 EJ Advisory Committee. Draft Recommendations. <https://ww2.arb.ca.gov/sites/default/files/barcu/board/books/2022/031022/ejacrecsrevised.pdf>.

⁵²⁹ EJ Advisory Committee. 2022. EJAC Presentation. September 1. <https://ww2.arb.ca.gov/sites/default/files/barcu/board/books/2022/090122/ejacpres.pdf>

recommendations⁵³⁰ to inform this Scoping Plan. To the extent possible, CARB has incorporated and cited these recommendations through this Scoping Plan.

In addition to the activities listed above, Central Valley EJ Advisory Committee members hosted a successful community engagement workshop⁵³¹ in San Joaquin Valley in February 2022 with over 100 attendees. Members of EJ Advisory Committee hosted a statewide community engagement workshop⁵³² in June 2022 with more than 165 attendees. Throughout the EJ Advisory Committee's process, members of the Committee continued to work with their communities to ground truth their recommendations to inform the development of the Scoping Plan. The EJ Advisory Committee worked hard to ensure the voices of those communities most burdened by climate impacts were reflected in the plan. The EJ Advisory Committee will continue to play an ongoing role in the implementation of this Scoping Plan to ensure environmental justice and racial equity are prioritized in our effort to address the climate challenge before us.

To the extent possible, the EJ Advisory Committee's recommendations were integrated throughout the plan. This plan directly cites instances where there is alignment between the plan and the EJ Advisory Committee recommendations. This approach seeks to ensure there is more transparency and identify consensus that exists, as well as relevant ways equity and environmental justice are addressed in this plan and in the planning for future related implementation activities. CARB is dedicated to its efforts to ensure this plan does not leave communities behind.

As this Scoping Plan moves into the implementation phase, there will be a need to better understand how to address EJ Advisory Committee recommendations on the following topics:

- Actions under the jurisdiction of other agencies: there are certain EJ Advisory Committee recommendations that are outside of CARB's jurisdiction. As the EJ Advisory Committee continues to convene, it would be helpful to understand the

⁵³⁰ EJ Advisory Committee. 2022. EJAC 2022 Scoping Plan Recommendations. September 30.

<https://ww2.arb.ca.gov/sites/default/files/barcu/board/books/2022/090122/finalejacrecs.pdf>

⁵³¹ San Joaquin Valley Climate Justice & the Scoping Plan. 2022.

[https://ww2.arb.ca.gov/sites/default/files/2022-](https://ww2.arb.ca.gov/sites/default/files/2022-07/SJV%20Climate%20Justice%20%26%20the%20Scoping%20Plan%20Workshop%20Report%20out%20%26%20Recommendations_5.2022.pdf)

[07/SJV%20Climate%20Justice%20%26%20the%20Scoping%20Plan%20Workshop%20Report%20out%20%26%20Recommendations_5.2022.pdf](https://ww2.arb.ca.gov/sites/default/files/2022-07/SJV%20Climate%20Justice%20%26%20the%20Scoping%20Plan%20Workshop%20Report%20out%20%26%20Recommendations_5.2022.pdf)

⁵³² EJAC. 2022. EJAC/Community Engagement Synthesis Report '22.

<https://ww2.arb.ca.gov/sites/default/files/2022-07/EJAC-CommunityEngagement-SynthesisReport-2022-English%26Spanish.pdf>.

role that CARB can play as it relates to the EJ Advisory Committee's recommendations for actions outside CARB's jurisdiction and coordinates with sister agencies.

- Actions that require legislative direction: there are certain EJ Advisory Committee recommendations that would require legislative action. As the EJ Advisory Committee continues to convene, it will be helpful to understand how CARB can work with the EJ Advisory Committee to share these recommendations with the appropriate members of the Legislature.
- Actions directly tied to implementation activities: This Scoping Plan is not an implementation document; it is a plan to chart a course to continue to reduce GHG emissions and achieve carbon neutrality. Once the Scoping Plan is approved, there will be follow-up action at CARB, as well as at other agencies. In these follow-up efforts, there will be a role for ongoing EJ Advisory Committee engagement.
- Actions to implement recent legislation, such as SB 905.

CARB proposes to continue to work with the EJ Advisory Committee to better understand how to move forward on EJ Advisory Committee recommendations that fall into the topics listed above and any other recommendations that were not included in this plan. It is also important to note that there are numerous recommendations where CARB shares the goals of the EJ Advisory Committee and can assist in implementation steps. Examples include the following:

- CARB shares the goal of prioritizing non-fossil energy generation and supports non-fossil projects and opportunities to locate behind-the-meter clean resources in communities of concern in programs such as the Solar on Multifamily Affordable Housing program.
- CARB will engage with agencies and academic institutions to further workforce development.
- Many other recommendations related to financial support for various energy projects, such as microgrids, are within the purview of the CPUC or local publicly owned utilities. Similarly, utility scale projects are within the jurisdiction of other agencies. However, CARB supports strategies identified in the recommendations such as offshore wind to reduce the reliance on fossil fuel generation.
- CARB is supportive of rooftop solar, although it is not within CARB's jurisdiction to determine how incentives for those projects are structured.
- CARB is supportive of strong energy decarbonization goals, recognizing that increased reliance on electrification in transportation and other sectors will create significant demand for electricity, and therefore ensuring reliability of a decarbonized grid is a critical need for the state.
- In the transportation sector, CARB is supportive of the EJ Advisory Committee's recommendations to maintain aggressive zero emission vehicle goals consistent

with its statutory mandate to ensure regulations are technologically feasible and in alignment with Governor Newsom’s ZEV Executive Order (EO N-79-20). CARB looks forward to continued engagement on rulemakings that will implement these goals.

- As noted elsewhere in this plan, CARB is supportive of the Caltrans California Transportation Plan 2050 and the California Climate Action Plan for Transportation Infrastructure.
- CARB is supportive of additional public support for transit. CARB is supportive of locating EV charging in low-income communities and communities of color.
- CARB is supportive of prioritizing funding incentives for transit and heavy- and medium-duty vehicles, although CARB does believe there is an important role for incentives that support adoption of light-duty vehicles for the time being. CARB will also be opening a rulemaking on the Low Carbon Fuel Standard to ensure it continues to support clean fuels that will displace petroleum fuels and will consider the EJ Advisory Committee recommendations on this program.
- In the industrial sector, in addition to the strategies discussed more fully in this Scoping Plan, CARB continues to work with the Legislature, local agencies, and air districts to support, implement, and enforce effective reductions in emissions of GHGs and air pollutants in stationary sources. The air districts have the authority to directly issue permits addressing a facility’s criteria pollutant and toxics emissions levels. These levels are set after careful permit review, under district regulation and statute. However, AB 617 directs and authorizes CARB to take several actions to improve data reporting from facilities, air quality monitoring, and pollution reduction planning for communities affected by a high cumulative exposure burden. CARB will continue to implement AB 617 and look for ways to strengthen the Community Air Protection Program.
- Considerations around the phaseout of oil and gas extraction and refining, and the role of carbon capture are discussed more thoroughly in Chapter 2.

As CARB continues to engage with the EJ Advisory Committee—in addition to the EJ Advisory recommendations that have been integrated throughout this plan—below are the following commitments that CARB is making to ensure that environmental justice is integrated in this plan and its implementation:

- Building decarbonization is a pillar of this Scoping Plan and CARB commits to working closely with state and local agencies to implement the EJ Advisory Committee recommendations that call for prioritization for residents in low-income communities and communities of color in this transition.
- CARB commits to sharing the EJ Advisory Committee’s recommendations with the CEC, CPUC, and other agencies administering funds to support building

decarbonization, and to work closely with those agencies as they engage in public processes to further building decarbonization.

- CARB has committed to review the Cap-and-Trade program and determine what potential legislative or regulatory amendments could be necessary to ensure the program continues to deliver GHG reductions needed to achieve the statutory climate goals. In that process, CARB will consider the recommendations of the EJ Advisory Committee⁵³³ and Independent Emissions Market Advisory Committee,⁵³⁴ as well as others.

Critically, the EJ Advisory Committee makes numerous recommendations centered around tracking progress of the various strategies in this Scoping Plan. Currently, progress is tracked and reported in numerous ways, including the annual GHG inventory and reports to the Legislature. Part of the ongoing work of implementation, however, will include consideration of ways to provide more data and information to the public, such as rates of deployment of clean energy and technology as described in Chapter 1. CARB will also continue to collaborate with CDPH and OEHHA on health metrics to track cumulative benefits of air pollution and climate programs, especially in low-income communities and communities of color.

As noted earlier in this document, the EJ Advisory Committee will continue to play a vital role in the Scoping Plan and its implementation to ensure environmental justice and racial equity are prioritized in our effort to address the climate challenge before us. This includes ongoing EJ Advisory Committee engagement to advise CARB on the development of the Scoping Plan and any other pertinent matters in implementing AB 32. The ongoing EJ Advisory Committee will help to ensure integration of environmental justice in implementation efforts as it relates to AB 32, and also help CARB as we work toward a future where race is no longer a predictor for life outcomes.

Academic Institutions and the Private Sector

Academic institutions produce and present the latest science on both the impacts of, and actions to reduce, climate change damages. They are also leading the way by

⁵³³ California Legislative Information. Bill Text – AB 32. Air pollution: greenhouse gases: California Global Warming Solutions Act of 2006. (AB 32, Nuñez, Chapter 488, Statutes of 2006).

https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=200520060AB32.

⁵³⁴ California Legislative Information. Bill Text – AB 398. California Global Warming Solutions Act of 2006: market-based compliance mechanisms: fire prevention fees: sales and use tax manufacturing exemption. (AB 398). https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB398.

establishing their own climate goals and GHG emissions reductions targets.^{535, 536, 537} They are incubators for innovation and knowledge in clean energy and technology and play an important role in adding to the wealth of robust information to inform policies and programs. Academic institutions have the ability to fill knowledge gaps and push us toward new frontiers. As we move forward, we will continue to see these institutions as partners and resources that can help CARB look for ways to accelerate and introduce actions to reduce GHG emissions and remove and store carbon.

As such, it will be important to maintain and enhance relationships with academic institutions, including community colleges. Community colleges are more likely to have a large proportion of first generation students or students that come from low-income communities or communities of color. The perspective of this diverse student body will be critical to inform discussions on climate change damages and mitigation efforts. This student body is also a future workforce, and courses to teach the skills for a sustainable economy are a chance to close historical opportunity gaps. Importantly, many of the students at community colleges are local residents and community members. This engagement provides another way to invest in communities across our state. The Foundation for California Community Colleges is already leading the way through innovate programs such as their Good Jobs Challenge - California Resilient Careers in Forestry.⁵³⁸ These types of programs could be replicated across other sectors. CARB will evaluate how to leverage the requirements in AB 680 on workforce development in the California Climate Investments programs with the work at the Foundation for California Community Colleges.

As noted in Chapter 1, public and private partnerships will be important as we move forward in the great energy transition. But the private sector is also important in the context of research and development and deployment. Many of these companies have the resources and expertise to build and produce the clean technology and energy we will need. It was through the efforts of several private companies (Bell, Exxon, Telecom

⁵³⁵ University of California. Our Commitment. <https://www.universityofcalifornia.edu/initiative/carbon-neutrality-initiative/our-commitment>.

⁵³⁶ California State University. Energy, Sustainability, & Transportation. <https://www.calstate.edu/csu-system/doing-business-with-the-csu/capital-planning-design-construction/operations-center/Pages/energy-sustainability.aspx>.

⁵³⁷ California Community Colleges Chancellor's Office. Climate Action and Sustainability. <https://www.cccco.edu/About-Us/Chancellors-Office/Divisions/College-Finance-and-Facilities-Planning/Facilities-Planning/Climate-Action-and-Sustainability?msclkid=4a72350ec4f511ecaf292c6b14ac9a4f>.

⁵³⁸ Foundation for California Community Colleges. 2022. Good Jobs Challenge. Developing Resilient Careers in Forestry for Californians. <https://foundationccc.org/What-We-Do/Workforce-Development/Good-Jobs-Challenge>.

Australia) that the photovoltaic solar panels in use today were developed.⁵³⁹ Similarly, it was companies such as General Electric and Texas Instruments that contributed to the development of hydrogen fuel cells.⁵⁴⁰ This Scoping Plan includes the known and emerging clean technologies and fuels available today. The private sector spirit of invention, improvement, and innovation must continue to deliver new tools in the fight against climate change.

Individuals

This Scoping Plan not only projects ambitious availability of clean technology and energy, but also includes aggressive assumptions about consumer adoption of ZEVs, heat pumps, and other energy efficiency practices, among others. When it comes to climate change mitigation, the sum of the parts matters. Only when we add up the impacts of the choices we make do we understand the true impact on GHG emissions. Today, many Californians have opportunities to choose between driving a car, taking a bus, biking, or walking. Many can choose to install a heat pump or buy an electric cooktop. Together, we can increase these opportunities and pick the future we want. We can start or transform businesses that create clean jobs, innovate new technologies, or introduce new systems. We can engage with fellow workers to support durable paths for labor in a clean economy. And we can choose to engage with our community, tribes, and our governments to advocate for change, call out challenges, and propose solutions. Our choices will help determine California's climate future. Down one path is a future of climate impacts that will continue to worsen and further increase disparities across communities. Down the other is a future that avoids the worst impacts of climate change, improves air quality—especially for the most burdened communities—and fosters new economic and job opportunities to support a sustainable economy.

Importantly, we must acknowledge that historical decisions have resulted in health and opportunity gaps for residents in low-income communities and communities of color. Not everyone has the resources or access to make these choices—to buy a ZEV, install a heat pump, or use public transit to get to work. It is here that government can help. Government, at multiple levels, can fund programs and structure policies to provide consumers with more choice and to support them in adopting cleaner technology options. Whether through affordable energy rates or assistance in purchasing zero emission vehicles and appliances, we can use the transition to a carbon neutral economy as an opportunity to close some of these persisting opportunity gaps. By acting now, we can

⁵³⁹ Californiasolarcenter.org. Passive Solar History. <http://californiasolarcenter.org/old-pages-with-inbound-links/history-pv/>.

⁵⁴⁰ Fuel Cell Store. History of Fuel Cells. <https://www.fuelcellstore.com/blog-section/history-of-fuel-cells?msclid=04a19450c50211ec8d20f2aff4039fe>.

change our planet's fate and build a more resilient, healthier, and equitable future for all Californians.

APPENDIX E SUSTAINABLE AND EQUITABLE COMMUNITIES

**Policy Framework to Advance
Sustainable and Equitable Communities**

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1. Introduction

Californians deserve great places to live – inclusive urban, suburban, and rural communities throughout the many regions of California – that provide a range of affordable housing and transportation options, efficient access to a variety of jobs and services, clean air, opportunities to safely walk and bike, and open space and recreational opportunities. Current and future generations have the right to healthy environments, protected natural and working lands that support carbon sequestration and enhance climate resilience, and reduced overall demand for energy and other natural resources. These are the core characteristics of sustainable and equitable communities, and are achieved, in part, through the combination of more compact development and enhanced transportation options that together reduce individuals' need to drive.

Building more sustainable and equitable communities in this way can help California address two of its greatest challenges. The first is meeting the State's goal to achieve carbon neutrality no later than 2045 to prevent the most adverse impacts of climate change and provide Californians healthier air to breathe. The second challenge is building more inclusive and equitable places that prioritize providing low-income and Black, Indigenous, and People of Color (BIPOC) communities all the necessary opportunities to thrive and repairing the harms caused by decades of discriminatory transportation, land use, and housing policies and practices to people of low-income and BIPOC communities.

The next section of the appendix discusses impactful opportunities California can unlock by moving away from a cars-first model and building communities and infrastructure that enable a wider range of access and mobility choices. The third section of the appendix presents a policy framework across four strategy areas – transportation planning and funding, transportation system management, new mobility, and land use and development – for the State to create more sustainable and equitable communities that reduce driving. Each strategy area includes a vision, objectives, and potential actions developed by CARB and its State government partners, with the intent that the further development and implementation of each action would be subject to additional public processes and collaboration with key stakeholders. The framework of strategies discussed in this document does not and cannot mandate any specific action or create any legal obligations. This planning document provides a menu of critical potential actions and approaches that would need to be further developed through appropriate public processes.

While the State has taken steps in each of these strategy areas, this appendix presents ways to build on that work.

2. The Need for Sustainable and Equitable Communities

Many of California's cities, towns, suburbs, and rural areas were designed and built primarily around car travel, and the legacy of that vision has been codified in public policies, business practices, and cultural expectations. For most communities in California, choices made in the past and bolstered for decades have delivered land use

patterns that place daily needs far from each other along streets designed for high-speed driving. For decades, California has widened highways and roadways in an effort to address traffic congestion. By doing so, it has facilitated more car dependence and, ironically, more congestion, with resulting increases in vehicle miles traveled (VMT) and greenhouse gas (GHG) emissions.

Efforts to advance more sustainable and equitable communities that reduce the need to drive have been ongoing in California for many years, most prominently under the State's 2008 Sustainable Communities and Climate Protection Act or Senate Bill (SB) 375 (Steinberg, Chapter 728, Statutes of 2008), under which Metropolitan Planning Organizations (MPOs) must show coordinated land use and transportation strategies to meet regional passenger vehicle GHG reduction targets. However, as CARB's recent progress report on implementation of SB 375 indicates, individuals are driving more miles per day than ever before, and California is not on track to meet its associated climate goals under SB 375.¹

Beyond reducing driving, far too often in California's history, new highway and major roadway infrastructure displaced BIPOC communities, increased divisions in communities, and intensified noise, traffic, and air pollution in already impacted communities. California can advance inclusive and efficient places to live if it breaks away from an entrenched policy and cultural status quo that has perpetuated car dependence and caused a significant share of California's climate-changing GHG emissions.

2.1 Zero-emission vehicles are not enough to solve the climate crisis.

Contrary to popular belief, zero-emission vehicles (ZEV) alone are not enough to solve the climate crisis. The 2022 Scoping Plan illustrates that despite cleaner vehicles and low-carbon fuels, the path to carbon neutrality by 2045 also depends on reducing per capita VMT (the total passenger vehicle miles driven by an average person in California on any given day). To meet the carbon neutrality goal, the Scoping Plan proposes reducing VMT from 24.6 miles per day in 2019 to 18.4 miles by 2030 (a 25 percent reduction) and to 17.2 miles per day by 2045 (a 30 percent reduction).

Approximately 30 percent of light-duty vehicles on the road in 2045 will still burn fossil fuels even with all new car sales being ZEVs by 2035 through implementation of CARB's Advanced Clean Cars II regulations.² Additionally, driving, regardless of vehicle technology, will also continue to produce particulate emissions from brake and tire wear.

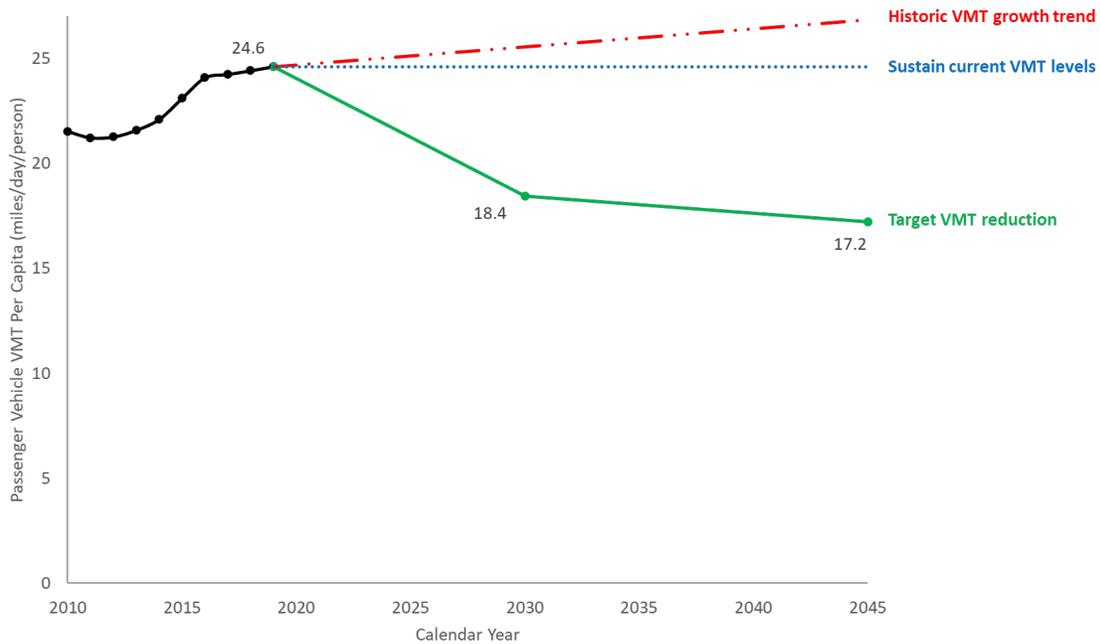
Figure W depicts the reduction in VMT identified by the Scoping Plan as necessary to help achieve the State's GHG reduction goals (green solid line), accompanied by a

¹ For more information on progress made toward achieving climate goals under SB 375 see: <https://ww2.arb.ca.gov/resources/documents/tracking-progress>

² For more information on the Advanced Clean Cars II regulations adopted by CARB's board on August 25, 2022, see: <https://ww2.arb.ca.gov/our-work/programs/advanced-clean-cars-program/advanced-clean-cars-ii>

trajectory whereby average per capita daily driving continues to increase at its historic average growth rate (red line with dashes and dots).³ The blue dotted line shows a trajectory where average per capita daily driving remains unchanged from 2019 levels. Substantial and immediate action is needed to reverse current trends in order to reduce VMT to support achieving carbon neutrality by 2045.

Figure W. VMT trajectories and California’s GHG goal



2.2 Sustainable and equitable communities reduce GHG emissions beyond the transportation sector, too.

Beyond having a direct impact on GHG emissions from cars, reducing individuals’ need to drive to fulfill daily needs can also support emissions reductions in other sectors. For example, more compact infill development generally generates lower emissions because attached building types and smaller residential unit sizes require fewer emissions to construct and less energy to heat and cool.^{4,5} Studies have estimated that infill development uses 10 to 20 percent less residential energy due to changes in unit types, sizes, and locations. Additional benefits include reduced heat island effects from paved

³ There is considerable range in potential future VMT based on many exogenous, socioeconomic, and technological factors. This line represents historical VMT trends from 2001-2019 extended to 2045, normalized by the future forecasted population.

⁴ Elkind, E. N., Galante, C., Decker, N., Chapple, K., Martin, A., & Hanson, M. 2017. “Right Type, Right Place: Assessing the Environmental and Economic Impacts of Infill Residential Development through 2030.” Available at: <https://turnercenter.berkeley.edu/research-and-policy/right-type-right-place/>

⁵ Ewing, Reid & Rong, Fang. 2008. “The impact of urban form on U.S. residential energy use.” *Housing Policy Debate*, 19(1), 1-30. Available at: <https://www.tandfonline.com/doi/abs/10.1080/10511482.2008.9521624>

surfaces like parking lots, which lowers long-term building energy use, and reduced emissions from the construction of infrastructure.⁶

In contrast, the conversion of natural and working lands to residential or commercial development causes emissions from loss of carbon stored in these systems, as well as reduces the capacity of these lands to sequester carbon from the atmosphere.⁷

The 2022 Scoping Plan Update calls for reductions in GHG emissions from these sectors. More sustainable and equitable development patterns and transportation choices will support these reductions.

2.3 Departing from the status quo would ease inequitable burdens on California's low-income and BIPOC communities.

California can offer accessible, safe, and healthy communities for all by moving away from a legacy of transportation and land use decision-making that has marginalized all too many, but to a much greater extent BIPOC communities. California's transportation agencies have acknowledged that racist policies and decisions made when building and expanding the transportation system divided communities of color and primarily benefited white suburban commuters.⁸ Discriminatory land use, lending, and real estate practices and policies also excluded and harmed BIPOC households and led to lasting inequality.

Some of these impacts have included less access to jobs and services, reduced household income and wealth generation, reduced social mobility, the burden of vehicle ownership, and the risk of job loss if a vehicle breaks down.

Rather than continuing these practices, California can make decisions that allow for integrated communities that are rich with services and culture. Shifting California's development patterns and transportation systems is critical to address existing injustices by making livable, affordable homes with multi-modal connections to jobs, services, open space, and education available to all Californians, not just the white and the wealthy.

⁶ Ford, Jonathan. 2010. "Smart Growth & Conventional Suburban Development: An infrastructure case study completed for the EPA." Adapted from "Comparative Infrastructure & Material Analysis" under EPA contract EP-W-05-25. Available at:

<https://archive.epa.gov/epa/sites/production/files/2014-07/documents/mbd-epa-infrastructure.pdf>

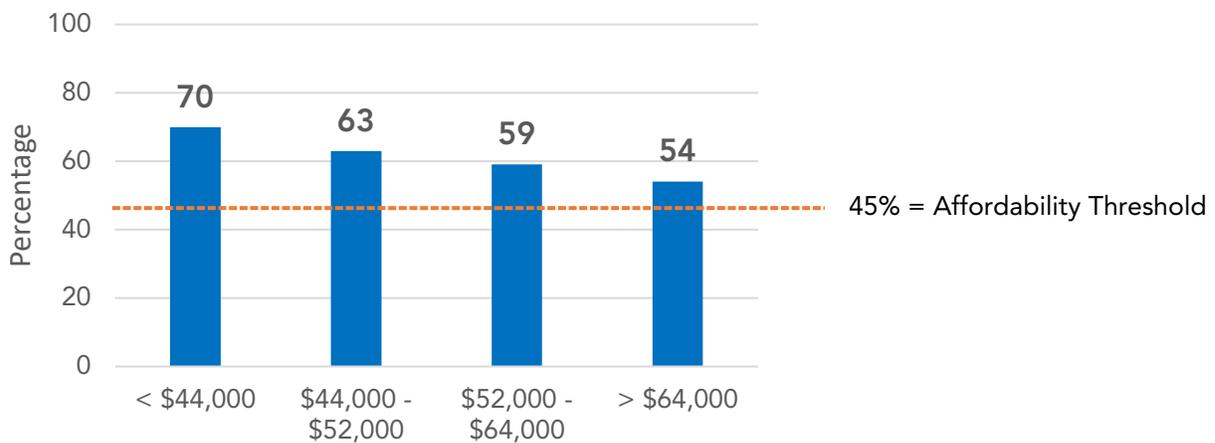
⁷ California Air Resources Board. Accessed May 5, 2022. California Natural & Working Lands Inventory. Available at: <https://ww2.arb.ca.gov/nwl-inventory>.

⁸ See the equity and VMT policy discussion beginning on page 107 of the California Air Resources Board's 2020 Mobile Source Strategy, available at: https://ww2.arb.ca.gov/sites/default/files/2021-12/2020_Mobile_Source_Strategy.pdf.

The Burden of Housing and Transportation Costs

An example of these racial and social inequities is the unequal impact of housing and transportation costs. Low-income households pay a significantly higher portion of household income for housing and transportation. In California counties that have a median household income of \$44,000 or less, housing and transportation cost the average household over 70 percent of their income, when the recommended affordability threshold is 45 percent (Figure X).⁹ Given the high cost of car ownership and operation, this housing and transportation cost burden has the highest impact on communities where people have few options but to drive.

Figure X. Percentage of Income Spent on Housing and Transportation in California by Median County Household Income



Source: H+T Index 2017, ACS 2015

2.4 Reducing the need to drive advances other quality of life outcomes and opportunities.

Communities with shorter driving distances and more options for active travel produce benefits beyond the environment and equity, including reduced financial burden, better access to opportunities, and improved public health.

- **Reduced financial burden:** Reducing the need to drive saves households substantial sums of money. U.S. households spent an average of nearly \$10,000 in 2019 on vehicles and fuel.¹⁰ Driving fewer miles reduces fuel and maintenance expenses and may even allow a household to reduce the number of vehicles owned.

⁹ Center for Neighborhood Technology. Accessed May 5, 2022. Housing + Transportation Index. Available at: <https://cnt.org/tools/housing-and-transportation-affordability-index>.

¹⁰ U.S. Department of Transportation, Bureau of Transportation Statistics. Accessed May 5, 2022. Transportation Economic Trends. Available at: <https://www.bts.gov/product/transportation-economic-trends>.

- **Better access to opportunities:** Changes to the built environment that increase alternatives to driving give households more and affordable options to access services, jobs, and other activities, and thus expand economic and social opportunities.¹¹ These changes empower people who do not own cars and people who cannot drive, such as seniors, children, and people with disabilities, protecting their ability to hold a job, run errands, or connect with others.
- **Economic efficiency:** A development pattern that enables the same level of economic interaction with less dependence on driving can sustain the economy at a far lower cost to the public by decreasing highway maintenance costs, which have ballooned to over \$500 million per year in California.¹² Infill development can also reduce road and utility line lengths, as well as the travel distances needed to provide public services like police, garbage collection, and emergency response.^{13,14,15} Across the U.S., congestion cost the equivalent of \$190 billion in 2019 in fuel costs and lost time.¹⁶ Being able to access destinations more efficiently will reduce these effects on the economy.

¹¹ Lucas, K. 2012. "Transport and social exclusion: Where are we now?" *Transport Policy*, 20, 105-113. Available at: <https://www.sciencedirect.com/science/article/pii/S0967070X12000145>

¹² U.S. Department of Transportation. Accessed May 5, 2022. Highway Statistics 2015. Available at: <https://www.fhwa.dot.gov/policyinformation/statistics/2015/sf12.cfm>

¹³ Burchell, Robert W., & Mukherji, Sahan. 2003. "Conventional Development Versus Managed Growth: The Costs of Sprawl." *American Journal of Public Health*, 93 (9), 1534-1540. Available at: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1448006/>

¹⁴ Busch, Chris, Lew, Erika, & DiStefano, Joe. 2015. "Moving California Forward: How Smart Growth Can Help California Reach Its 2030 Climate Target While Creating Economic and Environmental Co-Benefits." Joint report by Energy Innovation Policy and Technology LLC, and Calthorpe Analytics. Available at: <https://energyinnovation.org/wp-content/uploads/2015/11/Moving-California-Forward-Full-Report.pdf>

¹⁵ Litman, Todd. 2016. "Understanding Smart Growth Savings: Evaluating Economic Savings and Benefits of Compact Development." Victoria Transport Policy Institute. Available at: <https://trid.trb.org/view/1685041>

¹⁶ Texas A&M Transportation Institute. 2021 *Urban Mobility Report*. Available at: <https://mobility.tamu.edu/umr/report/>

People want to drive less!

While many Californians find traveling by car a necessity, many would in fact prefer to drive less. A survey in Santa Clara County in 2020,¹⁷ before the COVID-19 pandemic, showed that 89 percent of people believed they had to drive for daily needs, but fully half wanted to drive less. Twenty percent of respondents said owning a car was a financial strain, creating a burden on disadvantaged groups. Cars also created higher levels of stress, with 41 percent of drivers reporting that they find their daily travel stressful, but only 35 percent of bicyclists and 28 percent of transit riders feeling the same.

Furthermore, Public Policy Institute of California polls in 2019 and 2020 found that fully three quarters of respondents favored encouraging local governments to change land use and transportation planning so that people could drive less.¹⁸

3. Framework for Action

California's predominant development patterns and transportation systems are not conducive to building sustainable and equitable communities with low VMT. Reversing the current VMT growth trend to achieve carbon neutrality requires immediate and decisive steps to address the core issues that give individuals no choice but to drive. Accordingly, the framework for action detailed in this section aims to offer a set of key policy objectives and actions that can be attained within the planning horizon of the 2022 Scoping Plan Update to effectively support more compact development and increase transportation options that reduce VMT no later than 2045.

There is no single or immediate solution to transform the ways California builds and connects communities; instead, as all available models demonstrate, reducing VMT requires a broad range of actions across all levels of government that achieve multisectoral synergies in transportation, land use, and housing.^{19,20}

This framework is structured around the following four strategy areas:

¹⁷Fang, Kevin. 2020. "Surveying Silicon Valley on Cycling, Travel Behavior, and Travel Attitudes." Mineta Transportation Institute. Available at: <https://transweb.sjsu.edu/research/1947-Survey-Silicon-Valley-Cycling>

¹⁸ Baldassare, Mark, Bonner, Dean, Dykman, Alyssa, & Lawler, Rachel. 2019 and 2020. "Californians and the Environment." Public Policy Institute of California. Available at: <https://www.ppic.org/publication/ppic-statewide-survey-californians-and-the-environment-july-2019/> and <https://www.ppic.org/publication/ppic-statewide-survey-californians-and-the-environment-july-2020/>

¹⁹ California Department of Transportation. *California Transportation Plan 2050*, pages 97-98. Available at: <https://dot.ca.gov/-/media/dot-media/programs/transportation-planning/documents/ctp-2050-v3-a11y.pdf>

²⁰ Brown, A. L., Sperling, D., Austin, B., DeShazo, JR, Fulton, L., Lipman, T., et al. 2021. "Driving California's Transportation Emissions to Zero." UC Office of the President: University of California Institute of Transportation Studies. Available at: <https://escholarship.org/uc/item/3np3p2t0>

1. **Plan and invest in a sustainable transportation system.** Identify policies to address the way California plans, invests in, and funds its transportation system to reduce the need to drive and provide high-quality alternatives that are more convenient, efficient, and low-cost than driving.
2. **Manage the use of the transportation system to advance climate and equity goals.** Consider policies to optimize the use of California’s transportation infrastructure by prioritizing the movement of people over vehicles.
3. **Shape the deployment of new mobility options.** Explore policies to leverage the potential of new mobility options to increase transportation choices, enable car-light lifestyles, and mitigate inherent risks that could increase car travel.
4. **Improve alignment of land use planning and development with climate and equity goals.** Consider policies to accelerate infill development, affirmatively further fair housing, and increase natural and working lands protection, in furtherance of the State’s planning priorities.

For each strategy area, this framework offers: i) a vision for the year 2045 that would be consistent with meeting California’s carbon neutrality goal while advancing equity; ii) policy objectives that should be achieved to deliver the vision for that strategy area; and iii) selected actions that should be taken as quickly as possible, especially by the State, to implement those policy objectives.

3.1 Strategy Area 1: Plan and Invest in a Sustainable Transportation System

The institutional framework for planning and funding California’s transportation system has reflected and perpetuated a car-centric bias. For many decades, the majority of federal, State, and local transportation investments has been devoted to building, operating, and maintaining a network of highways, roads, and streets. While more recently other modes of transportation have received increased funding, the dominance of car-centric investments remains unchanged.²¹

In order to help meet the State’s climate goals, the California Transportation Plan 2050 identifies the need to achieve a significant shift toward non-auto modes, amounting to 23 percent of trips occurring by bicycling, walking, transit, or other non-auto modes by 2050.²² Achieving carbon neutrality no later than 2045 requires a transportation system that works more efficiently for all Californians, regardless of their income, race, ability, or where they live. This vision offers a future in which most individuals have access to high-

²¹ Considering new capacity, operations, maintenance, and rehabilitation investments. For a historic review, see California Air Resources Board, *2018 Progress Report: California’s Sustainable Communities and Climate Protection Act*, available at https://ww2.arb.ca.gov/sites/d89efault/files/2018-11/Final2018Report_SB150_112618_02_Report.pdf. The more recent data is documented in the California Transportation Assessment (pursuant to AB 285), specifically Barbour, Elisa, et al, *MPO Planning and Implementation of State Policy Goals*, UC Berkeley: Institute of Transportation Studies at UC Berkeley, page 4, available at <https://escholarship.org/uc/item/7p8096mh>.

²² California Department of Transportation. *California Transportation Plan 2050*, page 96. Available at: <https://dot.ca.gov/-/media/dot-media/programs/transportation-planning/documents/ctp-2050-v3-a11y.pdf>

quality rail and public transit services and high-quality active transportation infrastructure, so that driving is a choice and not the only option.

However, this vision will not be possible without effecting a structural realignment of the State's framework for planning and funding transportation to prioritize investing in rail, transit, active transportation, and building more sustainable communities.²³ The quality of rail, public transit services, and active transportation infrastructure needs to be improved so that these modes become more time- and cost-competitive to driving.

3.1.1 Vision

To help meet the State's carbon neutrality goal no later than 2045 and advance equity, the vision is for California to have:

- A. Transportation planning and funding frameworks that are clearly aligned and prioritize the State's climate, air quality, and equity goals at all levels of government.
- B. Affordable, accessible, and integrated rail and transit networks that deliver equal or higher levels of accessibility to key destinations as private cars.
- C. Complete networks of safe and accessible bicycle and pedestrian infrastructure that make active transportation the preferred travel mode for short distances.

3.1.2 Objectives

To achieve this vision, the State should lead efforts to:

1. **Reimagine roadway projects that increase VMT in a way that meets community needs and reduces the need to drive.** The most critical step of this realignment of the structure for planning and investing in the transportation system will be reimagining roadway projects that increase VMT in a way that meets community needs and reduces the need to drive. It has been long proven that adding highways, interchanges, and major roadways in densely populated, suburban, and rapidly growing areas only alleviates congestion in the short-term, while increasing VMT, congestion, low-density and car-oriented development, and GHG emissions in the long-term.^{24,25} Another reason to re-envision investments in highway and major roadway projects that induce VMT is that such investments take away

²³ Governor Newsom's Executive Order N-19-19 and the subsequent development of the Climate Action Plan for Transportation Infrastructure (CAPTI) call for this change and provide a general framework to achieve it, respectively. See California State Transportation Agency, *Climate Action Plan for Transportation Infrastructure*, available at: <https://calsta.ca.gov/-/media/calsta-media/documents/capti-july-2021-a11y.pdf>

²⁴ California Department of Transportation. *Transportation Analysis Framework, First Edition*, pages 28-29. Available at: <https://dot.ca.gov/-/media/dot-media/programs/transportation-planning/documents/sb-743/2020-09-10-1st-edition-taf-fnl-a11y.pdf>

²⁵ Handy, Susan, & Boarnet, Marlon G. 2014. "Impact of Highway Capacity and Induced Travel on Passenger Vehicle Use and Greenhouse Gas Emissions." California Air Resources Board Policy Brief. Available at: https://ww2.arb.ca.gov/sites/default/files/2020-06/Impact_of_Highway_Capacity_and_Induced_Travel_on_Passenger_Vehicle_Use_and_Greenhouse_Gas_Emissions_Policy_Brief.pdf

resources from investments in high-quality rail, transit, bicycling, and walking in both the short- and the long-term.²⁶ In other words, beyond the direct impact of inducing VMT, such projects can limit government's ability to improve transportation options that facilitate mode shift and help reduce VMT.

Actions:

- Adjust the present project pipeline of State transportation investments and reconfigure the California Department of Transportation's (Caltrans) planning processes to rescope VMT and GHG-increasing projects. Caltrans and other State agencies have committed to working with stakeholders to evolve projects in their design and suite of investments to address access and connectivity challenges while ensuring their alignment with the State's climate and equity goals and other key outcomes.
- Implement all the recommendations in the Climate Action Plan for Transportation Infrastructure (CAPTI)²⁷ and apply the CAPTI framework to other transportation investments to prioritize allocation of transportation funding based on projects' climate, equity, and safety impacts. This includes reviewing program eligibility criteria accordingly and advocating for legislation to support the CAPTI vision when necessary.
- Increase funding for State programs that are well-aligned with climate and equity goals, such as the Active Transportation Program (ATP), the Transit and Intercity Rail Capital Program (TIRCP), and the Low Carbon Transit Operations Program (LCTOP), as recommended in the Strategic Growth Council's California Transportation Assessment.

- 2. Double local transit capacity and service frequencies by 2030.** The CTP 2050 determined that, to reach the target mode shifts that deliver the State's carbon neutrality goal, California needs to double the capacity and service frequencies of the existing local public transit networks. This type of expansion of transit services would be a massive undertaking in any time, but it is more so now given the loss of ridership and associated revenue during the COVID-19 pandemic, which forced transit service to contract. Transit's fiscal crisis has only exacerbated the adverse equity impacts of the pandemic, considering people with low-income, people with disabilities, and BIPOC communities are all commonly transit dependent populations and the services available to them are now more limited. Accordingly, securing the necessary funding to return transit operations to pre-pandemic levels in the short term needs to be considered both a priority climate and equity action for the State. Increasing equitable transit investment should serve as the

²⁶ Considering the budgetary impact of developing new highway infrastructure and the ensuing lifespan of operation and maintenance costs.

²⁷ California State Transportation Agency. *Climate Action Plan for Transportation Infrastructure*. Available at: <https://calsta.ca.gov/-/media/calsta-media/documents/capti-july-2021-a11y.pdf>

foundation for building a broader transit program that delivers the requisite doubling of capacity and frequencies by 2030. This type of improvement will amount to having transit stops much closer to where people need to go and offering (on average) 15-minute frequencies in urban areas, 30-minute frequencies in suburban areas, and 60-minute frequencies in rural areas for all services.

Actions:

- Secure the necessary funding to return transit operations to pre-pandemic levels in the short-term.
- Complete a new update of the State’s Transit Strategic Plan by 2023, fleshing out how the proposed transit service expansion would be implemented to optimize efficiency, accessibility, climate, and equity outcomes. This Plan should be developed in close collaboration with underserved communities across local jurisdictions to prioritize improvements where needs are greatest. Beyond increasing service, additional investments will need to be made to ensure affordability for low-income and other disadvantaged populations.
- Reduce the voter approval threshold for future locally funded transportation sales tax measures that exclusively fund investments in transit or active transportation.
- Explore the feasibility of introducing consultation and reporting requirements that enhance transparency and clarity around local tax measure climate and equity impacts and mitigation strategies prior to a ballot vote.
- Remove California Constitution Article XIX restrictions on using gas tax monies for transit operational funding or other sustainable transportation-related uses.

- 3. Complete the High-Speed Rail (HSR) System and other elements of the intercity rail network by 2040.** Providing efficient, high-quality alternatives to the car for intercity travel is another important element for enabling car-free and car-light lifestyles that reduce VMT and advance equity for those who do not have the means to own a car and for those who can use their car less. The California Transportation Plan 2050 (CTP 2050) identified the completion of the full 2018 State Rail Plan²⁸ vision by 2040 as a requirement to achieve the State’s carbon neutrality goal.²⁹ This vision includes: the main HSR line connecting San Francisco, the Central Valley, and Los Angeles, and HSR extensions to Sacramento, the Inland Empire, and San Diego; the San Francisco Downtown Extension and a new Transbay tube; key corridor investments in the Los Angeles Basin; new regional

²⁸ California Department of Transportation. *California State Rail Plan*. Available at: <https://dot.ca.gov/programs/rail-and-mass-transportation/california-state-rail-plan>

²⁹ California Department of Transportation. *California Transportation Plan 2050*, page 86. Available at: <https://dot.ca.gov/-/media/dot-media/programs/transportation-planning/documents/ctp-2050-v3-a11y.pdf>

services in the Central Valley, on the Central Coast, and in the North Bay; and an overall intensification of services, with more frequencies and higher speeds.³⁰

- 4. Expand and complete planned networks of high-quality active transportation infrastructure.** The other piece of the puzzle to achieve the target mode shift away from car travel is supporting active transportation mode users, such as bicyclists and pedestrians. The vision is to ensure every city has fully realized networks of active transportation infrastructure that ensure coverage, connectivity, accessibility, and safety to all travelers, making active transportation the preferred choice for short distance travel, and improving access to public transit services. These improvements should be developed in collaboration with community-based organizations and local leaders to address the needs and priorities of historically marginalized and underserved communities.

Actions:

- Require complete street enhancements, including minimum space allocations for bicycle and pedestrian infrastructure, in all State-funded transportation investments.
- Expand State funding for active transportation projects to support a broader set of project types and investments than currently funded through the Active Transportation Program.

- 5. Increase availability and affordability of bikes, e-bikes, scooters, and other alternatives to light-duty vehicles, prioritizing needs of underserved communities.** One key action to increase access to opportunities and overcome the financial burden of driving or using transit and new mobility services is to increase low-income people's direct access to bikes, e-bikes, scooters, and other alternatives to light-duty vehicles. Similar to existing rebate programs for electric vehicles, the State and other levels of government could do more to subsidize discounts or the full purchase of these alternatives to light-duty vehicles, considering their potential contributions to both reducing VMT and advancing equity goals. As is the case with other objectives shared above, these programs should be developed in close collaboration with community-based organizations and community members to prioritize specific needs and priorities of low-income and disadvantaged communities at the local level.

Actions:

- Increase funding and expand eligibility of bikes, e-bikes, scooters, and other alternatives to light-duty vehicles in State incentive/rebate programs.

³⁰ The 2040 Vision projects 88 million daily passenger miles diverted to rail from highways, and an increase of 92 million daily passenger miles on rail as a result of the investments outlined in the California Department of Transportation's California State Rail Plan, page 14, available at:

<https://dot.ca.gov/programs/rail-and-mass-transportation/california-state-rail-plan>

6. Shift revenue generation for transportation projects away from the gas tax into more durable sources by 2030. The need to implement a replacement to the gas tax was identified by the Legislature in 2014 through SB 1077 (DeSaulnier, Chapter 835, Statutes of 2014), which described the gas tax as an “ineffective mechanism for meeting California’s long-term revenue needs.”³¹ SB 1077 appointed the CTC in consultation with CalSTA to form a technical advisory committee to study mileage-based fees, a system in which all drivers, regardless of the fuel used by their vehicles, pay their fair share for the road maintenance and repair needs associated with their VMT, as an alternative to the gas tax. Since then, the technical advisory committee has developed recommendations and implemented a first pilot; more pilot and demonstration work is scheduled for implementation in 2023. Implementing an alternative to the gas tax by 2030 is imperative to ensuring the viability of transportation funding that can be reinvested in sustainable transportation options.

Actions:

- Complete mileage-based fee pilots by 2025.

3.2 Strategy Area 2: Manage Use of the Transportation System to Advance Climate, Air Quality, and Equity Goals

In California, most of the highways, roads, and streets are utilized by single-occupancy vehicles (SOV),³² which take up the highest amount of road space of any transportation mode relative to the amount of people moved.³³ Accordingly, the outcomes of this SOV-centric travel pattern are ever-growing levels of congestion, increasing VMT, economic inefficiency, and inequity in terms of who has easier access to jobs, services, and key destinations.³⁴

As detailed in Strategy Area 1, building more roadway lanes is not an answer to these problems. Instead, the solution requires reframing the use of California’s transportation infrastructure, and primarily its roadways, to maximize and prioritize getting more people where they need to go rather than prioritizing moving cars. For example, implementing

³¹ Because over half of vehicles on the road by 2040 will be zero-emission vehicles that need not buy any gasoline, the Standardized Regulatory Impact Assessment (SRIA) for the Advanced Clean Cars II Regulations estimated cumulative losses through 2040 of \$13.4 billion to local governments and \$17.7 billion to the State. See Tables 55 and 56 on page SRIA-113 and SRIA-116 of the [Advanced Clean Cars 2 SRIA](#) (January 26, 2022).

³² California Air Resources Board. *2018 Progress Report: California’s Sustainable Communities and Climate Protection Act*. Available at: https://ww2.arb.ca.gov/sites/default/files/2018-11/Final2018Report_SB150_112618_02_Report.pdf

³³ This concept is best demonstrated through images comparing road space usage by mode. See a popular example developed by i-SUSTAIN for downtown Seattle, available at: <https://www.i-sustain.com/i-impact>. The National Association of City Transportation Officials makes a similar case comparing the carrying capacity of 10-foot lane by mode, as seen in their Transit Street Design Guide, available at: <https://nacto.org/publication/transit-street-design-guide/introduction/why/designing-move-people/>.

³⁴ Namely, those who can afford cars for all members of the household or the cost of housing in high accessibility locations.

dedicated bus lanes, transit signal priority schemes, and other measures could enhance transit operations on major thoroughfares and other key corridors. Likewise, it is essential to prioritize the expansion of bike lanes, sidewalks, and other active transportation pathways to increase system capacity and improve accessibility for all, including people using wheelchairs and other types of mobility devices. This shift would be effectuated by leveraging the existing infrastructure to optimize for accessibility, equity, and climate outcomes through prioritizing the needs of more efficient modes of transportation, such as transit, bicycling, and walking.

3.2.1 Vision

To help meet the State's carbon neutrality no later than 2045 and advance equity, the vision is for California to have:

- A. A transportation system that clearly prioritizes the movement of people over cars.
- B. Restructured pricing for all modes to clearly represent the costs and benefits that each mode represents to California.
- C. The necessary road space for transit and active transportation to thrive and offer high-quality services.

3.2.2 Objectives

To achieve this vision, the State should lead efforts to:

1. **Authorize and implement roadway pricing strategies and reallocate revenues to equitably improve transit, bicycling, and other sustainable transportation choices.** Pricing strategies take many forms and can include fees for miles driven, cordon fees for operating vehicles in designated areas, parking fees, fees on congestion impact of ride-hailing services, and dynamic fees on highway lanes and other strategic roads to manage congestion.

Authorizing transportation pricing strategies is essential to promote more efficient use of cars and to further transit and active transportation improvements. Pricing strategies present an opportunity to fund the transportation system in a more equitable and fiscally sustainable way than current funding sources, promote more efficient functioning of existing infrastructure, and fund new transportation options, especially for those who do not own a vehicle or do not drive. Some recent analyses indicate California will not meet its climate goals without implementing equitable roadway pricing strategies as these strategies are projected to achieve up to 27 to 37 percent of the needed per capita VMT reduction.³⁵ The four largest MPOs have included multiple pricing strategies in

³⁵ See Brown, A. L., Sperling, D., et al, 2021, "Driving California's Transportation Emissions to Zero," pages 237-253, UC Office of the President: University of California Institute of Transportation Studies, available at: <https://escholarship.org/uc/item/3np3p2t0> and California Department of Transportation, *California Transportation Plan 2050*, page 86, available at: <https://dot.ca.gov/-/media/dot-media/programs/transportation-planning/documents/ctp-2050-v3-a11y.pdf>.

their adopted sustainable communities strategies (SCSs) to reduce regional GHG emissions.³⁶

Pricing strategies would need to be implemented with an emphasis to ensure equitable outcomes, and in accordance with local needs and context. In particular, pricing strategies need to consider the potential travel options available for low-income and other disadvantaged populations to ensure they are not unduly impacted by the strategy.

Actions:

- Permit implementation of a suite of roadway pricing strategies by 2025 in support of adopted SCSs.

- 2. Prioritize addressing key transit bottlenecks and other infrastructure investments to improve transit operational efficiency over investments that increase VMT.** Offering high-quality transit services that represent a viable alternative to driving will require multiple coordinated efforts. The proposed investments to expand service capacity and increase frequencies (described in Strategy Area 1) will be ineffective if those transit vehicles end up stuck in traffic or have limited space to operate efficiently. Transit agencies and local jurisdictions across California should come together to identify, plan, and implement strategies to prioritize transit speeds and reliability over general roadway level of service and private car needs. Those strategies, which include capital investments in the strategic redistribution of the right-of-way, signaling, and supportive traffic regulations, should be prioritized in federal and State funding programs and local investment plans.

Actions:

- Permit the conversion of general-purpose lanes to transit-only lanes or toll lanes and full facility tolling of state-owned facilities.
- Establish requirements to demonstrate that addressing transit bottlenecks and other transit efficiency investments are a priority in local jurisdiction and transit agency investment plans, such as a prerequisite for overall transportation project funding eligibility.

- 3. Develop and implement a statewide transportation demand management (TDM) framework with VMT mitigation requirements for large employers and large developments.** The goal of TDM is to provide people with information, incentives, and other support programs that help them utilize sustainable

³⁶ These metropolitan planning organizations are the Metropolitan Transportation Commission (MTC), the Sacramento Area Council of Governments (SACOG), the San Diego Association of Governments (SANDAG), and the Southern California Association of Governments (SCAG).

transportation options such as transit, ridesharing, bicycling, and walking and rely less on cars. A strategic point of focus for TDM program implementation could be large employers (more than 100 employees), which often incentivize driving alone by offering free parking, gas stipends, and similar perks, and do not offer similar levels of support to employees to take transit, ride their bicycle, or walk. Employer-based TDM strategies are needed to achieve widespread implementation for the State to meet its climate goals, including commute trip reduction programs, ride-sharing programs, on-site bicycle facilities, vanpool and shuttle services, transit fare subsidies, and parking cash-out. Another strategic point of focus for TDM programs could be large developments, particularly new ones, that through decisions such as their location, design, transportation, parking infrastructure, and their treatment and general interaction with their surrounding environment ingrain high or low VMT travel patterns for decades to come.

Actions:

- End the State’s subsidies for employee parking and take additional actions to move away from subsidizing public spaces for car parking more generally while expanding efforts to promote pedestrian, bicycle, and transit travel. As the State of California employs over 200,000 people, it can expand its TDM programs, which currently vary by agency and employee union.
- Build on existing resources to further support the development and enforcement of local TDM ordinances and help begin developing a statewide TDM framework.³⁷

3.3 Strategy Area 3: Shape the Deployment of New Mobility Options

In the last 20 years, California has been a hub for the development of new mobility services, new technologies, and new business models for how local transportation services can be both provided and consumed. These include, among others: shared-use mobility services such as car-share, ride-hailing, and micro-mobility services; app-based services for integrated trip planning, booking, and payment; and new travel technologies such as automated vehicles (AVs) and delivery robots and drones. These services have significantly improved mobility and access to opportunities for some people who do not own or want to rely on cars. However, without additional State actions these services could also increase VMT and GHG emissions and exacerbate equity issues related to access and costs.

Achieving carbon neutrality no later than 2045 will require leveraging the benefits of new mobility to offer high-quality alternatives to driving that reduce overall VMT, while

³⁷ Such as: California Air Pollution Control Officers Association. *Quantifying Greenhouse Gas Mitigation Measures - A Resource for Local Government to Assess Emission Reductions from Greenhouse Gas Mitigation Measures*. Available at: <http://www.capcoa.org/wp-content/uploads/2010/11/CAPCOA-Quantification-Report-9-14-Final.pdf>

mitigating its risks and negative impacts. For example, rather than competing with public transit, new mobility services should complement transit services, providing flexible options in locations and times of the day where and when fixed-route transit is not efficient, and facilitating trip planning, booking and payment for multimodal trips. No single mobility service alone is the answer for the diverse needs of any given community or individual; instead, the goal is to foster a rich ecosystem of strategically integrated mobility services, with transit playing the role of anchor mode, that together deliver high-quality solutions in accordance with travelers' needs.

Another critical step is ensuring equitable access and equitable impact of new mobility options. So far, new mobility's track record on equity is mixed. On the one hand, new mobility has made new forms of travel more readily available for numerous people, increasing access to key destinations for communities with limited transportation options. On the other hand, new mobility services have catered to more affluent customers and have been slow to offer special provisions for low-income customers, people with disabilities, and low-English proficiency populations, leaving many people unable to benefit.

3.3.1 Vision

To help meet the State's carbon neutrality goal no later than 2045 and advance equity, the vision is for California to have:

- A. A transportation system that leverages the combined potential of new mobility, transit, and active transportation to offer high-quality travel alternatives that enable car-free or car-light lifestyles for all.
- B. Seamless integration in trip planning, booking, and payment systems across all mobility providers, both public and private.
- C. A new mobility ecosystem that, as a whole, offers equitable access to all Californians regardless of race, income, age, disability, or language proficiency to live, work, and play with ease.

3.3.2 Objectives

To achieve this vision, the State should lead efforts to:

1. **Prevent uncontrolled growth of autonomous vehicle (AV) VMT, particularly zero-passenger miles.** A critical objective of achieving this vision will be managing and regulating the use of private AVs and AV-based taxi services. AVs could offer important access, safety, and network performance benefits, such as opening the use of cars for people who cannot drive. However, according to modeling conducted for the CTP 2050 and the University of California's "Driving California's Transportation Emissions to Zero" report, the arrival of AVs will be one of the main sources of VMT increase in California during the next 25 years – the only question is by how much. Because AVs eliminate the need for a dedicated driver, they eliminate the labor costs of taxis and ride-hail services and enable individuals to conduct any number of activities (from working to resting) while traveling. This could make car travel more convenient for those with access to AVs, cause people

to shift away from public transit and non-motorized modes, and encourage people to live further from their destinations. Whether privately owned or as taxi services, AVs will have the ability to drop off passengers and either return to their owner's garage or roam around with zero occupants looking for new passengers, further increasing congestion and its adverse impacts. In response to this risk, the CTP 2050 recommends channeling the deployment of AVs to ensure that they are shared, electric, supportive of efficient land use, and aligned with key principles for healthy and sustainable communities.³⁸ This will require decisive action by the State, working with industry, to implement regulations and policies, including pricing policies, that drive a more efficient use of AVs and limit their potential negative impacts.

Actions:

- Authorize pricing of empty/zero-passenger miles at higher rates than for other levels of occupancy.

- 2. Channel new mobility services towards pooled use models, transit complementarity, and lower VMT outcomes.** The State has demonstrated leadership in this area by implementing Senate Bill 1014 (SB 1014) (Skinner, Chapter 369, Statutes of 2018) and its associated Clean Miles Standard and Incentive Program,³⁹ which encourage ride-hail services to provide pooled services⁴⁰ and enable connections to transit. Additional funding and synergistic policy initiatives could help strengthen those use cases through lower rates, integrated fares, and strategic fleet deployments. Providers of other new mobility options, such as carshare and micro-mobility services, among others, could also be encouraged to pursue partnerships with transit providers as well as to curb the VMT impact of their operations. Similarly, there could also be opportunities to optimize the VMT impact of delivery service providers while upholding service quality.

Actions:

- Develop and adopt regulations and incentive programs that encourage new mobility providers to prioritize higher occupancy use, transit partnerships, and lower VMT impact.

³⁸ California Department of Transportation. *California Transportation Plan 2050*, page 120. Available at: <https://dot.ca.gov/-/media/dot-media/programs/transportation-planning/documents/ctp-2050-v3-a11y.pdf>

³⁹ California Air Resources Board. Accessed May 5, 2022. Clean Miles Standard. Available at: <https://ww2.arb.ca.gov/our-work/programs/clean-miles-standard>

⁴⁰ Pooled is an industry term used to refer to when multiple passengers that are not traveling together share a ride-hail vehicle.

3. Establish an integrated statewide system for trip planning, booking, payment, and user accounts that enables efficient and equitable multimodal systems.

While the arrival of new mobility services has increased access to destinations for certain populations, their potential to reduce VMT relies on their ability to operate in an integrated manner with public transit services as well as with each other. The foundation for this integration is customers' ability to review schedules and availability, plan multimodal trips, book rides, pay fares, and access discounts in integrated platforms that bring together the universe of mobility services in any given region. Caltrans, through the California Integrated Travel Project (Cal-ITP),⁴¹ aims to develop a statewide system that enables those multimodal connections, while some transit agencies are also conducting their own pilots on this front.

Actions:

- Provide adequate resources to support State and transit agency initiatives to continue building integrated systems to ultimately break down existing silos between providers and regions, create a consistent statewide structure, and ensure easy access to a multimodal ecosystem of mobility services for all.

4. Provide financial support for low-income and disadvantaged Californians' use of transit and new mobility services. Transit agencies throughout California offer reduced fares for low-income and other disadvantaged populations. However, no matter the location or the quality of the local public transit system, transit services cannot offer an efficient solution to all travel needs for every individual. This is particularly true for low-income people who often have less traditional work schedules or work or reside in places that do not have high-quality public transit services, and it commonly forces people to travel by car even though they cannot easily afford to. New mobility could be the solution for many of these people, given its extended service hours and potentially larger geographic reach. Unfortunately, the cost of new mobility services can be prohibitive, especially if used frequently. The key to unlocking this potential will be to develop and scale up programs to subsidize free or reduced costs for new mobility services for low-income and disadvantaged Californians. Some jurisdictions in California are already piloting this idea by creating a "mobility wallet," which provides a monthly budget that eligible users can apply to transit and new mobility services.

Actions:

- Increase funding to support low-income and disadvantaged Californians' use of transit and new mobility services and streamlining its operational support for "mobility wallet" programs.

⁴¹ California Department of Transportation. Accessed May 5, 2022. CAL-ITP: A modern and consistent transportation experience throughout California. Available at: <https://www.calitp.org/>

- 5. Expand universal design features for new mobility services.** There is a large community of Californians with disabilities who cannot drive, enter the passenger seat of a regular car without assistance, operate a regular bike, or use conventional smart phone applications, yet the new mobility industry, with some exceptions, seems to be growing without addressing the needs of these persons. For example, micro-mobility services lack inclusive alternatives such as tricycles, hand-pedaled cycles, or recumbent bicycles; ride-hail services do not offer equivalent quality of service on wheelchair accessible vehicles; and mobile phone apps may not be Americans with Disabilities Act (ADA) compliant. Addressing these issues and more is a crucial goal to advance equity and a more inclusive society and may also reduce reliance on often-strained paratransit services and costly private vehicles. New regulations, incentive programs, and pricing strategies could elevate universal design standards for new mobility providers, including support of and access to adaptive modes that are designed for people with disabilities and that can carry equipment like wheelchairs.

Actions:

- Require all new mobility providers to meet minimum fleet percentages of adaptive devices and placement requirements.

3.4 Strategy Area 4: Improve Alignment of Land Use Planning and Development with Climate and Equity Goals

Achieving carbon neutrality no later than 2045 requires land use planning and development activities that are consistent with and advance State planning priorities⁴² by significantly augmenting growth in transportation-efficient, resource-rich, accessible, and inclusive communities for all Californians. This vision is aligned with the CTP 2050's and University of California researchers' latest modeling and analyses,⁴³ which indicated that California would not meet its climate goals without future growth in population and employment happening primarily within the state's most densely populated areas and improving the balance of housing, employment, shopping, and other key services within

⁴² The State Planning Priorities generally include (1) promoting infill development, (2) protecting natural and working lands, and (3) encouraging efficient development patterns and investments that are consistent with adopted plans in areas appropriately planned for growth. The State Planning Priorities are "intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the state, including in urban, suburban, and rural communities" The full text of the State Planning Priorities is defined in California Government Code, § 65041.1. "Statewide Environmental Goals and Policy Report." Available at:

https://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=65041.1

⁴³ See Brown, A. L., Sperling, D., Austin, B., DeShazo, JR, Fulton, L., Lipman, T., et al. 2021. "Driving California's Transportation Emissions to Zero." UC Office of the President: University of California Institute of Transportation Studies, page 236. Available at: <https://escholarship.org/uc/item/3np3p2t0> and California Department of Transportation. *California Transportation Plan 2050*, page 287. Available at: <https://dot.ca.gov/-/media/dot-media/programs/transportation-planning/documents/ctp-2050-v3-a11y.pdf>

any given community. Although MPOs create SCSs that identify how each region may accommodate its growth in patterns that help meet GHG reduction targets set by CARB, these plans are not being fully implemented.⁴⁴

Implementing the land use strategies in SCSs and moving towards improved planning frameworks would address the fact that local land use policies and development practices across California have often favored low-density, single-family zoning, and car-oriented development patterns and carry the legacy of racist government policies, covenants, and lending practices from the past.^{45,46,47} These historic policies and practices have resulted in restricted infill development, limited access to opportunity, and disinvestment in existing neighborhoods for decades.^{48,49,50} As such, they have played a key role in furthering car dependence, rising GHG emissions, and growing inequity in California's communities.

Barriers to infill development have been one factor fueling California's housing crisis, now a half century in the making. After decades of underproduction, supply is far behind need, and purchase and rental costs are soaring. Today, more than a third of households in the state cannot afford their housing costs,⁵¹ forcing a growing number of households to either move to more remote locations with more affordable housing but more limited access to jobs, shopping, and other regular destinations, or to live in overcrowded conditions.

3.4.1 Vision

To help meet State's carbon neutrality goal no later than 2045 and advance equity, the vision is for California to have:

⁴⁴ California Air Resources Board. *2018 Progress Report: California's Sustainable Communities and Climate Protection Act*. Available at: https://ww2.arb.ca.gov/sites/default/files/2018-11/Final2018Report_SB150_112618_02_Report.pdf

⁴⁵ Florida, R. 2016. "How Zoning Restrictions Make Segregation Worse." *Bloomberg*. Available at: <https://www.bloomberg.com/news/articles/2016-01-04/how-zoning-restrictions-make-segregation-worse>.

⁴⁶ California Environmental Protection Agency. 2021. *Pollution and Prejudice: Redlining and Environmental Injustice in California*. Available at: <https://storymaps.arcgis.com/stories/f167b251809c43778a2f9f040f43d2f5>.

⁴⁷ Rothstein, R. 2017. *The Color of Law: A Forgotten History of How Our Government Segregated America*.

⁴⁸ California Air Resources Board. *2020 Mobile Source Strategy*, page 107. Available at: https://ww2.arb.ca.gov/sites/default/files/2021-12/2020_Mobile_Source_Strategy.pdf.

⁴⁹ Jaffe, E. 2016. "Where Sprawl Makes It Tougher to Rise Up the Social Ranks." *Bloomberg*. Available at: <https://www.bloomberg.com/news/articles/2016-01-27/where-urban-sprawl-makes-it-tougher-for-the-poor-to-rise-up-the-social-and-economic-ranks>.

⁵⁰ Lucas, K. 2012. "Transport and social exclusion: Where are we now?" *Transport Policy*, 20, 105-113.

⁵¹ One in three households in the state doesn't earn enough money to meet their basic needs, per the Statewide Housing Plan. California Department of Housing and Community Development. 2022. *Statewide Housing Plan*. Available at: <https://www.hcd.ca.gov/docs/statewide-housing-plan.pdf>

- A. Future growth focused on infill sites and other climate-friendly, transportation-efficient areas appropriately planned for growth.⁵²
- B. The ability for every Californian to live, work, and play in climate-smart, transportation-efficient communities that provide travel choices and access to opportunity.⁵³

3.4.2 Objectives

To achieve this vision, the State should:

1. Accelerate infill development in existing transportation-efficient places and deploy strategic resources to create more transportation-efficient locations.

Notwithstanding the recent passage of laws that expand property owners' ability to create multiple units on single-family lots and limit local governments' ability to block new housing in certain circumstances, many barriers to infill development remain in place, discouraging this important development type in ways that need to be addressed. One critical barrier is the high cost of infill development, including the high cost of urban land, parking requirements, construction costs, and the necessary infrastructure upgrades to make sites development-ready.⁵⁴ Since the elimination of redevelopment agencies in California,⁵⁵ there is often not the fiscal capacity to take on these costs at the required scale. Also, insufficient land may be zoned for housing, and developers may have to navigate numerous and opaque regulatory hurdles and fees in the local approval process.⁵⁶ Implicit biases in real estate practices and deliberate action from current residents who are resistant to the addition of new residents and to neighborhood change also represent important obstacles to infill development and perpetuate present-day neighborhood disparities rooted in historic discriminatory housing and land use practices such as redlining.^{57,58}

⁵² Building on the State's Planning Priorities as defined in California Government Code, § 65041.1.

"Statewide Environmental Goals and Policy Report." Available at:

https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=65041.1

⁵³ Building on California Department of Housing and Community Development's vision statement.

Available at: <https://www.hcd.ca.gov/about/mission.shtml>.

⁵⁴ California Department of Housing and Community Development. 2022. *Statewide Housing Plan*.

Available at: <https://www.hcd.ca.gov/docs/statewide-housing-plan.pdf>

⁵⁵ There are replacements to redevelopment, such as Enhanced Infrastructure Financing Districts (EIFDs), the Infill Infrastructure Grant Program (IIG), and impact fees; they are just much smaller, not widely utilized, and may offer their own barriers.

⁵⁶ California Department of Housing and Community Development. 2022. *Statewide Housing Plan*.

Available at: <https://www.hcd.ca.gov/docs/statewide-housing-plan.pdf>

⁵⁷ Rothstein, R. 2017. *The Color of Law: A Forgotten History of How Our Government Segregated America*.

⁵⁸ California Environmental Protection Agency. 2021. *Pollution and Prejudice: Redlining and Environmental Injustice in California*. Available at:

<https://storymaps.arcgis.com/stories/f167b251809c43778a2f9f040f43d2f5>.

To increase investment in under-resourced communities and expand access to high-resource neighborhoods, the State should pursue a combination of the following actions: i) providing financial and educational tools, resources, and incentives; ii) streamlining review processes; iii) strengthening protections for natural and working lands; iv) facilitating collaboration with key partners; and v) providing and requiring anti-displacement protections for existing residents and businesses.

Actions:

- Continue to commit State funding for existing and new programs supporting predevelopment work and infrastructure improvements that accelerate climate-smart and equitable infill development.
- Eliminate State funding of infrastructure, development, or leases outside of infill areas in locations that do not demonstrate clear alignment with State guidelines on VMT, climate, and equity outcomes. (For examples of this, see Appendix D on Local Actions).
- Expand tax increment financing options and other financing tools for infill-supportive infrastructure (e.g., water, sewer, electrical, telecommunications, active transportation, urban greening, and parks). Direct these financing tools to support affordable housing, local businesses, neighborhood services and amenities, and other community-identified priority projects with a focus on under-resourced and disinvested communities.
- Continue to encourage the utilization of underutilized public sites for mixed-use development, and expand opportunities for multi-modal transportation facilities.
- Establish guidance for regional and local agencies on how to administer SB 743 mitigation banking or exchanges and how revenue should be spent to support projects that reduce VMT.

- 2. Encourage alignment in land use, housing, transportation, and conservation planning in adopted regional plans (RTP/SCS and RHNA) and local plans (e.g., general plans, zoning, and local transportation plans).** SCSs illustrate future land use and transportation changes that would lead to reductions in VMT and GHG emissions to meet the regional GHG emission reduction targets set by CARB. However, as noted earlier, SCS implementation is lagging significantly across the state. As detailed in the California Transportation Assessment Report (pursuant to AB 285 (Friedman, Chapter 605, Statutes of 2019)), MPOs, which develop the SCS plans, do not have adequate instruments to implement them and do not have the authority to ensure alignment of local land use decisions – as reflected in cities and counties’ general plans – with the SCSs. The goal of this objective is to strengthen regional plan implementation and funding and the ability of regional plans to achieve regional GHG targets. Advancing California regions’ visions for accelerating infill development and climate-smart housing production will require a collective discussion about establishing more coordinated MPO-local

government relationships that lead to codifying those regional visions into land use plans and ordinances at the local level.⁵⁹

Actions:

- Establish a requirement that all local general plans demonstrate consistency with the assumptions and growth allocations in regional RTP/SCSs at least every 8 years consistent with existing RHNA and housing element update timelines.
- Explore measures to ensure or require greater consistency and alignment between regional RHNA allocations, SCSs, and regional plans such as strategic planning that prioritizes green space and conservation and encourage greater integration of state housing and conservation policy priorities to minimize/prevent conflict.

- 3. Accelerate production of affordable housing in forms and locations that reduce VMT and affirmatively further fair housing policy objectives.** Another critical objective is to accelerate production of a greater diversity of housing types in climate-smart locations. According to the latest Statewide Housing Plan (SHP), California must build at least 2.5 million new homes in the current eight-year housing need cycle and no fewer than one million of those homes must meet the needs of lower-income households.⁶⁰ The State’s vision, as articulated in the SHP, is to provide these homes in climate-smart areas, areas with high access to opportunities and services that reduce the need to drive and mitigate climate change while also reducing costs to government in infrastructure development, operations, and maintenance. Efforts to accelerate housing production should be complemented with bold initiatives to preserve existing affordable housing and protect vulnerable residents through continuation of expiring affordability covenants, anti-displacement and tenant protection services and resources, and climate adaptation upgrades to existing affordable housing.⁶¹

Key actions are needed across multiple fronts including easing local and State barriers to increasing density and encouraging greater diversity of housing types in existing neighborhoods. Although research has shown that the California

⁵⁹ This type of coordination would also address the need for continued accountability in existing housing laws regarding additional density, affordability, and infill under the purview of California Housing and Community Development Department’s Housing Accountability Unit or the Department of Justice.

⁶⁰ California Department of Housing and Community Development. 2022. *Statewide Housing Plan*. Available at: <https://www.hcd.ca.gov/docs/statewide-housing-plan.pdf>

⁶¹ Potential conversion of affordable housing to market-rate housing is an ongoing and critical statewide problem. In California, there are approximately 149,000 units of privately owned, federally assisted, multifamily rental housing, plus additional tax-credit and mortgage-revenue bond properties, many with project-based rental assistance. A large percentage of these units may convert to market rate as subsidy contracts or regulatory agreements expire. These at-risk units are home to seniors and families with lower incomes who cannot afford to pay market-rate rents and who could be displaced if the developments convert. More info: <https://www.hcd.ca.gov/policy-research/preserving-existing-affordable-housing.shtml>.

Environmental Quality Act (CEQA) is not a primary barrier to infill housing relative to other challenges, further attention to issues in its implementation can help resolve any challenges it does pose.⁶² Affordable housing should be prioritized in many types of communities, including those that are already resource-rich and transportation-efficient. Additionally, affordable housing should be coordinated with supportive community investments in under-resourced communities.

Actions:

- Further ease local regulatory and California Environmental Quality Act (CEQA) barriers to increasing density and affordable housing development, especially in transportation-efficient areas, and establish protections in the law against tactics to obstruct developments that advance State equity and climate goals.
 - Increase funding for affordable housing and infill-supportive developments that accelerate VMT-reducing housing production in alignment with the SCS through programs such as Regional Early Action Planning of 2021 (REAP 2.0), Affordable Housing and Sustainable Communities (AHSC), and Transformative Climate Communities (TCC).
 - Scale up factory-built housing production, including investing in workforce development, boosting participation in the construction industry, and establishing labor standards, to reduce the time and cost of delivering multifamily infill housing and accelerate the infill housing pipeline.
 - Leverage the State’s Prohousing designation by expanding incentives in State funding programs – including transportation and other non-housing programs – for local jurisdictions to adopt pro-housing policies, especially in ways that increase infill housing and reduce VMT.
 - Support programs and policies to enable different housing ownership models to expand housing access such as through community land trusts, mutual housing, and cooperative ownership models.
 - Incentivize conversion of a broader array of opportunity sites for affordable housing construction including redevelopment of aging malls, office parks, and other major reuse sites.
- 4. Reduce or eliminate parking requirements (and/or enact parking maximums, as appropriate) and promote redevelopment of excess parking, especially in infill locations.** Building parking for infill development makes construction costs more prohibitive, considering parking can cost up to \$100,000 per stall, which takes away both physical space and budget from the construction of housing and other needed services and amenities. Yet minimum requirements for parking in new developments are regularly set by local jurisdictions, financiers, or others.

⁶² O'Neill, Moira and Biber, Eric and Gualco-Nelson, Giulia and Marantz, Nicholas and Marantz, Nicholas. (September 18, 2021). *Examining Entitlement in California to Inform Policy and Process: Advancing Social Equity in Housing Development Patterns*. Available at SSRN: <https://ssrn.com/abstract=3956250>

Particularly where viable transportation alternatives are available, eliminating parking requirements and/or providing a “cap” on allowable parking can make infill development more financially feasible and is more conducive to lowering VMT. Measures to reduce parking in new developments can also be paired with funding or incentives for car share, electric vehicles, electric bikes and scooters, and other driving alternatives. AB 2097 (Friedman, Chapter 459, Statutes of 2022)⁶³ will help with this in certain areas, but there is still work to be done.

Actions:

- Develop financing and incentives programs that facilitate conversion of excess parking to housing and other strategic uses for communities.
- Enact parking maximums (caps).

- 5. Preserve and protect existing affordable housing stock and protect existing residents and businesses from displacement and climate risk.** Identifying and preserving the existing affordable housing stock – both subsidized and “naturally occurring” affordable housing – is key to maintaining the economic accessibility and vitality of existing communities while investing in new development and ensuring that low-income residents are not displaced when new infill development occurs. Additionally, preserving all types of affordable housing requires climate mitigation and adaptation improvements to ensure the future safety and viability of those residences. One action the State could undertake could be to identify potential changes to federal and State policies to increase incentives to preserve existing affordable housing, implement climate adaptation improvements to existing affordable housing, and reduce and mitigate displacement of existing low-income residents.

Actions:

- Identify potential changes to federal and State policies to increase incentives to preserve existing affordable housing, implement climate adaptation improvements to existing affordable housing, and reduce and mitigate displacement of existing low-income residents.

⁶³ See https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB2097.

APPENDIX D LOCAL ACTIONS

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1. Local Government Actions are Crucial for Supporting Attainment of the State's Climate Goals

Local government efforts to reduce greenhouse gas (GHG) emissions within their jurisdiction are critical to achieving the State's long-term climate goals, and can also provide important co-benefits, such as improved air quality, local economic benefits, healthier and more sustainable communities, and improved quality of life. Indeed, a substantial portion of California's GHG reduction potential comes from activities over which local governments have authority or influence.¹ Since the enactment of Assembly Bill (AB) 32 (Nuñez and Pavley, Chapter 488, Statutes of 2006), many local jurisdictions have sought to identify their role in implementing State-level decarbonization efforts. With increasing severity and occurrence of droughts, wildfires, extreme heat, and other conditions, the need for action is urgent.

Local governments have responsibility and authority over the built environment, transportation networks, and provision of local services. For example, local governments have primary authority to plan, zone, approve, and permit how and where land is developed to accommodate population and employment growth and the changing needs of their jurisdictions. They make decisions on how and when to deploy transportation infrastructure and can promote residential and commercial development that supports transit, bicycling, and walking. Local governments have the authority to adopt building ordinances that exceed statewide building code requirements and facilitate the implementation of zero-emission vehicle (ZEV) infrastructure.

Many jurisdictions have demonstrated bold climate leadership, yet meeting the challenge of climate change requires bolder actions from local governments across the state. For example, the City of Oakland requires all new construction to be all-electric and is currently working on electrifying existing buildings.² Starting in 2023, the City of Sacramento will require all new buildings under three stories to be all-electric. By 2026 the city will extend this requirement to all new construction, regardless of height, with some limited exemptions. The City of Sacramento also provides parking incentives for zero-emission carsharing and electric vehicle (EV) charging and will require higher than minimum State-required levels of EV charging infrastructure in new construction starting in 2023.³ This type of leadership by local governments is critical to implementing State-level measures to address GHG emissions associated with transportation and the built environment.

¹ Wheeler, S. M., Jones, C. M., & Kammen, D. M. 2018. Carbon Footprint Planning: Quantifying Local and State Mitigation Opportunities for 700 California Cities. *Urban Planning*, 3(2), 35-51. Available at: <https://www.cogitatiopress.com/urbanplanning/article/view/1218>.

² City of Oakland. *Building Electrification*. Available at: <https://www.oaklandca.gov/projects/building-electrification>.

³ City of Sacramento. *Electrification of New Construction*. Available at: <http://www.cityofsacramento.org/SacElectrificationOrdinance>.

This appendix includes recommendations intended to build momentum for local government actions that align with the State's climate goals, with a focus on local GHG reduction strategies (commonly referred to as climate action planning) and approval of new land use development projects, including through environmental review under the California Environmental Quality Act (CEQA). This appendix is not regulatory but is instead intended to provide clarification on specific topics requested by planners, CEQA practitioners, and community groups in response to challenges local jurisdictions face when implementing GHG reduction strategies or approving much-needed housing projects. It is not exhaustive and does not include everything local governments can implement to support the State's climate goals. It focuses primarily on climate action plans (CAPs) and local authority over new residential development. It does not address other land use types (e.g., industrial) or air permitting.

Recommendations in this appendix are meant to be used in combination with other planning and CEQA guidance documents including Chapter 8 of the General Plan Guidelines published by the Governor's Office of Planning and Research (OPR),⁴ the State CEQA Guidelines,⁵ OPR's CEQA Technical Advisories,⁶ as well as guidance from local air districts and the California Air Pollution Control Officers Association (CAPCOA).⁷

The following sections discuss the implications for sustainable development on equity and environmental justice as part of a strategy to combat climate change and provide recommendations to local governments for:

- Developing local CAPs and strategies consistent with the State's GHG emission reduction goals;
- Incorporating State-level GHG priorities into their processes for approving land use plans and individual projects;
- Implementing CEQA mitigation, as needed, to reduce GHG emissions associated with new land use development projects; and
- Leveraging opportunities for regional collaboration.

1.1 Centering Equity in Local Government Action is Key to Addressing the Climate Crisis

Local government action to reduce GHG emissions is not only essential for meeting the State's climate goals; it can build better places for everyone in ways that begin to address the

⁴ OPR. *General Plan Guidelines - Chapter 8 Climate Change*. Available at: <https://opr.ca.gov/planning/general-plan/guidelines.html>.

⁵ Cal. Code Regs., tit. 14, §§ 15000 et seq.

⁶ OPR. *Technical Advisories*. Available at: <https://opr.ca.gov/ceqa/technical-advisories.html>.

⁷ CAPCOA. 2021. *Handbook for Analyzing Greenhouse Gas Emissions Reductions, Assessing Climate Vulnerabilities, and Advancing Health and Equity: Designed for Local Governments, Communities, and Project Developers*. Available at: <https://caleemod.com/handbook/index.html>.

entrenched inequities experienced by the most overburdened Californians (e.g., Black, Indigenous, People of Color [BIPOC] and low-income communities). Local policies that make it easier for people to afford homes in places with good access to jobs, services, open space, and education, as well as a variety of transportation options that reduce the need to drive, advance equity and reduce GHG emissions.

Ensuring that vulnerable communities benefit from efforts to reduce GHG emissions is crucial to the State's climate strategy. For example, Senate Bill (SB) 32 (Pavley, Chapter 249, Statutes of 2016) recognized that efforts to meet the State's climate goals must be done in an equitable manner by directing CARB to achieve more stringent GHG emission reductions in a way that benefits disadvantaged communities, who often bear the burden of climate impacts. AB 32 also directs that CARB "ensure that the greenhouse gas emission reduction rules, regulations, programs, mechanisms, and incentives under its jurisdiction, where applicable and to the extent feasible, direct public and private investment toward the most disadvantaged communities in California and provide an opportunity for small businesses, schools, affordable housing associations, and other community institutions to participate in and benefit from statewide efforts to reduce greenhouse gas emissions."⁸ To address the State goals for housing affordability, social equity, and climate simultaneously, local government institutions are well-positioned to take on a portfolio of integrated strategies such that housing policies are designed to address climate goals and climate policies are designed to meet the State's housing needs. In many cases, land use strategies that support more compact development in infill areas, particularly those already displaying efficient resident travel patterns, have the greatest potential to reduce emissions while also reducing combined housing and transportation costs for Californians and infrastructure costs for local governments due to avoided new roads, public schools, and other sprawl supporting infrastructure. Infill housing development alleviates pressure to develop on the urban periphery, preserving natural and working lands and areas often at risk of wildfire.

The issues that shape where development goes are complex, but the location and type of new housing that is developed matters for climate, health, and equity. Accelerating housing production to meet the extraordinary need for more homes can help reduce vehicle miles traveled (VMT) and GHG emissions and advance health and equity objectives when new housing is developed in types and locations that align with these goals, and particularly when accompanied by complementary policies and investments to create sustainable communities and prevent displacement of existing residents. See Appendix E, Sustainable and Equitable Communities, for strategies to foster sustainable development.

Fostering transportation-efficient, resource-rich, accessible, and inclusive communities is a key strategy for climate, equity, health, and affordability. Climate-smart locations include neighborhoods, commercial corridors, town centers, downtowns, and other areas where

⁸ Health & Saf. Code, § 38565.

residents have access to a broad range of mobility options in addition to private automobiles (such as transit, walking, and biking), as well as where residents have access to housing, jobs, and other key destinations. Such communities make it possible for residents to live, work, and recreate without dependence on a personal car. For trips where driving is required, car trips can be relatively short and public infrastructure should support the use of zero-emission vehicles. The predominant historical land use development paradigm that centers on mobility (how far you can go in a given amount of time) over accessibility (how many key destinations, including jobs, housing, and other services, you can reach in that time) has not resulted in equitable outcomes for BIPOC and low-income households, and, in fact, has exacerbated barriers to access and upward economic progress. Increasing housing opportunities in transportation-efficient locations is a necessary paradigm shift and is part of the State's GHG emission reduction strategy.

However, ensuring that the households that would benefit most from living in more accessible areas are not displaced by new investments requires that State, regional, and local governments proactively anticipate and avoid potential unintended equity and social consequences, including gentrification and displacement of historically underserved and disadvantaged communities. The most recent wave of displacement stems from a variety of factors and policies: exclusionary zoning, job growth and reinvestment, changing housing preferences among higher-income households, local policies and local opposition to new housing development proposals, lack of funding for new affordable housing, increased costs of building new housing, and a dearth of policies to preserve existing affordable housing and protect tenants.⁹ These variables interact to drive up housing prices and rents for all households—particularly low-income and BIPOC households—increasing displacement pressures in established neighborhoods and forcing people to live in car-dependent neighborhoods away from community support systems and economic opportunities and increase households' combined housing and transportation costs.¹⁰ Policies to facilitate both market rate and subsidized affordable housing production in infill neighborhoods should, over time, stabilize housing costs, minimize displacement, and create new housing opportunities in transportation-efficient locations.

Communities and local jurisdictions have a range of tools and strategies that they can utilize to proactively avoid displacement while facilitating much-needed new infill housing development. The State encourages local jurisdictions and communities to cooperatively develop strategic anti-displacement and neighborhood stabilization plans. Some California jurisdictions have developed these strategic plans (e.g., the City of Oakland's Roadmap to Promote Housing

⁹ See resources posted at the Urban Displacement Project: <https://www.urbandisplacement.org/about/what-are-gentrification-and-displacement/>.

¹⁰ Ewing, R., & Hamidi, S. 2017. *Costs of Sprawl*. Taylor & Francis.

Equity¹¹ and the City of San Jose's Citywide Anti-Displacement Strategy¹²). Jurisdictions and communities that have not implemented localized anti-displacement strategies can review lessons from other jurisdictions and refer to a 2021 literature review funded by CARB that examines the real-world effectiveness of various strategies to curb displacement.¹³ In addition to documenting the efficacy of different strategies, the literature review also examines the potential of each strategy to prevent displacement, the type of regional housing market where the strategy is most effective, the most appropriate scale to implement different strategies, and the timeframe for preventing displacement.

The Department of Housing and Community Development's (HCD) recently established Prohousing Designation Program also recognizes local jurisdictions that take actions to accelerate housing production while promoting holistic land use planning that reflects the State's climate goals and helps to reduce VMT.¹⁴ Local governments that earn the prohousing designation are effective at simultaneously promoting multiple objectives, including: increasing housing supply, affirmatively furthering fair housing, preserving existing affordable housing, and supporting VMT reduction. Communities that earn the prohousing designation can receive additional points or preference in the scoring of competitive State housing, community development, and infrastructure funding programs.

2. The Role of Local Climate Action Planning in Supporting the State's Climate Goals

Local governments across the state have developed different types of plans to tackle climate change, including CAPs, sustainability plans, or GHG reduction plans incorporated into a general plan.¹⁵ While CAPs have become an important avenue for climate action at the local level, 47 percent of California cities and counties have no known CAP.¹⁶ Many jurisdictions find that performing or hiring consultants to perform a GHG inventory and developing a CAP is

¹¹ City of Oakland. 2015. *A Roadmap Toward Equity: Housing Solutions for Oakland, California*. Available at: <https://www.policylink.org/sites/default/files/pl-report-oak-housing-070715.pdf>.

¹² City of San Jose. 2019. *Community Strategy to End Displacement*. Available at: <https://www.sanjoseca.gov/your-government/departments-offices/housing/resource-library/housing-policy-plans-and-reports/citywide-anti-displacement-strategy>.

¹³ Karen Chapple & Anastasia Loukaitou-Sideris. 2021. White Paper on Anti-Displacement Strategy Effectiveness. CARB Research Contract Number 19RD018. Available at: https://ww3.arb.ca.gov/research/single-project.php?row_id=68795.

¹⁴ Department of Housing and Community Development. 2022. *Prohousing Designation Program*. Available at: <https://www.hcd.ca.gov/planning-and-community-development/prohousing-designation-program>.

¹⁵ CARB's Climate Action Portal Map compiles information about local GHG reduction plans and strategies throughout the state. Available at: <https://webmaps.arb.ca.gov/capmap/>.

¹⁶ Boswell et al. 2019. 2019 Report on the State of Climate Action Plans in California. CARB Research Contract Number 17RD033. Available at: <https://ww2.arb.ca.gov/sites/default/files/2020-03/17RD033.pdf>.

costly and time-consuming, regardless of their desire to take action on climate.¹⁷ This section seeks to identify the most effective GHG reduction actions at the local level and other barriers to local climate action to help ensure that local climate efforts align with the State's climate goals.

For purposes of this appendix, a CAP that has been adopted through the CEQA review process and meets the criteria specified in CEQA Guidelines section 15183.5(b) for a “plan for the reduction of greenhouse gas emissions” will be referred to as a “CEQA-qualified CAP.” These CEQA-qualified CAPs allow eligible projects to streamline their determination of significance for GHG emissions. Pursuant to CEQA Guidelines section 15183.5(b), CEQA-qualified plans must:

- (A) Quantify greenhouse gas emissions, both existing and projected over a specified period, resulting from activities within a defined geographic area;
- (B) Establish a level, based on substantial evidence, below which the contribution to greenhouse gas emissions from activities covered by the plan would not be cumulatively considerable;
- (C) Identify and analyze the greenhouse gas emissions resulting from specific actions or categories of actions anticipated within the geographic area;
- (D) Specify measures or a group of measures, including performance standards, that substantial evidence demonstrates, if implemented on a project-by-project basis, would collectively achieve the specified emissions level;
- (E) Establish a mechanism to monitor the plan's progress toward achieving the level and to require amendment if the plan is not achieving specified levels;
- (F) Be adopted in a public process following environmental review.

Once adopted, CEQA-qualified CAPs provide local governments with a valuable tool for 1) coordinated climate planning in their community and 2) streamlining the CEQA GHG analysis for projects consistent with a CEQA-qualified CAP. When jurisdictions have a CEQA-qualified CAP, an individual project that complies with the strategies and actions within a CEQA-qualified CAP can tier and streamline its project-specific CEQA GHG analysis to make a determination “that a project's incremental contribution to a cumulative [GHG] effect is not cumulatively considerable” (CEQA Guidelines Sections 15064.4 (b)(3) and 15183.5).^{18, 19} Guidance for preparing a CEQA-qualified CAP and using it to tier and streamline CEQA GHG

¹⁷ Deborah Salon, Sinott Murphy & Gian-Claudia Sciara. 2014. Local climate action: motives, enabling factors and barriers. *Carbon Management*, 5:1,67-79, DOI 10.4155/cmt.13.81. Available at: <https://www.tandfonline.com/doi/full/10.4155/cmt.13.81>.

¹⁸ The guidelines implementing CEQA (or “CEQA Guidelines”) were amended in 2009 to include criteria for the analysis and mitigation of GHG emissions. The CEQA Guidelines acknowledge the use of plans to reduce GHG emissions in a cumulative impacts analysis. (CEQA Guidelines Section 15183.5(b)).

¹⁹ Cal. Code Regs., tit. 14, § 15183.5.

analysis for future projects can be found in Section 15183.5(b)(2) of the CEQA Guidelines, as well as Chapter 8 of OPR's General Plan Guidelines.²⁰ Typically, this tiering and streamlining evaluates whether the proposed project would demonstrate consistency with 1) the adopted plans, as well as the growth and land use assumptions that underlie the CEQA-qualified CAP, and 2) all applicable GHG reduction measures identified in the CAP. This includes determining whether the growth associated with the proposed project was accounted for in the CAP's projects and whether the project's GHG reduction measures were identified to help meet the CAP target.

To assist with using a CEQA-qualified CAP for future CEQA streamlining, some jurisdictions have prepared CAP compliance checklists that future projects may use to identify and document the CAP measures that are applicable to the proposed project and how the project is consistent with the CAP measures.²¹ The CAP compliance checklists are then included as part of the proposed project's CEQA analysis documenting the project's consistency with the CEQA-qualified CAP. The use of the CEQA-qualified CAP also provides greater clarity in the environmental analysis and more consistent expectations for how GHG reduction measures are applied across projects in the jurisdiction.

Because CEQA-qualified CAPs are voluntary and not subject to any legislative criteria nor requirements, the CEQA Guidelines provide that a plan should include the measures or a group of measures that would collectively achieve the plan's emissions reduction target (Section 15183.5(b)(1)(D)). As the CEQA Guidelines are silent on what measures or groups of measures a CEQA-qualified CAP should contain, this appendix identifies three priority areas that address the State's largest sources of emissions that local governments have authority or influence over. Local jurisdictions should focus on these three priority areas when preparing a CEQA-qualified CAP:

1. Transportation electrification
2. VMT reduction
3. Building decarbonization

By prioritizing climate action in these three priority areas, local governments can address the largest sources of GHGs within their jurisdiction. Local governments that prepare CEQA-

²⁰ OPR. *General Plan Guidelines - Chapter 8 Climate Change*. Available at: <https://opr.ca.gov/planning/general-plan/guidelines.html>.

²¹ Examples of CEQA-qualified CAPs include San Francisco's GHG compliance checklists for private development and municipal projects. These checklists are available at: <https://sfplanning.org/permit/environmental-consultant-pools-guidelines-and-resources>.

qualified CAPs that include strategies in these areas are contributing to alignment between local climate action and the State's climate goals.

The State encourages local governments to follow this approach and adopt a CEQA-qualified CAP addressing the three priority areas. However, as not all jurisdictions have sufficient resources (e.g., political capital, staffing, funding) to do so, jurisdictions that wish to take meaningful climate action (such as preparing a non-CEQA-qualified CAP or as individual measures) aligned with the State's climate goals in the absence of a CEQA-qualified CAP should also look to the three priority areas when developing local climate plans, measures, policies, and actions.

To assist local jurisdictions with developing local climate plans, measures, policies, and actions aligned with the State's climate goals, Table 1 presents a non-exhaustive list of impactful GHG reduction strategies that can be implemented by local governments. The strategies in Table 1 are not applicable to all local jurisdictions, nor are they the only strategies that local governments can adopt, but they represent the core strategies that most jurisdictions in California can implement to reduce GHG emissions regardless of whether they have developed a CEQA-qualified CAP. Reaching the outcomes of these priority GHG reduction strategies requires a locally appropriate, comprehensive adoption of policies in support of these objectives. When developing local climate plans, measures, policies, and actions, local jurisdictions should incorporate the recommendations described in Table 1 to the extent appropriate to ensure alignment with State climate goals.

Table 1 – Priority²² GHG Reduction Strategies

Priority Areas	Priority GHG Reduction Strategies
Transportation Electrification	Convert local government fleets to ZEVs and provide EV charging at public sites
	Create a jurisdiction-specific ZEV ecosystem to support deployment of ZEVs statewide (such as building standards that exceed state building codes, permit streamlining, infrastructure siting, consumer education, preferential parking policies, and ZEV readiness plans)
VMT Reduction	Reduce or eliminate minimum parking standards ²³
	Implement Complete Streets policies and investments, consistent with general plan circulation element requirements ^{24,25}
	Increase access to public transit by increasing density of development near transit, improving transit service by increasing service frequency, creating bus priority lanes, reducing or eliminating fares, microtransit, etc.
	Increase public access to clean mobility options by planning for and investing in electric shuttles, bike share, car share, and walking
	Implement parking pricing or transportation demand management pricing strategies

²² These areas and strategies are designated as “priority” because they are the GHG reduction opportunities over which local governments have the most authority and that have the highest GHG reduction potential.

²³ AB 2097, adopted by the Legislature and signed by the Governor in September 2022 eliminates parking requirements for residential and commercial development within a half-mile of transit. Government Code, § 65863.2. “Residential, commercial, or other development types: parking requirements.” Available at: https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB2097

²⁴ U.S. Department of Transportation. *Complete Streets*. Available at: <https://www.transportation.gov/mission/health/complete-streets>.

²⁵ OPR. *General Plan Guidelines - Chapter 4 Circulation Element*. Available at: <https://opr.ca.gov/planning/general-plan/guidelines.html>.

Priority Areas	Priority GHG Reduction Strategies
	Amend zoning or development codes to enable mixed-use, walkable, transit-oriented, and compact infill development (such as increasing the allowable density of a neighborhood) ²⁶
	Preserve natural and working lands by implementing land use policies that guide development toward infill areas and do not convert “greenfield” land to urban uses (e.g., green belts, strategic conservation easements)
Building Decarbonization	Adopt all-electric new construction reach codes for residential and commercial uses ²⁷
	Adopt policies and incentive programs to implement energy efficiency retrofits for existing buildings, such as weatherization, lighting upgrades, and replacing energy-intensive appliances and equipment with more efficient systems (such as Energy Star-rated equipment and equipment controllers)
	Adopt policies and incentive programs to electrify all appliances and equipment in existing buildings such as appliance rebates, existing building reach codes, or time of sale electrification ordinances
	Facilitate deployment of renewable energy production and distribution and energy storage on privately owned land uses (e.g., permit streamlining, information sharing)
	Deploy renewable energy production and energy storage directly in new public projects and on existing public facilities (e.g., solar photovoltaic systems on rooftops of municipal buildings and on canopies in public parking lots, battery storage systems in municipal buildings)

²⁶ AB 2011, adopted by the Legislature and signed by the Governor in September 2022 streamlines multifamily housing development that meet affordability, labor, and other objective standards in parcels zoned for office, retail, or parking uses. Government Code, § 65912.100. “Affordable Housing and High Road Jobs Act of 2022.” Available at: https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB2011

²⁷ California Energy Commission. Local Ordinance Exceeding the 2019 Energy Code. Available at: <https://www.energy.ca.gov/programs-and-topics/programs/building-energy-efficiency-standards/2019-building-energy-efficiency-3>.

2.1 Setting Local GHG Targets

Historically, local climate action planning by California cities and counties has primarily focused on adopting supportive measures, such as replacing incandescent traffic lights with LED traffic lights, for reaching the State GHG emission reduction targets mandated by law. Initially, targets were based on consistency with meeting AB 32's 2020 GHG reduction target. More recently, local jurisdictions have looked to consistency with the longer-term targets in following the adoption of SB 32 and issuance of various executive orders (e.g., EO B-30-15 and EO B-55-18) to look beyond 2020 (e.g., 2030, 2045, 2050, etc.), when setting longer-term targets. In September 2022, Governor Newsom signed AB 1279 (Muratsuchi and Garcia, Chapter 337, Statutes of 2022), which codifies a statewide target to achieve carbon neutrality by no later than 2045. The State's climate strategy and the role of local governments continue to evolve as climate goals become more refined and ambitious, and as we advance our understanding of GHG emission sources. To be consistent with science-based statewide targets, local GHG reduction targets should evolve as well. In addition to being required for a local CAP to comply with CEQA, local targets have long been recommended as part of the process of developing, monitoring, and updating a CAP regardless of whether it is CEQA-qualified.²⁸

The agency preparing a local GHG reduction target is responsible for determining the precise method for doing so. This appendix is not intended to limit or to provide an exhaustive list of options for setting a local GHG reduction target. Any target should be supported by substantial evidence and meet the criteria in CEQA Guidelines Section 15183.5. Ultimately, a jurisdiction's GHG reduction efforts and target(s) should help to better inform decision-makers and the public about the sources of GHG emissions under a jurisdiction's control (also known as a GHG emissions "inventory") that would be affected by a proposed project and provide a basis for identifying ways to avoid or reduce potentially significant GHG emission impacts. It can be challenging to localize and sub-allocate an individual jurisdiction's share of the GHG reductions needed to curb a global crisis. Developing a localized GHG reduction target requires an adequate local GHG inventory from which to calculate a target, which most jurisdictions have not developed. The 2017 Scoping Plan Update suggested some non-binding options for setting GHG reduction targets.²⁹ In recognition of different sources of, and opportunities to reduce, GHG emissions, this appendix recognizes the complexities involved in local GHG target-setting and, as a result, does not recommend a specific GHG target or target-setting method for local governments. However, the appendix presents some considerations for various target-setting approaches below.

²⁸ Climate Smart Communities. 2014. Climate Action Planning Guide. Available at: https://cdrpc.org/wp-content/uploads/2015/05/CAP-Guide_MAR-2014_FINAL.pdf.

²⁹ In the 2017 Scoping Plan, CARB recommended per capita, plan-level GHG targets of 6 MTCO₂e per capita in 2030 and 2 MTCO₂e per capita in 2050. Because the State is now pursuing carbon neutrality no later than 2045, CARB recommends that jurisdictions focus on developing locally appropriate, plan-level targets that align with the trajectory to carbon neutrality instead of focusing on a per capita 2050 target.

GHG reduction targets should typically be estimated for specific years aligned with the State's long-term climate targets established through existing laws or policy guidance. Various target years that are often, but not always, used in climate action planning include 2020 (for AB 32, SB 375, and EO S-3-05 consistency), 2030 (for SB 32 and EO B-30-15 consistency), 2035 (for SB 375 consistency), 2045 (for EO B-55-18 consistency, and there is now a statutory 2045 target in AB 1279), and 2050 (for EO S-3-05 and EO B-30-15 consistency),³⁰ as well as horizon years of local planning documents, such as general plans.

When establishing GHG reduction targets, jurisdictions should consider their respective share of the statewide reductions necessary to achieve the State's long-term climate target for each target year, and how they can best support those overall goals. Jurisdictions should also evaluate their specific inventory profile when establishing targets consistent with the State's long-term climate targets and should tailor their specific inventory profile to ensure the sectors included in the State's targets align with those included in the local jurisdiction's inventory and target, recognizing each region's distinctive sources and profile. For example, as the State's long-term climate targets address all emissions sectors within the state, a jurisdiction without an airport or port should "factor out" and remove these sectors from the State's long-term climate target when establishing local reduction targets. In essence, local governments should focus on sources and actions within their control, and set targets that support overall state goals.

Generally, a city or county that periodically examines their long-term GHG reduction trajectory is in a better position to determine whether GHG emission levels contemplated in their CAP are sustainable. This type of long-term approach benefits from interim reduction targets rather than a single target. Local governments that choose to adopt a single target year or opt to use a different method (e.g., project-by-project analysis, adopted significance thresholds, specific regional emissions targets, other State-related climate programs, etc.) should explain why their approach reflects sensible long-range planning horizons and should provide substantial evidence to support a conclusion that GHG emissions would decline along a trajectory consistent with the State's climate goals.

One approach to setting targets is to align local GHG-reducing strategies and actions with the respective State policies that will deliver GHG emission reductions, if successfully implemented and supported at the local level.³¹ The CAP target-setting process should

³⁰ AB 32 calls for California to reduce GHG emission to 1990 levels by 2020; SB 375 requires CARB to develop and set regional targets, indexed to years 2020 and 2035, for emission reductions from passenger vehicles; EO S-3-05 established a statewide interim target to reduce GHG emissions to 1990 levels by 2020 and 80 percent below 1990 levels by 2050; SB 32 requires the state to reduce statewide GHG emissions to 40% below 1990 levels by 2030; EO B-55-18 and AB 1279 call for carbon neutrality as soon as possible, but no later than 2045; and EO B-30-15 established a statewide interim GHG reduction target of 40 percent below 1990 levels by 2030 and 80 percent below 1990 levels by 2050.

³¹ OPR. *General Plan Guidelines - Chapter 8 Climate Change*. Available at: <https://opr.ca.gov/planning/general-plan/guidelines.html>.

account for projected GHG emission reductions from State policies, programs, and strategies implemented over time. However, when using statewide data, local governments should avoid double-counting GHG emission reductions that are achieved through State-level efforts and should ensure that their target focuses on GHG emission reductions within the scope of the CAP. Local jurisdictions should refer to Table 2-2 in Chapter 2 of the 2022 Scoping Plan Update, which summarizes the key State actions (as well as supportive statutes, executive orders, and outcomes) under the Scoping Plan Scenario and identifies approaches to help guide setting targets that align with the State's GHG-reducing strategies.³²

A number of these key State actions are directly relevant to the priority strategies described in this appendix and should be accounted for in local target-setting, including zero-emission light-duty vehicles (relevant to transportation electrification); smart growth/VMT reduction (relevant to vehicle miles traveled reduction); and new and existing residential and commercial buildings (relevant to building decarbonization). Table 2 summarizes these actions with milestones and benchmarks.³³ Local jurisdictions should consider these recommendations as a starting point when contextualizing the State's climate goals, GHG emissions inventory sectors, and actions for a CAP target-setting process to help align local targets with the State's climate goals.

³² The Proposed Scenario is the Scoping Plan alternative that most closely aligns with existing statute and Executive Orders and assumes carbon neutrality by 2045 the deployment a broad portfolio of existing and emerging fossil fuel alternatives and clean technologies.

³³ The information in this table should be viewed as a general reference and may serve multiple uses, including providing resources that act as an aid to local governments when developing localized GHG targets for CAPs. The applicability of data, actions, and recommendations may vary across regions and should not be viewed or interpreted as official guidance, as thresholds of significance, or as dictating requirements for GHG target-setting processes. This is not considered an exhaustive list and does not represent the complete list of data resources and tools available. Not every recommendation provided will be relevant to, or appropriate for, a given area or plan.

Table 2 –Summary of Priority Key Actions³⁴ and Recommendations for CAP Target-Setting Processes

Priority Areas	Related Actions in the Proposed Scenario	Recommendations for Local CAP Target-Setting
Transportation Electrification	100 percent of light-duty vehicle sales are ZEVs by 2035	Potential data sources and tools to localize this for target-setting include EMFAC <i>Fleet Database</i> (by county) and <i>Scenario Analysis Tool</i> and <i>Department of Motor Vehicles Database</i> (by fuel type and registration)
VMT Reduction	VMT per capita reduced 25 percent below 2019 levels by 2030 and 30 percent below 2019 levels by 2045	Potential data sources to localize this for target-setting include VMT modeling outputs prepared for, or consistent with, the travel outcomes associated with the adopted SCS or other applicable regional plan
Building Decarbonization	All electric appliances in new construction beginning 2026 (residential) and 2029 (commercial)	Potential data sources to localize these for target-setting include: <i>Commercial Building Energy Consumption Survey</i>

³⁴ These areas and strategies are designated as “priority” because they are the GHG reduction opportunities over which local governments have the most authority and that have the highest GHG reduction potential.

Priority Areas	Related Actions in the Proposed Scenario	Recommendations for Local CAP Target-Setting
	<p>For existing residential buildings, 80 percent of appliance sales are electric by 2030 and 100 percent of appliance sales are electric by 2035 (appliances replaced at end of life)</p> <p>For existing commercial buildings, 80 percent of appliance sales are electric by 2030 and 100 percent of appliance sales are electric by 2045 (appliances replaced at end of life)</p>	<p><i>California Commercial End Use Survey</i></p> <p><i>Residential Appliance Saturation Survey</i></p>

California's overall state goal of achieving carbon neutrality no later than 2045 can also inform GHG reduction targets at individual community levels, and some communities or regions may be able to reach neutrality themselves. However, it is important to design targets in ways that support overall state goals, recognizing that each region has distinctive sources and systems. For instance, energy and transportation systems that serve Californians do not stop at jurisdictional boundaries, and some decisions can have ramifications for other communities (e.g., by inadvertently exporting emissions from a jurisdiction with a net-zero target to another jurisdiction with less stringent or no target). Jurisdictions considering a net-zero target should carefully consider the implications it may have on emissions in neighboring communities and beyond. Jurisdictions should also avoid creating targets that are impossible to meet as a basis to determine significance. For example, a net-zero target may imply that the GHG emissions of any project that are not reduced or offset to zero would be considered potentially significant. This may lead to undue burdens and frustrate project approval processes, which may be particularly problematic for residential development in climate-smart, infill areas. In addition, some jurisdictions have more land capacity to remove and store carbon, while others host GHG-emitting facilities that serve necessary functions and will take time to transition to new technology (e.g., municipal wastewater treatment plants, landfills, energy generation facilities). In those cases, jurisdictions that work together on a regional framework to rapidly decarbonize together may have better success in maximizing both emission reductions and other co-benefits. Ultimately, a net-zero target that makes it more difficult to achieve statewide goals by prohibiting or complicating projects that are needed to support the State's climate goals, like infill development or solar arrays, is not consistent with the State's goals. The scale of GHG reductions needed across all communities will be substantial. Local governments have the discretion to adopt targets that apply to their jurisdictions and may utilize the streamlining functions afforded in CEQA³⁵ so long as those targets are supported by substantial evidence.

3. The Role of Land Use Plans and Development Projects in Supporting the State's Climate Goals

3.1 Housing Demand and GHG Efficiency

Local governments are responsible for adopting and updating land use plans and related implementing ordinances, such as zoning and other development codes, as well as evaluating and making decisions regarding a development project's impact on the environment. The adoption of, or update to, local plans, as well as local discretionary approvals for new development, are subject to environmental review under CEQA, which requires public agencies, including local governments, to evaluate and disclose potential environmental effects from their discretionary decisions and actions and implement feasible mitigation. This environmental review process must address whether GHG emissions from a proposed project,

³⁵ Cal. Code Regs., tit. 14, § 15183.5.

as defined in Section 15378 of the CEQA Guidelines, would result in a cumulatively considerable contribution to climate change. As part of this review, lead agencies must consider whether a proposed project or plan would be consistent with, and supportive of, the State's climate goals.³⁶ Section 15064.4(b)(3) of the CEQA Guidelines states that lead agencies should evaluate whether a proposed project would “[c]onflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases.” Moreover, CEQA Guidelines Section 15125(d) requires a discussion “of any inconsistencies between the proposed project and applicable general plans, specific plans, and regional plans...regional transportation plans ...[and]...plans for the reduction of greenhouse gas emissions,” among others.

However, the discretionary processes through which local jurisdictions permit land use development projects vary widely across California and are sometimes not uniformly applied within the same jurisdiction.³⁷ O’Neill et al. (2022) found that restrictive local zoning and development approval processes are the chief regulatory contributors to California’s housing crisis. Local governments have a clear opportunity to eliminate these barriers by reforming their local laws to facilitate dense development in infill areas, particularly those in high-resource and/or low-VMT communities. Local jurisdictions can also choose to adopt ministerial entitlement processes³⁸ for housing instead of imposing discretionary review processes (some jurisdictions currently even impose multiple layers of discretionary review) that provide project opponents opportunities to slow or stop projects, sometimes without advancing legitimate environmental goals.

The literature review conducted by O’Neill et al. (2022) does not find a consensus among CEQA experts on the impact of litigation (or the threat thereof) on new housing construction. The report finds that litigation rates among entitled housing projects in the jurisdictions studied were low (less than three percent overall). Of the relatively small percentage of projects that were litigated, approximately two-thirds were challenged based on claimed deficiencies in their GHG or VMT analysis. (Note, however, that this statistic in itself is not particularly revealing, since attorneys frequently include in their lawsuits a range of claims regarding various CEQA resource areas to maximize chances of prevailing.) Thus, among other bases for CEQA challenges, CEQA GHG impact analyses and mitigation measures can to be sources of

³⁶ See, e.g., *Cleveland Nat'l Forest Found. v. San Diego Assn. of Governments* (2017) 3 Cal. 5th 497, 519 (holding that CEQA requires planning agencies to ensure their CEQA GHG analysis stays in step with evolving scientific knowledge and state regulatory schemes).

³⁷ O’Neill et al. 2022. “Final Report: Examining Entitlement in California to Inform Policy and Process: Advancing Social Equity in Housing Development Patterns.” Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3956250.

³⁸ CEQA environmental review requirements only apply to discretionary project approvals; ministerial approvals are not subject to CEQA review. (Cal. Code Regs., tit. 14, § 15002(i).)

litigation and delay for projects, especially for housing projects in high-resource areas.³⁹ While the State has long been clear that urban infill projects, particularly in high-resource and low-VMT areas, would be generally supportive of the State's climate and regional air quality goals, such claims can persist. Although CEQA litigation can present additional complexity for housing development, restrictive local zoning and development approval processes are clearly the primary hurdles for housing development in California. Local jurisdictions have clear discretion to remove these barriers.

California continues to experience a severe housing shortage. The State must plan for more than 2.5 million residential units over the next eight years, and no less than one million of those residential units must be affordable to lower-income households.⁴⁰ This represents more than double the housing planned for during the last eight years.⁴¹ The housing crisis and the climate crisis must be confronted simultaneously, and it is possible to address the housing crisis in a manner that supports the State's climate and regional air quality goals.⁴² The following section includes recommendations to make doing so easier.

3.2 Evaluating Plan-Level and Project-Level Alignment with the State's Climate Goals in CEQA GHG Analyses

CEQA requires lead agencies to analyze the potential GHG-related impacts from their proposed projects.⁴³ As part of these analyses, agencies consider the extent to which their projects are consistent with the State's climate goals and requirements.⁴⁴ Land use plans (e.g., general plans, specific plans, area plans) and development projects have long operational lifespans, potentially locking in GHG emissions for decades. Some agencies have improperly attempted to use compliance with statewide regulatory programs to determine that their projects' GHG impacts are mitigated or are otherwise consistent with the Scoping Plan. While CARB has developed programs such as the State vehicle emissions standards (e.g., Advanced Clean Cars), the Low Carbon Fuel Standard, and the Cap-and-Trade program to reduce sector-wide GHG emissions, these programs were not designed to directly mitigate individual land use development project emissions from a CEQA perspective. Therefore, claimed consistency with these programs should not be used to conclude that motor vehicle

³⁹ O'Neill et al. 2022. Final Report: Examining Entitlement in California to Inform Policy and Process: Advancing Social Equity in Housing Development Patterns. CARB Research Contract 19STC005. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3956250.

⁴⁰ California Department of Housing and Community Development. 2022. *Statewide Housing Plan*. Available at: <https://www.hcd.ca.gov/docs/statewide-housing-plan.pdf>.

⁴¹ Ibid.

⁴² Elkind, E. N., Galante, C., Decker, N., Chapple, K., Martin, A., & Hanson, M. 2017. Right Type, Right Place: Assessing the Environmental and Economic Impacts of Infill Residential Development through 2030. Available at: <https://ternercenter.berkeley.edu/research-and-policy/right-type-right-place/>.

⁴³ Cal. Code Regs., tit. 14, § 15064.4.

⁴⁴ Cal. Code Regs., tit. 14, § 15064.4(b)(3).

emissions from a land use development project are fully mitigated or that such projects are definitively consistent with the Scoping Plan—particularly where the project at issue is not itself directly regulated by these programs.⁴⁵

This section outlines three distinct approaches that lead agencies may consider for evaluating alignment of proposed plans and residential and mixed-use⁴⁶ development projects with the State’s climate goals and, therefore, may have a less-than-significant impact on GHG emissions. These approaches are recommendations only and are not requirements. They do not supplant lead agencies’ discretion to develop their own evidence-based approaches for determining whether a project would have a potentially significant impact on GHG emissions.⁴⁷

The recommendations outlined in this section apply only to residential and mixed-use development project types. California currently faces both a housing crisis and a climate crisis, which necessitates prioritizing recommendations for residential projects to address the housing crisis in a manner that simultaneously supports the State’s GHG and regional air quality goals. CARB plans to continue to explore new approaches for other land use types in the future.

3.2.1 Project Attributes for Residential and Mixed-Use Projects to Qualitatively Determine Consistency with the Scoping Plan

Absent consistency with an adequate, geographically specific GHG reduction plan such as a CEQA-qualified CAP, as described in Section 2, the first approach the State recommends for determining whether a proposed residential or mixed-use residential development would align with the State’s climate goals is to examine whether the project includes key project attributes that reduce operational GHG emissions while simultaneously advancing fair housing. Consistent with the Priority Strategies shown in Table 1, empirical research shows that the following project attributes result in reduced GHG emissions from residential and mixed-use development. Residential and mixed-use projects that have all of the key project attributes in Table 3 should accommodate growth in a manner consistent with State GHG reduction and equity prioritization goals.

⁴⁵ CEQA Guidelines section 15064.4(b)(3) allows compliance with “regulations or requirements adopted to implement a statewide, regional, or local plan for the reduction or mitigation of greenhouse gas emissions” as an approach for the determination of significance for GHG emissions.

⁴⁶ Mixed use residential is defined as development including both residential and nonresidential uses with at least two-thirds of the square footage designated for residential use per Cal. Gov. Code., tit. 7, § 65589.5(h)(2)(B)).

⁴⁷ Cal. Code Regs., tit. 14, § 15064.4.

Table 3 – Key Residential and Mixed-Use Project Attributes that Reduce GHGs

Priority Areas	Key Project Attribute
Transportation Electrification	Provides EV charging infrastructure that, at minimum, meets the most ambitious voluntary standard in the California Green Building Standards Code at the time of project approval ⁴⁸
VMT Reduction	Is located on infill sites that are surrounded by existing urban uses and reuses or redevelops previously undeveloped or underutilized land that is presently served by existing utilities and essential public services (e.g., transit, streets, water, sewer) ⁴⁹
	Does not result in the loss or conversion of natural and working lands
	Consists of transit-supportive densities (minimum of 20 residential dwelling units per acre), ⁵⁰ <u>or</u> Is in proximity to existing transit stops (within a half mile), ⁵¹ <u>or</u> Satisfies more detailed and stringent criteria specified in the region’s SCS ⁵²
	Reduces parking requirements ⁵³ by: Eliminating parking requirements or including maximum allowable parking ratios (i.e., the ratio of parking spaces to residential units or square feet); or Providing residential parking supply at a ratio of less than one parking space per dwelling unit; or

⁴⁸ Cal. Code Regs., tit. 24, Part 11.

⁴⁹ Government Code, § 65041.1. “Statewide Environmental Goals and Policy Report.” Available at: https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=65041.1.

⁵⁰ Federal Transit Administration. 2014. *Planning for Transit-Supportive Development: A Practitioner’s Guide*. Available at: <https://www.transit.dot.gov/funding/funding-finance-resources/transit-oriented-development/planning-transit-supportive>.

⁵¹ Washington Department of Transportation. 2013. *Tools for Estimating VMT Reductions from Built Environment Changes*. Available at: <https://www.wsdot.wa.gov/research/reports/fullreports/806.3.pdf>.

⁵² One example of an evaluation of consistency with the region’s SCS is from the 2013 draft EIR for The Cannery in Davis, p. 3.7-26. Available at: <https://www.cityofdavis.org/home/showpublisheddocument/650/635607772224000000>.

⁵³ CAPCOA. 2021. *Handbook for Analyzing Greenhouse Gas Emissions Reductions, Assessing Climate Vulnerabilities, and Advancing Health and Equity: Designed for Local Governments, Communities, and Project Developers*. Available at: <https://caleemod.com/handbook/index.html>.

Priority Areas	Key Project Attribute
	For multifamily residential development, requiring parking costs to be unbundled from costs to rent or own a residential unit. ⁵⁴
	At least 20 percent of units included are affordable to lower-income residents ^{55, 56}
	Results in no net loss of existing affordable units
Building Decarbonization	Uses all-electric appliances without any natural gas connections and does not use propane or other fossil fuels for space heating, water heating, or indoor cooking ^{57, 58}

These project attributes are intended as a guide to help local jurisdictions qualitatively identify those residential and mixed-use projects that are **clearly** consistent with the State’s climate goals, since these attributes address the largest sources of operational emissions for residential projects. In general, residential and mixed-use development projects that incorporate **all** of these key project attributes are aligned with the State’s priority GHG reduction strategies for local climate action as shown in Table 1 and with the State’s climate and housing goals. As such, they are considered to be consistent with the Scoping Plan or other plans, policies, or regulations adopted for the purposes of reducing GHGs; therefore, the GHG emissions associated with such projects may result in a less-than-significant GHG impact under CEQA. Lead agencies may determine, with adequate additional supporting evidence,

⁵⁴ AB 2097, adopted by the Legislature and signed by the Governor in September 2022 eliminates parking requirements for residential and commercial development within a half-mile of transit. Government Code, § 65863.2. “Residential, commercial, or other development types: parking requirements.” Available at: https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB2097

⁵⁵ Newmark, G. and Haas, P. 2015. Income, Location Efficiency, and VMT: Affordable Housing as a Climate Strategy. Available at: <https://chpc.net/wp-content/uploads/2016/05/CNT-Working-Paper-revised-2015-12-18.pdf>.

⁵⁶ California Housing Partnership Corporation and TransForm. 2014. Why Creating and Preserving Affordable Homes Near Transit is a Highly Effective Climate Protection Strategy. Available at: <https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp-content/uploads/2015/11/4-AffordableTODResearchUpdate070114.pdf>.

⁵⁷ Energy and Environmental Economics. 2019. Residential Building Electrification in California: Consumer economics, greenhouse gases and grid impacts. Available at: https://www.ethree.com/wp-content/uploads/2019/04/E3_Residential_Building_Electrification_in_California_April_2019.pdf.

⁵⁸ Energy and Environmental Economics. 2021. Achieving Carbon Neutrality in California: PATHWAYS Scenarios Developed for CARB. Available at: https://ww2.arb.ca.gov/sites/default/files/2020-10/e3_cn_final_report_oct2020_0.pdf.

that projects that incorporate some, but not all, of the key project attributes are consistent with the State's climate goals.

This qualitative approach to determining the significance of GHG impacts is only intended for residential and mixed-use development projects. CARB will continue to explore this qualitative approach for evaluating the significance of GHG impacts for other types of land uses and encourages CEQA practitioners and lead agencies to do the same. The following two sections describe additional approaches lead agencies may employ in CEQA analyses.

3.2.2 Net-Zero Threshold of Significance

Absent consistency with an adequate, geographically specific GHG reduction plan, as described in Section 2 or consistency with the project attributes approach identified in Table 3 for residential and mixed-use development project types, lead agencies can make a significance determination, consistent with Section 4 below, based on whether the project would result in net-zero GHG emissions. (Note that lead agencies can also use other valid significance thresholds, as described in subsection 3.2.3 below.) Although achieving net-zero GHG emissions may be an appropriate overall objective, it should be noted this approach may not be feasible or appropriate for every project. Furthermore, in determining a project's net GHG impacts, agencies should carefully consider how to view the GHG emissions implications of changes to existing land uses at the project site, particularly where such uses may simply relocate to another location. Lead agencies should consider whether there is substantial evidence that the GHG emissions generated by existing uses of the project site will cease to exist as a direct result of the proposed project and will not merely occur at a different location after the proposed project is developed. If substantial evidence demonstrates that emissions from existing sources currently operating or generating emissions at the project site would continue elsewhere, lead agencies should account for those emissions when calculating the net change in emissions associated with the proposed project.

However, there are recent examples of land use development projects in California that have demonstrated that it is feasible to design projects of nearly any scale that achieve net-zero GHG emissions. Several projects have received certification from the Governor under AB 900, the Jobs and Economic Improvement through Environmental Leadership Act (Buchanan, Chapter 354, Statutes of 2011) and a similar program authorized under SB 7 (Atkins, Chapter 19, Statutes of 2021), demonstrating an ability to design economically viable projects that create jobs while contributing net-zero GHG emissions.⁵⁹ These projects have included mixed-use housing and commercial developments, large-scale residential projects, sports arenas, a medical center, and business campuses.

As discussed in Section 3.2.1, "Project Attributes for Residential Projects to Qualitatively Determine Consistency with the Scoping Plan," development in infill and transit-oriented areas

⁵⁹ OPR. 2021. *Judicial Streamlining*. Available at: <https://www.opr.ca.gov/ceqa/judicial-streamlining/>.

helps to reduce or avoid increasing GHG emissions. Although, while land use development patterns in California have become, in general, more compact than in the past, new low-density, auto-oriented development is still being planned for and built.⁶⁰ Despite this continuing challenge, several large and mixed-use projects within California have ultimately committed to achieving net-zero GHG emissions. For example, as part of the Downtown West Mixed Use Plan,⁶¹ the applicant, Google LLC, ultimately committed to achieving net-zero GHG emissions for an approximately 80-acre mixed-use property, including almost 6,000 residential units, as well as retail, office, and other land uses, located in downtown San Jose, California. This commitment will be achieved through a combination of on-site measures and the purchase and retirement of carbon offset credits from CARB-approved registries in the voluntary market. Similarly, the Oakland Athletics, the applicant for the Oakland Waterfront Ballpark District Project located in Oakland, California, also committed its development to result in no net increase of GHG emissions through a combination of on-site and local mitigation measures and the purchase and retirement of carbon offset credits from CARB-approved registries in the voluntary market.⁶² Design and local reduction measures⁶³ were employed by the developers to reduce 54 percent of total non-residential emissions, while 49 percent of operational emissions were reduced via carbon offset credits from the voluntary market.

Even California's largest, most sprawl-intensive housing developments have ultimately committed to achieving net-zero GHG emissions, even if only after intense legal battles. For example, under the Newhall Ranch Resource Management and Development Plan and Spineflower Conservation Plan,⁶⁴ the applicant, Newhall Land and Farming Company, ultimately committed to achieving net-zero GHG emissions for an almost 12,000-acre plan area in the Santa Clarita Valley. This commitment will be achieved through a combination of on-site and local mitigation measures and the purchase and retirement of carbon offset credits from the voluntary market. Similarly, as a result of a recent settlement agreement, Tejon Ranch Company, the developer for the Centennial Specific Plan located in northern Los

⁶⁰ CARB. 2022. Draft 2022 Progress Report California's Sustainable Communities and Climate Protection Act. P. 22-25. Available at: https://ww2.arb.ca.gov/sites/default/files/2022-07/2022_SB_150_Main_Report_Draft_ADA.pdf.

⁶¹ OPR. 2022. *Judicial Streamlining: Archived Applications*. Available at: <https://opr.ca.gov/ceqa/judicial-streamlining/archive.html>.

⁶² Ibid.

⁶³ Local reduction measures include measures to reduce VMT and trips (including reduced parking and transportation network surcharges), installing EV chargers at 10 percent of onsite parking spaces, electrification (i.e., prohibition of non-electric energy, such as natural gas) of 50 percent of residential units, and either converting an existing jet-fueled peaker plant to battery storage or installing 1,013 EV charging stations in the community.

⁶⁴ California Department of Fish and Wildlife. 2021. Newhall Ranch Resource Management and Development Plan and Spineflower Conservation Plan: Final EIS/EIR Documents. Available at: (<https://nrm.dfg.ca.gov/documents/ContextDocs.aspx?cat=NewhallRanchFinal>).

Angeles County,⁶⁵ also committed its development to result in no net increase of GHG emissions.⁶⁶ Mitigation measures employed by these developers include the prohibition of natural gas in residential and commercial properties; the requirement of on-site solar photovoltaic energy systems on residential and commercial properties; the installation of almost 30,000 EV chargers within and outside the plan area; funding incentives for the purchase of 10,500 passenger EVs and electric school buses and trucks; and procuring and retiring carbon offset credits from the voluntary market.

Although the projects in San Jose and Oakland may not meet all of the key project attributes for qualitatively determining project consistency with statewide GHG goals, as shown in Table 3, and the Newhall and Tejon Ranch projects do not necessarily represent the type of development that California most needs to simultaneously tackle the housing and climate crises, they do demonstrate the feasibility of a net-zero approach for other large and complex residential development projects.

3.2.3 Recommended Thresholds of Significance

Lead agencies may also analyze the GHG impact of proposed projects by employing a threshold of significance recommended by the applicable air district⁶⁷ or other lead agencies.⁶⁸ As stated in CEQA Guidelines section 15064.7(b), “a lead agency may consider thresholds of significance previously adopted or recommended by other public agencies or recommended by experts, provided the decision of the lead agency to adopt such thresholds is supported by substantial evidence.” However, thresholds for analyzing a project’s GHG emissions can become outdated if they are not aligned with the State’s most recent GHG reduction goals.⁶⁹ To be defensible, CEQA significance thresholds must be supported by substantial evidence.⁷⁰ Mitigating GHG emissions below an applicable GHG threshold of significance is one way lead agencies may demonstrate that a project’s GHG emissions would have a less-than-significant impact on the environment. For lead agencies that pursue this approach, CAPCOA, which

⁶⁵ Los Angeles County Department of Regional Planning. 2019. *Specific Plan No. 02-232 / Centennial Specific Plan*. Available at: https://planning.lacounty.gov/case/view/specific_plan_no_02_232_centennial_specific_plan.

⁶⁶ Tejon Ranch. 2021. *Settlement Agreement Reached in Centennial lawsuit*. Available at: <https://tejonranch.com/settlement-agreement-reached-in-centennial-lawsuit/>.

⁶⁷ CARB research indicates that less than 20 percent of California’s population is located in an area with CEQA GHG thresholds of significance addressing SB 32 reduction goals adopted by an air district (Bay Area Air Quality Management District and Sacramento Metropolitan Air Quality Management District).

⁶⁸ As with all CEQA significance thresholds, GHG significance thresholds must be supported by substantial evidence. Some lead agencies, such as the City of San Luis Obispo and County of Santa Barbara, have adopted CEQA GHG thresholds of significance due to the absence of a local air district-adopted threshold or because a local CEQA-qualified CAP used to tier and streamline its project-specific CEQA GHG analysis (per CEQA Guidelines Sections 15064.4 (b)(3) and 15183.5) may not be available or applicable.

⁶⁹ CEQA GHG analyses (including significance determinations) “must reasonably reflect evolving scientific knowledge and state regulatory schemes.” (Cal. Code Regs., tit. 14, §§ 15064.4(b))

⁷⁰ Cal. Code Regs., tit. 14, § 15064.7(b).

provides a forum for the sharing of knowledge, experience, and information between air districts throughout the state, has developed tools and guidance for CEQA practitioners, such as the California Emissions Estimator Model⁷¹ (CalEEMod) and guidance for developing and quantifying project-level GHG mitigation measures.⁷²

4. Mitigating Greenhouse Gas Emissions Pursuant to CEQA

If a lead agency determines that a proposed project's GHG emissions would result in a significant impact and a cumulatively considerable contribution to climate change, the lead agency must impose feasible mitigation measures to reduce the project's GHG impact to a less-than-significant level.⁷³ According to the CEQA Guidelines, mitigation measures must be feasible, roughly proportional, not inappropriately deferred, capable of being monitored or reported, fully enforceable, and based on substantial evidence. They must also have a nexus to a legitimate governmental interest.⁷⁴ Any GHG offsets used as CEQA mitigation must not be otherwise required (e.g., by regulation or by existing permitted CEQA projects).⁷⁵ Lead agencies should present substantial evidence to document that a given mitigation measure would actually serve to mitigate the proposed project's GHG emissions.⁷⁶

CAPCOA has developed tools and guidance for CEQA practitioners for developing and quantifying project-level GHG mitigation measures. These include CAPCOA's Handbook,⁷⁷ which it published in 2021 along with the mitigation module in CalEEMod.⁷⁸

As the severe impacts of climate change become better understood and the State's climate goals become more stringent over time, local, off-site CEQA GHG mitigation measures will become increasingly necessary. However, several factors often hinder the adoption of local, off-site GHG mitigation under CEQA, including confusion about CEQA's requirements for GHG mitigation, a focus on carbon offset credits and lack of awareness of local GHG mitigation

⁷¹ CAPCOA. 2022. *California Emissions Estimator Model*. Available at: www.caleemod.com.

⁷² CAPCOA. 2021. *Handbook for Analyzing Greenhouse Gas Emissions Reductions, Assessing Climate Vulnerabilities, and Advancing Health and Equity: Designed for Local Governments, Communities, and Project Developers*. Available at: <https://caleemod.com/handbook/index.html>.

⁷³ Cal. Code Regs., tit. 14, § 15126.4(c).

⁷⁴ Cal. Code Regs., tit. 14, § 15126.4(a)(4)(A).

⁷⁵ Cal. Code Regs., tit. 14, § 15126.4(c)(3).

⁷⁶ Cal. Code Regs., tit. 14, § 15126.4(c).

⁷⁷ CAPCOA. 2021. *Handbook for Analyzing Greenhouse Gas Emissions Reductions. Assessing Climate Vulnerabilities and Advancing Health and Equity: Designed for Local Governments, Communities, and Project Developers*. Available at: <https://caleemod.com/handbook/index.html>.

⁷⁸ CAPCOA. 2022. *California Emissions Estimator Model*. Available at: www.caleemod.com.

opportunities, and a perception of high costs (e.g., mitigation costs for project sponsors, administrative costs for lead and responsible agencies).

This section seeks to assist in overcoming barriers to GHG mitigation under CEQA and reduce the use of statements of overriding considerations by lead agencies by establishing a hierarchy of mitigation opportunities that reflect the State's priorities for mitigation. In doing so, this section encourages project applicants and local governments to use local and non-local off-site GHG mitigation approaches (including carbon offset credits) consistent with CEQA's requirements. This section also seeks to clarify how CEQA's mitigation requirements apply to GHG mitigation (including carbon offset credits).

While this section identifies ways to overcome some common barriers to local CEQA GHG mitigation, other barriers may take longer to remove and may even require legislative or other State-level action. Through appropriate application of local GHG mitigation under CEQA, lead agencies have an opportunity to benefit their communities while addressing the climate crisis. Local, off-site mitigation measures implemented in the communities in which project impacts occur have the added potential co-benefit of reducing emissions of toxic air contaminants and criteria air pollutants, which will improve health and social and economic resiliency to climate-related impacts. Verification of local mitigation can also be more straightforward than verification of mitigation that is outside of the jurisdictional boundaries of the lead agency.

4.1 GHG Mitigation Hierarchy

CEQA requires lead agencies to impose all feasible mitigation measures necessary to avoid or reduce GHG emissions to a less-than-significant level prior to certifying an Environmental Impact Report (EIR) or mitigated negative declaration. CEQA does not require mitigation measures that are infeasible for specific legal, economic, technological, or other reasons. If there are not sufficient mitigation measures that the lead agency determines are feasible for avoiding GHGs or reducing GHGs to a less-than-significant level, before approving a project, the lead agency must adopt all measures that are feasible and adopt a statement of overriding considerations (or significance "override") that explains why additional mitigation is infeasible.⁷⁹ The statement of overriding considerations must be supported by substantial evidence in the record.

A wide array of CEQA GHG mitigation that can help avoid the need to adopt statements of overriding considerations is discussed in Section 4.1.2 below. The hierarchy outlined below may provide a helpful reference for lead agencies and project sponsors on how to approach mitigation in a way that maximizes benefits to communities surrounding projects, with a particular emphasis on benefitting historically underserved and disadvantaged communities.

⁷⁹ Cal. Code Regs., tit. 14, § 15093(b).

The State recommends prioritizing CEQA GHG mitigation according to a geographic hierarchy as follows:

1. On-site design measures;
2. Off-site GHG mitigation:
 - a. Funding or implementing local, off-site GHG reduction projects (within the communities or neighborhoods in the vicinity of the project);
 - b. Funding or implementing non-local, off-site GHG reduction projects;
3. Purchasing and retiring carbon offset credits:
 - a. That originate in the same air basin as the project;
 - b. That originate elsewhere in California;
 - c. That originate outside of California.

This geographical hierarchy is consistent with SB 7, in which the Legislature mandated a similar hierarchy for land use development projects seeking to be designated as “environmental leadership development projects” and granted certain streamlining provisions. Under this hierarchy, the community in which the project is located is prioritized to receive the environmental and economic co-benefits of the mitigation, especially the reductions in emissions of criteria air pollutants and toxic air contaminants that accompany many GHG reduction measures. Similar prioritization was included in the Oakland Waterfront Ballpark District Project, which required that a minimum of 50 percent of the GHG emission reductions from non-residential land uses result from local, direct measures, and stipulated that no more than 50 percent of reductions may result from offset credits.⁸⁰

The following sections discuss each level of mitigation in the suggested hierarchy of mitigation.

4.1.1 On-site GHG Mitigation

Lead agencies should prioritize on-site design features within the project site that minimize GHG emissions. On-site GHG mitigation includes the implementation of project features, project design, or other measures, including but not limited to energy efficiency measures, installation of renewable energy electricity generation, all-electric building design, EV charging connections, and features that reduce VMT, such as a transportation demand management plan or the provision of shared mobility options (such as facilitating carpooling, providing active transportation and transit vouchers, and implementing telecommuting and alternate work schedules). Chapter 3 of CAPCOA’s 2021 *Handbook for Analyzing Greenhouse Gas Emission Reductions, Assessing Climate Vulnerabilities, and Advancing Health and Equity*,⁸¹ includes

⁸⁰ Bonta, Chapter 959, Statutes of 2018. California Environmental Quality Act: Oakland Sports and Mixed-Use Project. Available at:

https://leginfo.ca.gov/faces/billPdf.xhtml?bill_id=201720180AB734&version=20170AB73492CHP.

⁸¹ CAPCOA. 2021. Handbook for Analyzing Greenhouse Gas Emissions Reductions, Assessing Climate Vulnerabilities, and Advancing Health and Equity: Designed for Local Governments, Communities, and Project Developers. Available at: <https://caleemod.com/handbook/index.html>.

many on-site GHG reduction measures for a variety of project and plan types for lead agencies to consider. Many on-site GHG mitigation measures also result in a reduction in emissions of criteria air pollutants and toxic air contaminants in the air basin in which the project is located, as well as emissions of toxic air contaminants on or near the project site, consistent with legislative direction from SB 32 to “achieve the state’s more stringent greenhouse gas emission reductions in a manner that benefits the state’s most disadvantaged communities.”

4.1.2 Off-site GHG Mitigation

If implementation of all feasible on-site GHG reduction measures is insufficient to reduce a project’s impact to a less-than-significant level, the State recommends that the lead agency next explore options to fund or implement **local**, off-site direct GHG reduction strategies.

Funding or implementing GHG mitigation measures in the project’s vicinity may allow the project proponent and the lead agency to work directly with the impacted community to identify and prioritize the mitigation measures that meet its needs while minimizing multiple environmental and societal impacts. Direct, local investments help build relationships for future mutually beneficial development and mitigation opportunities in that community and may also provide a multitude of other co-benefits to the neighborhood’s residents. To help remove barriers to employing these types of mitigation, lead agencies may wish to consider developing a local mitigation bank⁸² that enables project applicants to fund such projects in exchange for being credited with the resulting GHG reductions in their CEQA analyses. The lead agency should also provide substantial evidence to show that the mitigation would actually serve to mitigate the proposed project’s GHG emissions (i.e., a project cannot take credit for unrelated off-site measures that would occur independently of the proposed project). Examples of local investments and their co-benefits include:

- **Local urban forestry** programs that increase the number of trees and other plants in urban areas can sequester carbon, reduce air pollution and ambient temperatures, help manage stormwater and improve water quality, provide shade to reduce energy demand for cooling buildings (and the associated cost and GHG emissions of that energy), improve aesthetics, foster mental health, and encourage physical activity of residents and employees, among many other benefits.
- **Local building retrofit programs** targeting existing residential and commercial buildings in the project’s vicinity can fund installation of cool roofs, solar panels, solar or heat pump water heaters, smart meters, and energy efficient lighting and appliances; replacement of fossil fuel-powered appliances with electric models; installation of energy efficient windows, insulation, and other building envelope measures; and

⁸² As discussed in Section 5, below, the Regional GHG Collaborative Group along the Central Coast are working to educate and provide avenues for offset projects to help meet current and future local GHG reduction targets and CEQA GHG reduction needs.

implementation of water conservation measures. These investments can improve comfort, reduce utility bills, and help manage the demand for electricity while reducing GHG emissions.

- **Off-site EV chargers** can increase access to EV charging throughout a community. Some examples could include EV chargers in multi-unit dwellings in disadvantaged or low-income areas, public locations (schools, libraries, city centers), workplaces, key destinations (e.g., parks, recreation areas, sports arenas).
- **Public transit subsidies** can increase access to transit and to daily activities served by transit and can encourage less reliance on driving and increased reliance on other modes of transportation (e.g., transit and active transportation), which provides air quality and cost savings co-benefits to residents.

Like many on-site GHG mitigation measures, implementation of most local, off-site GHG reduction strategies also results in reductions of toxic air contaminants and criteria air pollutants and their precursors in the same air basin in which the project is located. The State recommends that lead agencies prioritize GHG mitigation that also increases a community's social and economic resilience to adverse impacts exacerbated by climate change. Applying a local lens to GHG mitigation and allowing for community-led decision-making helps prioritize the mitigation measures that address community-identified needs and can also fill gaps in the existing local approach to climate action.

If a project needs further GHG reductions after adoption of all feasible local, off-site mitigation options, applicants should next consider non-local, off-site mitigation. There has been concern that GHG emission reductions from off-site GHG mitigation measures (including carbon offset credits) may double count GHG emission reductions from California's Cap-and-Trade program. However, off-site mitigation measures, such as EV charging or building efficiency retrofits, are viable options for mitigation under CEQA and would not be double counted, provided they are not otherwise required by law or regulation and would not have happened but for the mitigation requirements of the project. If the mitigation would have been implemented or required through another statute, regulation, existing local program, or requirement other than the project it is mitigating, then the project being mitigated may not also claim credit for the reductions.

4.1.3 Conditions Applicable to Carbon Offset Credits

If implementation of all feasible on-site GHG reduction measures and all feasible off-site GHG reduction measures are insufficient to reduce a project's impact to a less-than-significant level, then the lead agency or project applicant should consider purchasing and retiring carbon offset credits. The State recommends that carbon offset credits retired as CEQA mitigation be registered with a recognized and reputable carbon registry on the voluntary market. For example, while CARB does not review or authorize voluntary-market offset registries or protocols for use as CEQA mitigation, CARB notes that the registries

approved by CARB for the Cap-and-Trade Program also serve as voluntary market credit registries, with voluntary market offsets available for CEQA mitigation purposes.⁸³

In addition, starting in 2023, the California Carbon Sequestration and Climate Resiliency Project Registry⁸⁴ will be maintained by the California Natural Resources Agency for the purposes of identifying and listing projects in the state that drive climate action on the state's natural and working lands. The Registry is seeking funding from State agencies and private entities and may provide additional carbon offset credits. Note that compliance offsets for the Cap-and-Trade Program (a state market-based carbon program unaffiliated with CEQA) cannot be used for any purpose other than Cap-and-Trade compliance by covered entities and therefore cannot be purchased for use as CEQA mitigation.⁸⁵ As with other types of off-site mitigation, the State recommends pursuing carbon offset credits that are as close to the project site as possible in the following order of priority: (1) carbon offset credits that originate in the same air basin as the project, (2) carbon offset credits that originate elsewhere in California, (3) carbon offset credits that originate outside of California.

4.2 Clarifying CEQA's Requirements for GHG Mitigation

Over the years, agencies and courts have provided direction and guidance regarding GHG mitigation. Given the variety of potential projects and mitigation scenarios, some uncertainty and misconceptions persist. For example, when lead agencies consider off-site GHG mitigation (including carbon offset credits), they may sometimes conflate the requirements for compliance-grade offsets in California's Cap-and-Trade regulation with the requirements for GHG mitigation measures under CEQA. The Cap-and-Trade regulation requires that compliance offsets used in the Cap-and-Trade Program meet certain regulatory criteria, including that they be real, additional, quantifiable, permanent, verifiable, and enforceable. In general, the State's Cap-and-Trade Program restricts compliance offsets from being used for any purpose other than Cap-and-Trade compliance, including being used as mitigation under CEQA.

When designing GHG mitigation measures (whether local, off-site mitigation or carbon offset credits), the State recommends that lead agencies focus on applying the requirements specified in the CEQA statute, Guidelines, and case law – e.g., not otherwise required (see CEQA Guidelines section 15126.4(c)(3)); enforceable (see CEQA Guidelines section 15126.4(a)(2)); supported by substantial evidence; etc. – rather than strictly importing all of the regulatory requirements used for compliance offsets within California's Cap-and-Trade

⁸³ CARB. 2022. *Offset Project Registries*. Available at: <https://ww2.arb.ca.gov/our-work/programs/compliance-offset-program/offset-project-registries>.

⁸⁴ Skinner, Chapter 237, Statutes of 2021. Carbon sequestration: state goals: natural and working lands: registry of projects. Available at: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB27.

⁸⁵ Cal. Code Regs., tit. 14, Chapter 3, §§ 15000 et seq.

program. It may be appropriate for lead agencies to require CEQA mitigation that helps localities meet targets or commitments set in local planning documents, including CAPs, lacking sufficient funding and are not otherwise explicitly required by regulation. Lead agencies should use substantial evidence to document that a specific off-site mitigation measure is not otherwise required and would not have occurred at that time **but for** the requirement to mitigate a project's GHG impacts. Examples of off-site GHG mitigation that would not have occurred but for the requirement to mitigate a project's GHG impacts and could therefore be not otherwise required are included in Section 4.1.2, Off-site GHG Mitigation.

5. Importance of Regional Collaboration

While local jurisdictions have considerable authority to act individually, it is important to consider the many benefits of regional collaboration. Transportation, land use, housing, climate, and energy issues are often interconnected. Local governments can benefit from collaborating with neighboring jurisdictions and regional agencies as they seek to reduce GHG emissions from these sectors. For example, CAPs that consider regional travel patterns, job and housing availability, and regional opportunities to mitigate GHG emissions can be more effective. In collaboration with other regional entities, local jurisdictions can leverage investments, data, best practices, and opportunities for GHG emission reductions in an equitable manner.

Regional collaboration and partnership across levels of government can bring together community leaders, agencies, academia, industry, community-based organizations, and other stakeholders from multiple jurisdictions within a region to share expertise, information, lessons learned, and strategies to promote mutually defined goals. Regional collaboration may include leveraging existing collaboratives and partnerships or establishing new ones. There are many excellent examples of regional collaboration in California that support the intersection of transportation, housing, and land use in tackling climate change. Local jurisdictions can leverage the work of these collaboratives and build on existing efforts to support equitable implementation of priority strategies and GHG mitigation. Examples of existing regional collaboratives include Community Choice Aggregators (CCAs), Regional Energy Networks (RENs), Regional Climate Collaboratives, Regional Housing Collaboratives, and Plug-in Electric Vehicle Collaboratives. The Integrated Climate Adaptation and Resiliency Program (ICARP)⁸⁶ offers funding, case studies, and tools for forming regional climate coordination entities.

Regional collaboration has tremendous potential to address barriers and expand opportunities for successful local GHG mitigation. It can help increase local opportunities for feasible GHG mitigation under CEQA that also benefit the communities impacted by the development. It can

⁸⁶ Governor's Office of Planning and Research. 2022. *Integrated Climate Adaptation and Resiliency Program (ICARP)*. Available at: <https://opr.ca.gov/climate/icarp/>.

help overcome barriers, such as project and administrative costs. It can help increase awareness of local mitigation opportunities for project applicants and lead agencies, improve connections with existing programs that offer mitigation opportunities, and identify sites for off-site mitigation opportunities, all in an effort to support a local voluntary mitigation market. And it can help site owners aggregate smaller mitigation projects to potentially reduce costs, increase the efficiency of mitigation projects, and leverage expertise on mitigation strategies and quantification methodologies.

Regional collaboration can also lend support to lead agencies and air districts as they seek opportunities for local GHG mitigation. San Luis Obispo County Air Pollution Control District, County of Santa Barbara, County of Ventura, City of Santa Barbara, City of San Luis Obispo, and Community Environmental Council formed a tactical Regional GHG Collaborative Group to understand and identify opportunities for local carbon sequestration and GHG reduction projects.

Developing a local voluntary mitigation market will help a city or region capture mitigation dollars and provide local benefits that are not realized by the purchase of distant, out-of-state carbon offset credits, while providing greater transparency and enforceability. Keeping GHG mitigation dollars within communities or regions can also be a strategy to address community needs and inequities from historic and ongoing underinvestment in vulnerable and disadvantaged communities.

Creating, sustaining, and expanding regional collaboratives takes time, resources, and expertise that are not always available to local jurisdictions. There may be a role for the State to ensure that all regions have access to mitigation opportunities. One potential avenue to accomplish this would be through the creation of a statewide GHG mitigation bank designed for CEQA mitigation purposes.

6. Conclusion

Local governments are essential partners in California's efforts to reduce GHGs. Their unique expertise and respective authorities allow them to shape growth and development patterns within their jurisdiction, and as a result, local actions remain critical for reducing GHG emissions from the built environment and transportation. Indeed, the Scoping Plan proposes transformative reductions in GHG emissions from the building and transportation sectors. These critical emission reductions rely on significant electrification of the state's vehicle fleet and building stock, but also require a significant shift in the transportation choices for Californians favoring active mobility, shorter trips, and robust public transit rather than sprawl and automobile dependence. Local governments have a critical role to play in this transition through their land use policies, transportation investments, and partnerships with neighboring jurisdictions, community organizations, business and labor groups, and the State.

Local leadership and regional collaboration are paving the way for reducing emissions in these sectors, and this appendix seeks to inform jurisdictions about opportunities to promote transportation electrification, VMT reduction, and building decarbonization through:

- Developing local CAPs and strategies consistent with the framework described in Section 2: “The Role of Local Climate Action Planning in Supporting the State’s Climate Goals;”
- Localizing State-level GHG priorities when approving individual land use plans and projects as described in Section 3: “The Role of Land Use Development Projects in Supporting the State’s Climate Goals;”
- Implementing mitigation to reduce GHG emissions associated with CEQA projects, consistent with Section 4: “Mitigating Greenhouse Gas Emissions Pursuant to CEQA;” and
- Leveraging regional collaboration to enhance the effectiveness of local climate action and overcome barriers to CEQA GHG mitigation as highlighted in section 5: “Importance of Regional Collaboration.”

California must accommodate population and economic growth in a far more sustainable and equitable manner than in the past. California’s climate trajectory relies on local efforts that align with and help implement the State’s priorities. The recommendations provided in this appendix are non-binding and should not be interpreted as a directive to local governments, but rather as evidence-based analytical tools to assist local governments with their role as essential partners in achieving California’s climate goals.

From: [Keith B. Jones](#)
To: mike_bullock@earthlink.net
Subject: Re: Oceanside Transit Center: Housing Retail Office = need for an intelligent car-parking system
Date: Friday, March 11, 2022 2:51:00 PM
Attachments: [image001.jpg](#)

Mike,

Happy Friday afternoon to you. Thank you for your thoughtful and well crafted response.

Yes, please feel free to share ACE's interest in participating in an opportunity to provide these parking solutions.

Have a great weekend,
Keith

Keith B. Jones

Owner | ACE Parking

[ACE Parking](#)

645 Ash Street

San Diego, CA 92101

T: 619.233.6624



On Sat, Mar 5, 2022 at 5:41 PM <mike_bullock@earthlink.net> wrote:

Keith,

Thank you so much for getting back to me.

No, there is no RFP.

However, the North County Transit District (NCTD), the agency doing the Transit Center project, has a representative on the Oceanside Bike-Ped Committee who seems interested. The Bike-Ped Committee supports the Dividend Account Parking (DAP) system. The Chair of the NCTD, Tony Krantz, who is an Encinitas Councilman, should be supportive, but I have not presented to him. I have presented to the Mayor of Encinitas.

I have put more work into this for the City of Oceanside, for their Civic Center

Parking Garage, which is supposed to be City Employee parking, but is also free to the public. On Thursdays, when Oceanside has its Farmers Market, late-arriving employees sometimes find no vacant parking and then park in the neighborhood. Oceanside is not planning to issue an RFP. However, I may be able to coax one out of them if they know you are interested. I need 3 votes and I estimate that I have only 1 right now. However, several on the Council have expressed interest in the Dividend Account Parking (DAP) system. At the Oceanside Climate Action Plan (CAP) meeting, where I was hoping to get three votes, only one Council Member expressed interest. If DAP were installed at the Civic Center Parking Garage, the Transit Center should follow. They are about 4 blocks away.

Most realize that our climate emergency is getting more acute. However, no city has ever done this, and it is tough to ask an elected official to do something new. Most Climate Action Plans have a Transportation Demand Management (TDM) ordinance, where DAP would fit.

Oceanside has parking meters and pay-station parking close to the Civic Center Parking Garage and close to the Transit Center. Both the parking meter parking and the pay-station parking could be automated with DAP, so the user could take their pick. I predict that younger people would tend to choose DAP; older drivers would tend to use the meters and the pay station. Over time, DAP would win out.

Regarding climate, humanity needs the private sector to do the design and operation of the needed systems (parking and roads.) (Where would we be without Elon Musk?)

Would it be OK for me to disclose your interest in submitting a proposal for a DAP system RFP? Your interest would be important, it seems to me. I have also raised this issue in Encinitas and Carlsbad. Barbara and I were strategizing on how to introduce this to San Diego, when the pandemic hit. San Diego is known to have a poor Climate Action Plan when it comes to driving. Driving is the category that emits the most GHG. A reduction of 10% at a location would be very significant and be a good verification of the system. And employees would have to be pleased with the new system.

The County might be interested, especially if they knew you were interested. DAP was ruled to be a feasible mitigation measure in the lawsuit against their first CAP. There are 3 members on the BOS who claim to be very concerned about climate. You have probably read about their “framework for decarbonization by 2035.” After

nearly 10 years of trying, the County still has no legal CAP.

Ukraine (Putin) has presented another argument for having meaningful TDM measures to reduce gasoline use. In any case, any measure adopted would need to increase choice and equity. DAP would do that.

Regards,



Mike Bullock
1800 Bayberry Drive
Oceanside, CA 92054
760-421-9482

Former California Democratic Party Delegate, 76th Assembly District

Former Elected (now Associate) Member of the San Diego County Democratic Party Central Committee

Satellite Systems Engineer, 36 years (Now Retired)

Air and Waste Management Association published and presented papers:

Author, ***The Development of California Light-Duty Vehicle (LDV) Requirements to Support Climate Stabilization: Fleet-Emission Rates & Per-Capita Driving***

Author, ***A Climate-Killing Regional Transportation Plan Winds Up in Court: Background and Remedies***

Co-author, ***A Plan to Efficiently and Conveniently Unbundle Car Parking Cost***

From: Keith B. Jones <kjones@aceparking.com>

Sent: Thursday, March 3, 2022 2:06 PM

To: mike_bullock@earthlink.net

Subject: Fwd: FW: Oceanside Transit Center: Housing Retail Office = need for an intelligent car-parking system

Mike,

Good afternoon. Barbara Bry sent me your email regarding Oceanside Transit Center. Is there an RFP for the car parking you suggest I respond to?

Thanks,

Keith

Keith B. Jones

Owner | ACE Parking

[ACE Parking](#)

645 Ash Street

San Diego, CA 92101

T: 619.233.6624



----- Forwarded message -----

From: **Barbara Bry** <bbry@blackbirdv.com>

Date: Sun, Feb 27, 2022 at 6:36 PM

Subject: FW: Oceanside Transit Center: Housing Retail Office = need for an intelligent car-parking system

To: Keith Jones <kjones@aceparking.com>

Fyi, from Mike Bullock, hope you're having a great time visiting islands!

Barbara Bry

Chief Operating Officer

Chief Financial Officer

Blackbird Ventures

(858) 248-9465

<https://www.linkedin.com/in/barbarabry/>

From: Mike Bullock <mike_bullock@earthlink.net>

Date: Sunday, February 27, 2022 at 4:24 PM

To: Barbara Bry <bbry@blackbirdv.com>

Subject: Oceanside Transit Center: Housing Retail Office = need for an intelligent car-parking system

http://enewspaper.sandiegouniontribune.com/infinity/article_share.aspx?guid=0dbb7ab6-0514-4bc1-b06b-4d7d1894f882

Please forward this to Keith. Would he submit a response to an RFP if the NCTD issued one for a good car-parking system? This is a bit of a chicken and egg situation.

Putin gives us one more reason to stop using a car-parking system that incentivizes driving. Our climate emergency is all the reason we need.

We need a car parking vendor to take over the world of bad car-parking systems.

Mike

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