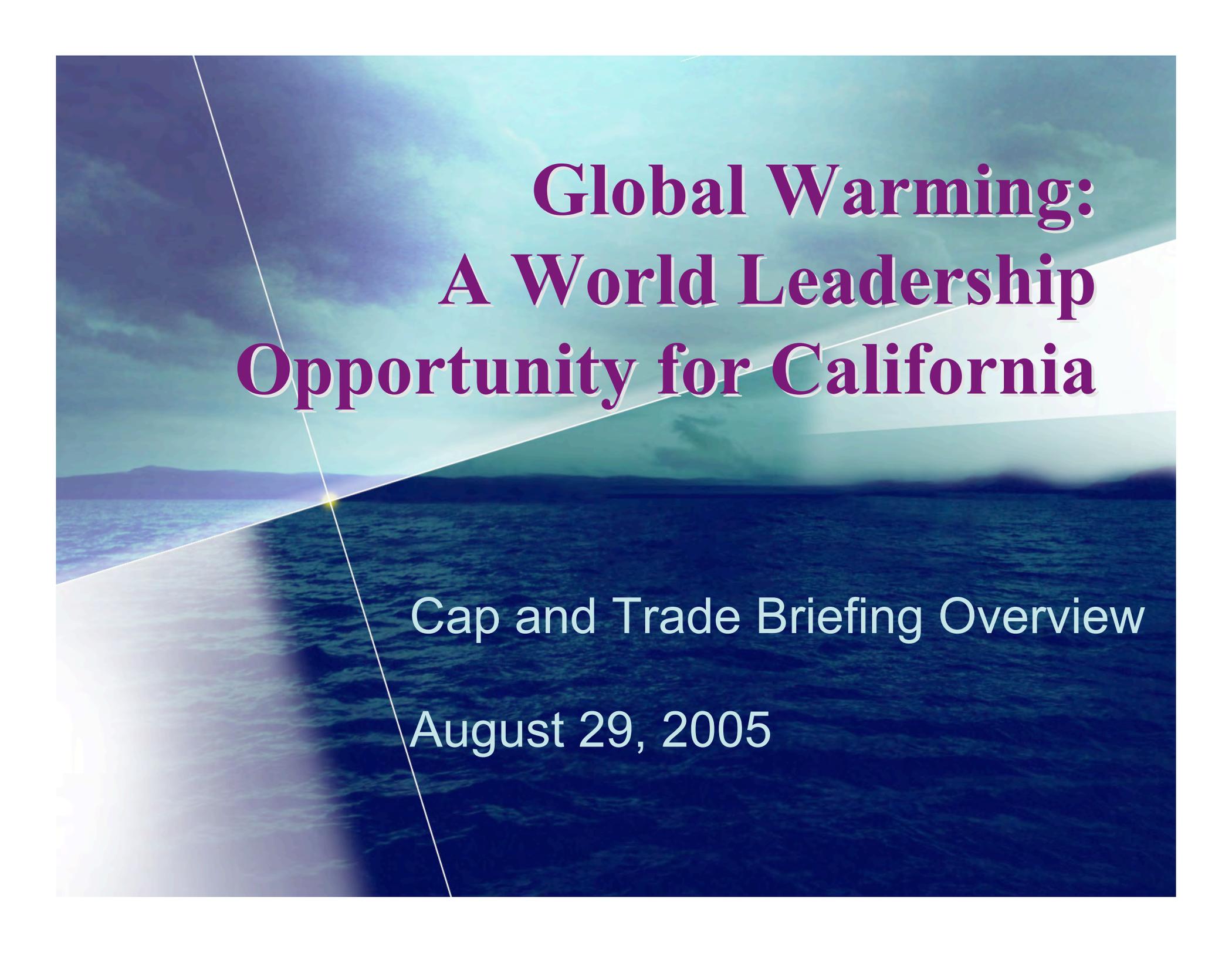


# Climate Change

**“I say the debate is over. We know the science. We see the threat. And we know the time for action is now.”**

-- Governor Schwarzenegger  
June 1, 2005  
World Environment Day





# **Global Warming: A World Leadership Opportunity for California**

Cap and Trade Briefing Overview

August 29, 2005

# Science is Conclusive

- ❑ Human Activity is Altering Climate
- ❑ California's Top Scientists at the Forefront
  - Evaluating Worldwide Consequences
  - Evaluating State and Regional Consequences

# Probable Impacts to California

- ❑ Reduction in Snow Pack (70%-90% reduction between 2070 and 2090)
- ❑ Harm to Public Health & Environment (4°-9°F incr. by 2050)
- ❑ Rising Sea Level (3"-5" by 2050)
- ❑ Threat to CA Levee System
- ❑ Degradation of Growing Conditions

# California Matters

## World's Largest GHG Emitters

	2000 Emissions (Mt CO <sub>2</sub> )	Per Capita Emissions
1. USA.....	5,661.....	19
2. China.....	2,795.....	02
3. Russia.....	1,437.....	10
4. Japan.....	1,186.....	09
5. India.....	1,073.....	01
6. Germany.....	787.....	10
7. UK.....	569.....	09
8. Canada.....	437.....	13
9. California.....	430.....	12
10. Italy.....	429.....	07
11. South Korea.....	428.....	09
12. Mexico.....	425.....	04



Sources: Oak Ridge National Lab & The Tellus Institute

# California Will:

## ❑ Lead the Nation

- Vehicle Emissions and Energy Efficiency Standards
- Renewable Portfolio Standard
- California Climate Action Registry

## ❑ Grow the ECONOMY While Cutting Carbon

- \$5 Billion Consumer Savings Annually by 2020  
(CA Vehicle regs)

## ❑ Encourage Investment in GHG Technology

- World Market Potential, \$180 Billion Annually
- Add 53,000 More Jobs by 2020 (CA Vehicle regs)

# Executive Order Established Statewide GHG Targets

**By 2010, Reduce to 2000 Emission Levels\***

**By 2020, Reduce to 1990 Emission Levels\*\***

**By 2050, Reduce to 80% Below 1990 Levels**

\* Equals 59 Million Tons Emission Reductions, 11% Below BAU

\*\* Equals 145 Million Tons Emission Reductions, 25% Below BAU



# Other Directives in the EO

- Scenario Analysis to Evaluate Impacts on:
  - Public Health
  - Water Quality and Supply
  - Agriculture
  - Forests
  - Coastline
  - Will Include Adaptation Planning
- CalEPA to Lead a Coordinated Effort

# Climate Action Team

- Secretary Lloyd Chairs
- ARB, BT&H, CDFA, CIWMB, CEC, PUC and Resources are Represented
- The CAT will:
  - Evaluate Emission Reduction Strategies to Meet Targets
  - Report on Scenario Analysis
  - Report to Governor and Legislature in January and Bi-annually
  - Include Cap and Trade Options in the January Report

# CAT Subgroups

- Report to the CAT
- Scenario Analysis
  - Impacts of climate change on CA and adaptation
- Cap and Trade
  - Description of Options
  - Pros and Cons
  - Issues

# Process

## □ Public Workshops

- Beginning in September
- 4 Workshops, CAT and Subgroups

## □ Stakeholder Advisory Meetings

- CAT Held July 28
- August 29 Subgroup Meetings
- Process oriented
- Targeted to Industry, NGOs, Communities and Local Government

# Cap and Trade Subgroup

- ❑ Options Considered
  - Investor Owned Utilities Only
  - Power Sector
  - Multi Sector
  - Multi Sector with Offsets
- ❑ Consider No Cap and Trade Options

# Overview of Today's Meeting

- ❑ Utility Sector Options
- ❑ Multi Sector Options and Offsets
- ❑ Design Choices
- ❑ Public Comment will Follow Each Presentation
- ❑ Closing Remarks by Deputy Secretary Anne Baker