

IMPLEMENTATION OPTIONS FOR MEETING THE GOVERNOR'S STATEWIDE CLIMATE CHANGE EMISSION REDUCTION TARGETS

Table 3 below lists potential options the state could employ, either in combination or singularly, to meet the Governor's statewide climate change emission targets as established in Executive Order S-3-05. These options are being considered by the Climate Action Team and will be evaluated based on economic feasibility, emission reduction potential and political feasibility. Stakeholder input will be critical to any decision on design of an overall structure that will ensure the Governor's directives are met. All of these program options would need to be designed to ensure no localized criteria pollutant and/or toxic emission increases, particularly in low-income and minority communities.

TABLE 3 Implementation Options
Programmatic
Programs implemented by agencies. Examples of existing programs include: ARB's motor vehicle regulations, energy efficiency standards, Renewable Portfolio Standard
Cap and Trade
Climate change emission cap established for industrial sectors. Trading allowed for flexibility.
Climate Change Emission Fee
Fee assessed based on climate change emissions. Proceeds could be used to provide incentives or otherwise fund emission reduction projects, or to reduce fees or taxes (be revenue-neutral).
Fuel and Imported Electricity Fee
Fee assessed on sales of petroleum, natural gas, coal and electricity purchased from out of state. Proceeds could be used to provide incentives or otherwise fund emission reduction projects, or to reduce fees or taxes (be revenue-neutral).
Climate Trust Program
Modeled on Oregon and Washington program. New power plants required to achieve an intensity standard set below what a conventional power plant can achieve. New conventional power plants would need to create offsets or purchase offsets.
Voluntary Emission Reduction Program
Participants work with the state to establish agreed-upon emission reduction activities in support of the Governor's statewide targets.
Mandatory Reporting
Necessity for all programs, tracking and accountability.