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**HEALTH AND SAFETY CODE - HSC**

**DIVISION 25.5. CALIFORNIA GLOBAL WARMING SOLUTIONS ACT OF 2006 [38500 - 38599.11]** ( *Division 25.5 added by Stats. 2006, Ch. 488, Sec. 1. )*

**PART 1. GENERAL PROVISIONS [38500 - 38510]** ( *Part 1 added by Stats. 2006, Ch. 488, Sec. 1. )*

**CHAPTER 3. Definitions [38505 - 38506]** ( *Chapter 3 added by Stats. 2006, Ch. 488, Sec. 1. )*

**38505.** For the purposes of this division, the following terms have the following meanings:

- (a) "Allowance" means an authorization to emit, during a specified year, up to one ton of carbon dioxide equivalent.
- (b) "Alternative compliance mechanism" means an action undertaken by a greenhouse gas emission source that achieves the equivalent reduction of greenhouse gas emissions over the same time period as a direct emission reduction, and that is approved by the state board. "Alternative compliance mechanism" includes, but is not limited to, a flexible compliance schedule, alternative control technology, a process change, or a product substitution.
- (c) "Carbon dioxide equivalent" means the amount of carbon dioxide by weight that would produce the same global warming impact as a given weight of another greenhouse gas, based on the best available science, including from the Intergovernmental Panel on Climate Change.
- (d) "Cost-effective" or "cost-effectiveness" means the cost per unit of reduced emissions of greenhouse gases adjusted for its global warming potential.
- (e) "Direct emission reduction" means a greenhouse gas emission reduction action made by a greenhouse gas emission source at that source.
- (f) "Emissions reduction measure" means programs, measures, standards, and alternative compliance mechanisms authorized pursuant to this division, applicable to sources or categories of sources, that are designed to reduce emissions of greenhouse gases.
- (g) "Greenhouse gas" or "greenhouse gases" includes all of the following gases:
  - (1) Carbon dioxide.
  - (2) Methane.
  - (3) Nitrous oxide.
  - (4) Hydrofluorocarbons.
  - (5) Perfluorocarbons.
  - (6) Sulfur hexafluoride.
  - (7) Nitrogen trifluoride.
- (h) "Greenhouse gas emissions limit" means an authorization, during a specified year, to emit up to a level of greenhouse gases specified by the state board, expressed in tons of carbon dioxide equivalents.
- (i) "Greenhouse gas emission source" or "source" means any source, or category of sources, of greenhouse gas emissions whose emissions are at a level of significance, as determined by the state board, that its participation in the program established under this division will enable the state board to effectively reduce greenhouse gas emissions and monitor compliance with the statewide greenhouse gas emissions limit.

(j) "Leakage" means a reduction in emissions of greenhouse gases within the state that is offset by an increase in emissions of greenhouse gases outside the state.

(k) "Market-based compliance mechanism" means either of the following:

(1) A system of market-based declining annual aggregate emissions limitations for sources or categories of sources that emit greenhouse gases.

(2) Greenhouse gas emissions exchanges, banking, credits, and other transactions, governed by rules and protocols established by the state board, that result in the same greenhouse gas emission reduction, over the same time period, as direct compliance with a greenhouse gas emission limit or emission reduction measure adopted by the state board pursuant to this division.

(l) "State board" means the State Air Resources Board.

(m) "Statewide greenhouse gas emissions" means the total annual emissions of greenhouse gases in the state, including all emissions of greenhouse gases from the generation of electricity delivered to and consumed in California, accounting for transmission and distribution line losses, whether the electricity is generated in state or imported. Statewide emissions shall be expressed in tons of carbon dioxide equivalents.

(n) "Statewide greenhouse gas emissions limit" or "statewide emissions limit" means the maximum allowable level of statewide greenhouse gas emissions in 2020, as determined by the state board pursuant to Part 3 (commencing with Section 38550).

*(Amended by Stats. 2009, Ch. 331, Sec. 1. (SB 104) Effective January 1, 2010.)*

**38505.5.** (a) "District" has the same meaning as in Section 39025.

(b) This section shall remain in effect only until January 1, 2031, and as of that date is repealed.

*(Added by Stats. 2017, Ch. 135, Sec. 3. (AB 398) Effective July 25, 2017. Repealed as of January 1, 2031, by its own provisions.)*

**38506.** For purposes of this division, "social costs" means an estimate of the economic damages, including, but not limited to, changes in net agricultural productivity; impacts to public health; climate adaptation impacts, such as property damages from increased flood risk; and changes in energy system costs, per metric ton of greenhouse gas emission per year.

*(Added by Stats. 2016, Ch. 250, Sec. 3. (AB 197) Effective January 1, 2017.)*