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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 5. MARKET-BASED COMPLIANCE MECHANISMS [38570 - 38574]** ( *Part 5 added by Stats. 2006, Ch. 488, Sec. 1. )*

**38570.** (a) The state board may include in the regulations adopted pursuant to Section 38562 the use of market-based compliance mechanisms to comply with the regulations.

(b) Prior to the inclusion of any market-based compliance mechanism in the regulations, to the extent feasible and in furtherance of achieving the statewide greenhouse gas emissions limit, the state board shall do all of the following:

- (1) Consider the potential for direct, indirect, and cumulative emission impacts from these mechanisms, including localized impacts in communities that are already adversely impacted by air pollution.
- (2) Design any market-based compliance mechanism to prevent any increase in the emissions of toxic air contaminants or criteria air pollutants.
- (3) Maximize additional environmental and economic benefits for California, as appropriate.

(c) The state board shall adopt regulations governing how market-based compliance mechanisms may be used by regulated entities subject to greenhouse gas emission limits and mandatory emission reporting requirements to achieve compliance with their greenhouse gas emissions limits.

*(Added by Stats. 2006, Ch. 488, Sec. 1. Effective January 1, 2007.)*

**38571.** The state board shall adopt methodologies for the quantification of voluntary greenhouse gas emission reductions. The state board shall adopt regulations to verify and enforce any voluntary greenhouse gas emission reductions that are authorized by the state board for use to comply with greenhouse gas emission limits established by the state board. The adoption of methodologies is exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

*(Added by Stats. 2006, Ch. 488, Sec. 1. Effective January 1, 2007.)*

**38574.** Nothing in this part or Part 4 (commencing with Section 38560) confers any authority on the state board to alter any programs administered by other state agencies for the reduction of greenhouse gas emissions.

*(Added by Stats. 2006, Ch. 488, Sec. 1. Effective January 1, 2007.)*