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AB-1159 California Global Warming Solutions Act of 2006: natural and working lands: market-based compliance mechanisms. (2023-2024)



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Assembly Bill No. 1159

CHAPTER 358

An act to amend Section 38561.5 of the Health and Safety Code, relating to greenhouse gases.

Approved by Governor October 07, 2023. Filed with Secretary of State October 07, 2023.

LEGISLATIVE COUNSEL'S DIGEST

AB 1159, Aguiar-Curry. California Global Warming Solutions Act of 2006: natural and working lands: market-based compliance mechanisms.

The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases and authorizes the state board to include the use of marketbased compliance mechanisms in the regulation of emissions of greenhouse gases. The act requires the state board to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030. The act declares the policy of the state to achieve net zero greenhouse gas emissions as soon as possible, but no later than 2045, and to achieve and maintain net negative greenhouse gas emissions thereafter. The act requires the state board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and to update the scoping plan at least once every 5 years.

The act also requires the Natural Resources Agency, in collaboration with specified entities, including the state board, to determine on or before January 1, 2024, an ambitious range of targets for natural carbon seguestration, and for nature-based climate solutions, that reduce greenhouse gas emissions for 2030, 2038, and 2045 to support state goals to achieve carbon neutrality and foster climate adaptation and resilience. The act requires these targets to be integrated into the above-described scoping plan and other state policies. The act prohibits emissions reduction projects and actions that receive state funding from being eligible to generate credits under any market-based compliance mechanism.

This bill would instead require the state board to additionally ensure that all greenhouse gas emissions reductions and removals used for any market-based compliance mechanism are in addition to any reductions and removals that would otherwise occur.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 38561.5 of the Health and Safety Code is amended to read:

38561.5. (a) For purposes of this section, the following definitions apply:

- (1) "Natural carbon sequestration" means actions that are undertaken on natural and working lands to remove and provide storage of atmospheric greenhouse gases in vegetation and soils. This shall include preservation, conservation, restoration, and sustainable management of these lands, which may include compost application, cover crops, hedgerows, planned grazing, urban forestry, riparian restoration, restoration of tidal flows to wetlands, and other forms of wetland restoration, among other relevant actions.
- (2) "Natural lands" has the same meaning as set forth in paragraph (2) of subdivision (d) of Section 9001.5 of the Public Resources Code.
- (3) "Nature-based climate solutions" means activities, such as restoration, conservation, and land management actions, that increase net carbon sequestration or reduce greenhouse gas emissions in natural and working lands.
- (4) "Vulnerable communities" has the same meaning as set forth in subdivision (d) of Section 71340 of the Public Resources Code.
- (5) "Working lands" has the same meaning as set forth in paragraph (1) of subdivision (d) of Section 9001.5 of the Public Resources Code.
- (b) (1) On or before January 1, 2024, the Natural Resources Agency, in collaboration with the state board, the California Environmental Protection Agency, the Department of Food and Agriculture, the expert advisory committee established pursuant to subdivision (c), and other relevant state agencies, shall determine an ambitious range of targets for natural carbon sequestration, and for nature-based climate solutions, that reduce greenhouse gas emissions for 2030, 2038, and 2045 to support state goals to achieve carbon neutrality and foster climate adaptation and resilience. These targets shall be integrated into the scoping plan prepared pursuant to Section 38561 and other state policies.
 - (2) Projects and actions developed to achieve the targets established pursuant to paragraph (1) shall support the state's efforts to achieve carbon neutrality, take into account climate impacts, increase resilience to climate change impacts, reduce greenhouse gas emissions, and enhance carbon sequestration in a manner that maximizes ecological health and biodiversity, and complements other climate and resources goals.
 - (3) The state board shall ensure that all emissions reductions from projects and actions developed to achieve the targets established pursuant to paragraph (1) shall be accounted for in a manner that does not result in double counting of emissions reductions, and that all greenhouse gas emissions reductions and removals used for any market-based compliance mechanism are in addition to any reductions and removals that would otherwise occur.
 - (4) On or before January 1, 2025, the Natural Resources Agency, in consultation with the state board, the California Environmental Protection Agency, and the Department of Food and Agriculture, shall review and update the Natural and Working Lands Climate Smart Strategy established pursuant to Section 39740.2 to achieve the targets established pursuant to paragraph (1).
 - (5) The review and update pursuant to paragraph (4) shall include all of the following:
 - (A) Descriptions of the actions and projects undertaken on natural and working lands to date.
 - (B) Quantified progress on emissions reductions, natural carbon sequestration, and cobenefits.
 - (C) A description of how the relevant agencies calculated emissions reductions, natural carbon sequestration, and cobenefits.
 - (D) A summary of the benefits to low-income communities, disadvantaged communities, vulnerable communities, disadvantaged farmers, and Native American tribes.
 - (E) An evaluation of the efficacy of the priority nature-based solutions, pathways, and priority actions for greenhouse gas reductions, climate resilience, and climate change adaptation.
 - (F) Identification and description of any barriers to achieving the range of targets pursuant to paragraph (1).
 - (G) Recommendations to address the barriers identified in subparagraph (F) to achieve the range of targets pursuant to paragraph (1).
 - (H) Recommendations from the expert advisory committee established pursuant to subdivision (c).
- (c) The Natural Resources Agency and the state board shall jointly establish an expert advisory committee that is composed of university researchers, technical assistance providers, practitioners and other experts in the field of climate change and natural and working lands science and management, and Indigenous and environmental justice representatives, to inform and review

modeling and analyses for natural and working lands, to advise state agencies on implementation strategies and standardized accounting, and to provide recommendations on addressing barriers to efficient implementation of this section.

- (d) No later than January 1, 2025, the state board shall develop standard methods for state agencies to consistently track greenhouse gas emissions and reductions, carbon sequestration, and, where feasible and in consultation with the Natural Resources Agency and the Department of Food and Agriculture, additional benefits from natural and working lands over time. In estimating and tracking greenhouse gas emissions and reductions and carbon sequestration from natural and working lands, the state board shall take into account, where feasible, both of the following:
 - (1) Greenhouse gas emissions and reductions of carbon dioxide, methane, and nitrous oxide related to natural and working lands.
 - (2) Potential impacts of climate change, including, but not limited to, increased fire risk, warming temperatures, and decreasing precipitation, on the ability to reduce greenhouse gas emissions and sequester carbon from natural and working lands.
- (e) On or before January 1, 2025, and every two years thereafter, the Natural Resources Agency shall publish data on its internet website on progress made in achieving the targets established pursuant to paragraph (1) of subdivision (b), including on state expenditures made to implement these targets.