

## CONCURRENCE IN SENATE AMENDMENTS

AB 1159 (Aguiar-Curry)

As Amended July 3, 2023

Majority vote

**SUMMARY**

Requires that all greenhouse gas (GHG) emissions reductions and removals used for any market-based compliance mechanism are in addition to any reductions and removals that would otherwise occur.

**Senate Amendments**

Strikes language prohibiting natural and working lands projects and actions that receive state funding from being eligible to generate credits under any market-based compliance mechanism for any GHG emissions reduced or removed as a result of the state funding, and replaces with clarifying language applying to all GHG reduction projects.

**COMMENTS**

Under the California Global Warming Solutions Act of 2006 (Act), California has goals to reduce GHG emissions to at least 85% below the 1990 level by 2045, and meet a goal of zero net carbon emissions by 2045.

Under the Act, the Air Resources Board (ARB) adopted the cap-and-trade program as a market-based compliance mechanism to establish a declining limit on major sources of GHG emissions throughout California. Covered entities can invest in "offsets" to satisfy a small percentage of their overall compliance obligation. Any reduction of GHG emissions used for compliance purposes must be real, permanent, quantifiable, verifiable, enforceable, and additional.

California's natural and working lands have the ability to sequester carbon from the atmosphere and greatly accelerate our progress to mitigate climate change and our ability to reduce worsening climate change impacts.

AB 1757 (C. Garcia, R. Rivas), Chapter 341, Statutes of 2022 requires ARB, by January 1, 2024, with other specified state entities, to determine an ambitious range of targets for natural carbon sequestration, and for nature-based climate solutions, that reduce GHGs for 2030, 2038, and 2045 to support state goals to achieve carbon neutrality and foster climate adaptation and resilience. AB 1757 provides that any emissions reduction project that receives state funding is not eligible to generate credits under cap-and-trade. The intent was to ensure that there is no "double payment" for stored carbon or avoided emissions from natural and working lands projects.

This bill clarifies that all GHG emissions reductions and removals used for any market-based compliance mechanism are in addition to any reductions and removals that would otherwise occur.

**According to the Author**

AB 1757 includes well-intended provisions to ensure any emission reductions work used toward achieving targets is not double-counted and that projects or actions that receive state funding are not eligible to generate credits under any market-based mechanisms. However, the existing law

under AB 1757, is overly broad, and could be interpreted to apply to all state funds, not just funds intended for carbon sequestration or GHG emissions reduction. This interpretation has the potential to halt projects that return ancestral lands to tribes because these projects rely on state funds for the acquisition and restoration grants, but also generate carbon sequestration projects.

### **Arguments in Support**

The Hoopa Valley Tribe writes, "Our Tribe has developed significant partnerships with California public agencies, including [the Department of Forestry and Fire Protection] and the State Coastal Conservancy, to carry out habitat restoration projects, water quality improvements, and fuel reduction work that protects critical infrastructure and public safety. None of these activities implicate double-counting of emissions reductions in the state's accounting. Yet AB 1757's overly broad language suggests that if we receive state grants for such activities, we might be unable to generate carbon offset revenue that would support ongoing land management and the wellbeing of Tribal members. This outcome would hinder important State and Tribal priorities, and it would be profoundly unfair to cut us off from the [ARB] carbon offset market if we should choose to participate in future."

### **Arguments in Opposition**

None on file.

## **FISCAL COMMENTS**

According to the Senate Appropriations Committee, this bill will result in negligible state costs pursuant to Senate Rule 28.8.

## **VOTES:**

### **ASM NATURAL RESOURCES: 11-0-0**

**YES:** Luz Rivas, Flora, Addis, Friedman, Hoover, Mathis, Muratsuchi, Pellerin, Ward, Wood, Zbur

### **ASM APPROPRIATIONS: 15-0-1**

**YES:** Holden, Megan Dahle, Bryan, Calderon, Wendy Carrillo, Dixon, Mike Fong, Hart, Lowenthal, Mathis, Papan, Pellerin, Sanchez, Weber, Ortega

**ABS, ABST OR NV:** Robert Rivas

### **ASSEMBLY FLOOR: 80-0-0**

**YES:** Addis, Aguiar-Curry, Alanis, Alvarez, Arambula, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Juan Carrillo, Wendy Carrillo, Cervantes, Chen, Connolly, Megan Dahle, Davies, Dixon, Essayli, Flora, Mike Fong, Vince Fong, Friedman, Gabriel, Gallagher, Garcia, Gipson, Grayson, Haney, Hart, Holden, Hoover, Irwin, Jackson, Jones-Sawyer, Kalra, Lackey, Lee, Low, Lowenthal, Maienschein, Mathis, McCarty, McKinnor, Muratsuchi, Stephanie Nguyen, Ortega, Pacheco, Papan, Jim Patterson, Joe Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Sanchez, Santiago, Schiavo, Soria, Ta, Ting, Valencia, Villapudua, Waldron, Wallis, Ward, Weber, Wicks, Wilson, Wood, Zbur, Rendon

**SENATE FLOOR: 40-0-0**

**YES:** Allen, Alvarado-Gil, Archuleta, Ashby, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dahle, Dodd, Durazo, Eggman, Glazer, Gonzalez, Grove, Hurtado, Jones, Laird, Limón, McGuire, Menjivar, Min, Newman, Nguyen, Niello, Ochoa Bogh, Padilla, Portantino, Roth, Rubio, Seyarto, Skinner, Smallwood-Cuevas, Stern, Umberg, Wahab, Wiener, Wilk

**UPDATED**

VERSION: July 3, 2023

CONSULTANT: Paige Brokaw / NAT. RES. / (916) 319-2092

FN: 0001329