

# CLIMATE CHANGE

Over the past several years, the Administration and the Legislature have worked together to enact landmark legislation that establishes California as a global leader in the fight against climate change.

- Chapter 547, Statutes of 2015 (SB 350)—Doubles the rate of energy efficiency savings in California buildings and requires 50 percent of the state’s electricity be generated from renewable sources by 2030.
- Chapter 395, Statutes of 2016 (SB 1383)—Establishes statewide reduction targets for short-lived climate pollutants.
- Chapter 249, Statutes of 2016 (SB 32)—Establishes a statewide greenhouse gas (GHG) emission reduction target of 40 percent below 1990 levels by 2030.
- Chapter 250, Statutes of 2016 (AB 197)—Prioritizes direct emission reductions from large stationary sources and mobile sources.

This July, the Administration and Legislature built upon these historic achievements with the enactment of additional climate-related legislation.

Chapter 135, Statutes of 2017 (AB 398) extends and improves the Cap and Trade Program, which will enable the state to meet its 2030 emission reduction goals in the most cost-effective manner. Furthermore, extending the Cap and Trade Program will provide billions of dollars in auction proceeds to invest in communities across California.

Chapter 136, Statutes of 2017 (AB 617) establishes a groundbreaking program to measure and reduce air pollution from mobile and stationary sources at the neighborhood level in the communities most impacted by air pollutants. AB 617 requires the Air Resources Board to work closely with local air districts and communities to establish neighborhood air quality monitoring networks and to develop and implement plans to reduce emissions. The focus on community-based air monitoring and emission reductions will provide a national model for enhanced community protection.

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### **CAP AND TRADE EXPENDITURE PLAN**

The Administration is proposing a \$1.5 billion Cap and Trade Expenditure Plan for the current fiscal year. (see Figure CLI-01). This proposal complies with the statutory requirement designating at least 35 percent of expenditures to benefit disadvantaged and low-income communities.

Figure CLI-01  
**2017-18 Cap and Trade Expenditure Plan**  
(Dollars in Millions)

<i>Investment Category</i>	<i>Program</i>	<i>Amount</i>	<i>AB 398 Categories</i>
AB 617 Implementation	Community Action Plans	\$300	Air Toxic and Criteria Air Pollutants & Low and Zero Carbon Transportation
	State and Local Implementation Costs	\$45	
	Technical Assistance to Community Groups	\$5	
Low Carbon Transportation	Clean Vehicle Rebate Project	\$140	Air Toxic and Criteria Air Pollutants & Low and Zero Carbon Transportation
	Freight Hubs/Ports: Zero Emission Freight Equipment Pilot Commercial Deployment Projects	\$125	
	Enhanced Fleet Modernization Program, School Buses & Transportation Equity Projects	\$125	
	Clean Truck and Bus Voucher Incentive Project	\$132.5	
	Agricultural Diesel Engine Replacement & Upgrades	\$85	
Sustainable Agriculture	Methane Reduction	\$99	Short-Lived Climate Pollutants & Air Toxic and Criteria Air Pollutants
	Energy Efficiency	\$60	
	Renewable Energy	\$6	
	Healthy Soils	\$5	
Sustainable Forests	Fire Prevention	\$200	Healthy Forests and Urban Greening & Climate Adaptation and Resiliency
	Local Fire Response	\$25	
	Backfill SRA Fund	\$80	
Waste Diversion	Recycling Infrastructure	\$40	Short-Lived Climate Pollutants
Clean Energy	Black Carbon Woodsmoke	\$5	Short-Lived Climate Pollutants & Air Toxic and Criteria Air Pollutants
Energy Efficiency	Low Income Weatherization	\$20	Climate Adaptation and Resiliency
Research and Development	University of California Energy Research	\$2.5	Climate and Clean Energy Research
<b>Total</b>		<b>\$1,500</b>	

This Cap and Trade Expenditure Plan is consistent with the following expenditure priorities specified in AB 398:

- Air toxic and criteria pollutants from stationary and mobile sources.
- Low- and zero-carbon transportation alternatives.
- Sustainable agricultural practices.
- Healthy forests and urban greening.
- Short-lived climate pollutants.
- Climate adaptation and resiliency.
- Climate and clean energy research.

Consistent with previous efforts that address climate change, the Administration is committed to working collaboratively with the Legislature on the enactment of the Cap and Trade Expenditure Plan by the end of the legislative session.