

**SANTA CRUZ COUNTY  
BOARD OF SUPERVISORS INDEX SHEET**

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**Creation Date:** 6/17/09

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**INVENUM:** 62728

**Resolution(s):** 183-2009

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**Ordinance(s):**

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**Contract(s):**

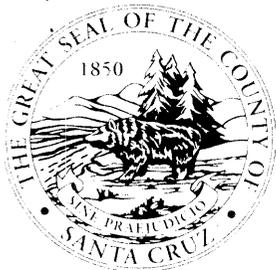
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**Continue Date(s):**

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**Index:** --Letter of Supervisor Coonerty, dated June 16, 2009  
--Resolution

**Item: 33.** ADOPTED RESOLUTION NO. 183-2009 supporting the passage of Assembly Bill 1404, which would ensure that policies used to reach the goals of California's Global Warming Solution Act maximize environmental and public health benefits, as recommended by Supervisor Coonerty



# County of Santa Cruz

## BOARD OF SUPERVISORS

701 OCEAN STREET, SUITE 500, SANTA CRUZ, CA 95060-4069  
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JOHN LEOPOLD

ELLENPIRIE

NEAL COONERTY

TONY CAMPOS

MARK W. STONE

FIRST DISTRICT

THIRD DISTRICT

FOURTH DISTRICT

FIFTH DISTRICT

**APPROVED AND FORWARDED**  
**BOARD OF SUPERVISORS**

DATE: 6/23/09  
 COUNTY OF SANTA CRUZ

SUSAN A. MAURIELLO  
 EX-OFFICIO CLERK OF THE BOARD

BY

*Susan A. Mauriello*  
 JEP:\*

AGENDA: 6/23/09

June 16, 2009

BOARD OF SUPERVISORS  
 County of Santa Cruz  
 701 Ocean Street  
 Santa Cruz, CA 95060

RE: SUPPORT FOR AB 1404 (DE LEÓN, PEREZ AND CARTER)

Dear Members of the Board:

As you may know, the work to implement California's Global Warming Solution Act (AB 32) is underway. As this landmark legislation aimed at reducing statewide greenhouse gas emissions to 1990 levels by 2020 is put into practice, it is important to ensure that Californians can reap the benefits of AB 32 directly by closing a loophole that would otherwise let polluters buy their way out of their AB 32 obligations instead of reducing global warming emissions and dangerous air pollutants at home. AB 1404, authored by Assemblymembers Kevin de León, Manuel Perez and Wilmer Carter, will do just that.

The loophole in California's otherwise admirable global warming program would allow polluters to buy "offsets," which are credits that polluters can buy for emissions reductions elsewhere as a substitute for making reductions themselves. I believe California's big global warming polluters should invest in local solutions instead of buying offsets and continuing to pollute as usual. AB 1404 ensures that policies used to reach the goals of AB 32 maximize environmental and public health benefits for all Californians. In particular, AB 1404 limits the use of offsets to no more than 10 percent of emission reductions, establishes requirements for verifying and tracking compliance offsets, and requires the California Air Resources Board to prioritize the use of offsets that provide air quality benefits to communities already suffering from disproportionate levels of air pollution. Excessive reliance on offsets would undermine the very purposes of a law like California's AB 32 cap on emissions. The Air

BOARD OF SUPERVISORS

June 16, 2009

Page 2

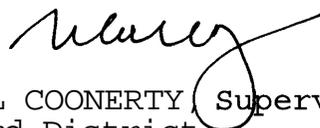
Resources Board's AB 32 Scoping Plan would allow up to 49% of emission reductions to come from offsets anywhere in the world. I believe that offsets should be much more strictly limited. Minimally, offsets need strong safeguards to ensure that the promised emission reductions are real, additional, verifiable, permanent, and enforceable. If polluters are allowed to simply buy credits for emissions reductions happening elsewhere in the world instead of doing their fair share at home, Californians and the environment will lose out on the cleaner air, new green jobs, and health benefits that come along with emissions reductions.

Curbing global warming will require a fundamental transformation of our energy economy, a task that cannot be outsourced to other countries. Requiring California's largest polluters to reduce their own emissions will spur technological advances that can be exported to the rest of the world, bringing green jobs to California. If polluters are allowed to outsource their emission reductions to other sectors and jurisdictions, the clean energy revolution will be delayed.

AB 1404 is supported by the Union of Concerned Scientists, the Sierra Club, the League of Conservation Voters, the California Building and Construction Trades Council, Environmental Defense Fund and many others environmental, health and labor organizations.

We need to ensure that pollution is addressed at its source rather than offset remotely, keeping the resultant environmental, health, and economic benefits in California. Accordingly, I recommend the Board adopt the attached resolution supporting the passage of AB 1404 and direct the Clerk of the Board to distribute the resolution as indicated.

Sincerely,



NEAL COONERTY, Supervisor  
Third District

NC:ted  
Attachments

cc: Senator Joe Simitian  
Senator Abel Maldonado  
Assemblymember Bill Monning  
Assemblymember Anna Caballero  
Assemblymember Kevin de León  
Assemblymember Manuel Perez  
Assemblymember Wilmer Carter

**33**

1079F3

BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. 183-2009

On the motion of Supervisor Pirie  
duly seconded by Supervisor Leopold  
the following resolution is adopted

RESOLUTION SUPPORTING THE PASSAGE OF AB 1404

WHEREAS, California's Global Warming Solutions Act (AB 32) requires California to cut its global warming pollution to 1990 levels by 2020; and

WHEREAS, AB 1404, authored by Assemblymembers de León, Perez and Carter, would ensure that Californians reap the benefits of AB 32 directly by closing a loophole that would otherwise let polluters buy their way out of their AB 32 obligations instead of reducing global warming emissions and dangerous air pollutants at home; and

WHEREAS, AB 1404 limits the use of offsets to no more than 10 percent of emission reductions, establishes requirements for verifying and tracking compliance offsets, and requires the California Air Resources Board to prioritize the use of offsets that provide air quality benefits to communities already suffering from disproportionate levels of air pollution; and

WHEREAS, excessive reliance on offsets would undermine the very purposes of a law like California's AB 32 cap on emissions; and

WHEREAS, the California Air Resources Board's AB 32 Scoping Plan would allow up to 49% of emission reductions to come from offsets anywhere in the world; and

WHEREAS, offsets need strong safeguards to ensure that the promised emission reductions are real, additional, verifiable, permanent, and enforceable; and

WHEREAS, if polluters are allowed to simply buy credits for emissions reductions happening elsewhere in the world instead of doing their fair share at home, Californians and the environment will lose out; and

WHEREAS, curbing global warming will require a fundamental transformation of our energy economy, a task that cannot be outsourced to other countries; and

WHEREAS, requiring California's largest polluters to reduce their own emissions will spur technological advances that can be exported to the rest of the world, bringing green jobs to California; and

RESOLUTION SUPPORTING THE PASSAGE OF AB 1404  
Page 2

WHEREAS, AB 1404 is supported by the Union of Concerned Scientists, the Sierra Club, the League of Conservation Voters, the California Building and Construction Trades Council, Environmental Defense Fund and many others environmental, health and labor organizations; and

WHEREAS, we need to ensure that pollution is addressed at its source rather than offset remotely, keeping the resultant environmental, health, and economic benefits in California.

NOW, THEREFORE, BE IT RESOLVED that the Santa Cruz County Board of Supervisors hereby supports the passage of AB 1404.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 23rd day of June, 2009, by the following vote:

AYES : SUPERVISORS Leopold, Pirie, Campos, Stone & Coonerty  
NOES : SUPERVISORS None  
ABSENT : SUPERVISORS None

**NEAL COONERTY**

NEAL COONERTY, Chairperson  
Board of Supervisors

**TESS FITZGERALD**

ATTEST: \_\_\_\_\_  
Clerk of said Board

Approved as to form:

6/19/09 JM Heats  
County Counsel

DISTRIBUTION: Senator Joe Simitian  
Senator Abel Maldonado  
Assemblymember Bill Monning  
Assemblymember Anna Caballero  
Assemblymember Kevin de Leon  
Assemblymember Manuel Perez  
Assemblymember Wilmer Carter  
County Counsel

1079F3

STATE OF CALIFORNIA )  
COUNTY OF SANTA CRUZ )  
I, SUSAN A. MAURIELLO, County Administrative Officer and ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California do hereby certify that the foregoing is a true and correct copy of the resolution passed and adopted by and in the minutes of the said board. In witness whereof I have hereunto set my hand and affixed the seal of said Board on 6/24 2009  
SUSAN A. MAURIELLO, County Administrative Officer  
By Alicia Murillo Deputy

AMENDED IN ASSEMBLY JUNE 1, 2009

AMENDED IN ASSEMBLY APRIL 13, 2009

CALIFORNIA LEGISLATURE — 2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1404**

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**Introduced by Assembly Members De Leon, Carter, and  
V. Manuel Perez**

February 27, 2009

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An act to amend Section 38505 of, and to add Section 38573 to, the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 1404, as amended, De Leon. California Global Warming Solutions Act of 2006: offsets.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions. The act authorizes the state board to adopt by regulation, after a public workshop, a schedule of fees to be paid by the sources of greenhouse gas emissions regulated pursuant to the act. The fee revenues are deposited into the Air Pollution Control Fund and are available, upon appropriation; by the Legislature, for purposes of carrying out the act. The state board is authorized to adopt market-based compliance mechanisms, as defined, meeting specified requirements to be used for

compliance with those regulations. The state board is required, before including any market-based compliance mechanism, to maximize additional environmental and economic benefits for California, as appropriate.

This bill would require the state board, if the state board allows the use of market-based compliance mechanisms, to limit the use of compliance offsets, as defined, that meet specific criteria, to no more than 10% of the greenhouse gas emission reductions expected from market mechanisms during the compliance period. The bill would require the state board to apply the limit as a percentage of each regulated ~~party's~~ party's reported emissions in a compliance period. The bill would require the state board to impose ~~an offset verification fee on entities buying and selling compliance offsets, pursuant to the fee authority described above~~ a fee on entities buying and selling compliance offsets, pursuant to the fee authority described above for deposit into the fund to pay for expenses related to state board administration of the compliance offset program, upon appropriation by the Legislature. ~~Under the bill, fee revenues would be available, upon appropriation, to pay for expenses related to state board administration of the compliance offset program.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 38505 of the Health and Safety Code is
- 2 amended to read:
- 3 38505. For the purposes of this division, the following terms
- 4 have the following meanings:
- 5 (a) "Allowance" means an authorization to emit, during a
- 6 specified year, up to one ton of carbon dioxide equivalent.
- 7 (b) "Alternative compliance mechanism" means an action
- 8 undertaken by a greenhouse gas emission source that achieves the
- 9 equivalent reduction of greenhouse gas emissions over the same
- 10 time period as a direct emission reduction, and that is approved
- 11 by the state board. "Alternative compliance mechanism" includes,
- 12 but is not limited to, a flexible compliance schedule, alternative
- 13 control technology, a process change, or a product substitution.
- 14 (c) "Carbon dioxide equivalent" means the amount of carbon
- 15 dioxide by weight that would produce the same global warming
- 16 impact as a given weight of another greenhouse gas, based on the

1 best available science, including from the Intergovernmental Panel  
2 on Climate Change.

3 (d) “Cost-effective” or “cost-effectiveness” means the cost per  
4 unit of reduced emissions of greenhouse gases adjusted for its  
5 global warming potential.

6 (e) “Compliance offset” means the quantified reduction of  
7 greenhouse gas emissions used as a substitute for direct compliance  
8 with a greenhouse gas reduction regulation or market mechanism.  
9 A compliance offset is based on emission reductions occurring  
10 outside of the sector or sectors covered by the greenhouse gas  
11 regulation.

12 (f) “Direct emission reduction” means a greenhouse gas emission  
13 reduction action made by a greenhouse gas emission source at that  
14 source.

15 (g) “Emissions reduction measure” means programs, measures,  
16 standards, and alternative compliance mechanisms authorized  
17 pursuant to this division, applicable to sources or categories of  
18 sources, that are designed to reduce emissions of greenhouse gases.

19 (h) “Greenhouse gas” or “greenhouse gases” includes all of the  
20 following gases: carbon dioxide, methane, nitrous oxide,  
21 hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

22 (i) “Greenhouse gas emissions limit” means an authorization,  
23 during a specified year, to emit up to a level of greenhouse gases  
24 specified by the state board, expressed in tons of carbon dioxide  
25 equivalents.

26 (j) “Greenhouse gas emission source” or “source” means any  
27 source, or category of sources, of greenhouse gas emissions whose  
28 emissions are at a level of significance, as determined by the state  
29 board, that its participation in the program established under this  
30 division will enable the state board to effectively reduce greenhouse  
31 gas emissions and monitor compliance with the statewide  
32 greenhouse gas emissions limit.

33 (k) “Leakage” means a reduction in emissions of greenhouse  
34 gases within the state that is offset by an increase in emissions of  
35 greenhouse gases outside the state.

36 (l) “Market-based compliance mechanism” means either of the  
37 following:

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

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

7 (m) “State board” means the State Air Resources Board.

8 (n) “Statewide greenhouse gas emissions” means the total annual  
 9 emissions of greenhouse gases in the state, including all emissions  
 10 of greenhouse gases from the generation of electricity delivered  
 11 to and consumed in Califo’*m*ia, accounting for transmission and  
 12 distribution line losses, whether the electricity is generated in state  
 13 or imported. Statewide emissions shall be expressed in tons of  
 14 carbon dioxide equivalents.

15 (o) “Statewide greenhouse gas emissions limit” or “statewide  
 16 emissions limit” means the maximum allowable level of statewide  
 17 greenhouse gas emissions in 2020, as determined by the state board  
 18 pursuant to Part 3 (commencing with Section 38550).

19 SEC. 2. Section 38573 is added to the Health and Safety Code,  
 20 to read:

21 38573. If the state board allows the use of market-based  
 22 compliance mechanisms pursuant to Section 38570, all of the  
 23 following shall apply:

24 (a) The state board shall limit the use of compliance offsets  
 25 within a compliance period to no more than 10 percent of the  
 26 greenhouse gas emission reductions expected from market  
 27 mechanisms during that compliance period. The state board shall  
 28 apply the limit as a percentage of each regulated ~~facility’s~~ *party’s*  
 29 reported emissions in a compliance period.

30 (b) The state board shall approve compliance offsets only if  
 31 those compliance offsets meet all of the following criteria:

32 (1) The compliance offset has been verified by an independent,  
 33 third-party verifier who has been certified and assigned by the  
 34 state board.

35 (2) The independent verifier has certified that the emission  
 36 reductions represented by the compliance offset meets the  
 37 requirements of a protocol adopted by the state board. Protocols  
 38 shall be developed to meet the requirements of paragraph (1) of  
 39 subdivision (d) of Section 38562.

1 (3) The compliance offset is entered into a tracking system  
2 developed or designated by the state board and assigned a unique  
3 serial number.

4 (4) The compliance offset is permanently retired and the  
5 emission reductions represented by the compliance offset have not  
6 been claimed by any other entity.

7 (5) The compliance offset shall not cause or contribute to  
8 significant adverse effects on human health or the environment as  
9 determined by the state board.

10 (6) The compliance offset is not a certified emission reduction  
11 credit developed as part of the Kyoto Protocol's Clean  
12 Development Mechanism.

13 (c) Compliance offsets shall meet the requirements for emission  
14 reductions in Section 38562.

15 (d) Subject to subdivision (a), the state board shall establish  
16 incentives or guidelines that prioritize the use of compliance offsets  
17 in the following order:

18 (1) Compliance offsets that result in air quality benefits to  
19 California communities disproportionately impacted by air  
20 pollution, as determined by the state board. A preference shall be  
21 made for compliance offsets that benefit air quality in the same  
22 air pollution control district or air quality management district  
23 where the ~~facility~~ *regulated party* claiming the offset credit is  
24 located.

25 (2) Compliance offsets that comply with Section 38565.

26 (3) Compliance offsets that result in cobenefits to public health  
27 and the environment anywhere in the state.

28 ~~(e) The state board shall impose an offset verification fee on~~  
29 ~~entities buying and selling compliance offsets. The fee shall be~~  
30 ~~imposed and collected, and the revenues shall be deposited into~~  
31 ~~the Air Pollution Control Fund, in accordance with Section 38597.~~  
32 ~~Revenues deposited into the Air Pollution Control Fund pursuant~~  
33 ~~to this section shall be available, upon appropriation by the~~  
34 ~~Legislature, to pay for expenses related to state board~~  
35 ~~administration of the compliance offset program.~~

36 *(e) The state board shall impose a fee pursuant to Section 38597,*  
37 *the revenues of which shall be placed into the Air Pollution Control*  
38 *Fund and shall be available, upon appropriation by the*  
39 *Legislature, to pay for expenses related to state board*  
40 *administration of the compliance offset program. General Fund*

**AB 1404**

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1 moneys shall not be expended for the administration of the  
2 compliance offset program.

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## CBD BOSMAIL

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**From:** CBD BOSMAIL  
**Sent:** Monday, June 22, 2009 11:10 PM  
**To:** CBD BOSMAIL  
**Subject:** Agenda Comments

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**Meeting Date :**

**Item Number :**

**Name :** Lynn Watkins

**Email :** bodysurferw@yahoo.com

**Address :** PO Box 1221  
Capitola, CA 95010

**Phone :** Not Supplied

**Comments :**

Please pass resolution 33 to endorse AB 1404. By closing a loophole in California's global warming regulations, AB 1404 will prevent polluters from being able to buy their way out of their AB 32 obligations instead of reducing global warming emissions and dangerous air pollutants at home.

## CBD BOSMAIL

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**From:** CBD BOSMAIL  
**Sent:** Monday, June 22, 2009 11:59 PM  
**To:** CBD BOSMAIL  
**Subject:** Agenda Comments

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**Meeting Date :**

**Item Number :**

**Name :** Maria Watkins

**Email :** magickfeet@yahoo.com

**Address :** 145 Lori Ln  
Aptos

**Phone :** Not Supplied

**Comments :**

Hello. I want to encourage you to support AB 1404. I have, personally, always considered buying offsets to be a useless gesture; and it's not just Californians that lose when our biggest polluters get to "pay to pollute," it is our planet. Our Earth and our lives on it are already suffering from the effects of global warming. We **MUST** make dramatic changes to preserve ourselves and so much more. It makes absolute sense that our biggest polluters be forced to make **REAL** changes. Pollution is bad for everyone. AB 1404 is just what we need to help us to become a cleaner healthier state and a good example for so many others to follow. Please support AB **1404**.

## **CBD BOSMAIL**

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**From:** CBD BOSMAIL

**Sent:** Tuesday, June 23, 2009 8:19 AM

**To:** CBD BOSMAIL

**Subject:** Agenda Comments

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**Meeting Date :**

**Item Number :**

**Name :** Marcie Wald

**Email :** Not Supplied

**Address :** Not Supplied

**Phone :** Not Supplied

**Comments :**

Please protect us from global warming!