

California Adopts Ambitious New Greenhouse Gas Reduction Targets

Governor Jerry Brown has signed two related bills that will tighten greenhouse gas limits and increase legislative oversight over the California Air Resources Board, SB 32 and AB 197. Some of the key components of the two bills include:

- **New state-wide target for reductions in GHG emissions.** SB 32 requires CARB to reduce statewide GHG emissions to 40% below the 1990 level by 2030. It also requires CARB to update its Scoping Plan to address the 2030 target and ensure GHG reductions will benefit the state's most disadvantaged communities.
- **Public reporting of GHG and other emissions.** CARB will be required to publish data on GHG emissions, air pollutants and environmental toxins on its website, including emissions for "each facility" that reports such information.
- **Prioritized direct reductions in GHG emissions by large emitters.** Under AB 197, CARB must "prioritize . . . direct emission reductions at large stationary sources." This provision is intended to decrease CARB's reliance on cap-and-trade to achieve GHG reductions and instead focus CARB on direct reductions at large emitters like power plants, refineries and manufacturing facilities.

The new legislation will likely trigger heightened CEQA scrutiny for new projects as well as new regulations, which will increase costs and risks for developers, utilities, manufacturers and the transportation sector. Consistency with AB 32's 2020 GHG reduction goals is now accepted as an appropriate standard under CEQA for measuring the significance of GHG emissions. The new, more ambitious, goal for reductions in GHG emissions set by SB 32 is likely to be used for the same purpose. In addition, the GHG reductions necessary to meet SB 32's stringent 2030 goal may require CARB to impose additional restrictions on fossil-fuel plants, given the aggressive GHG reduction measures authorized by the bill. Further, by requiring direct reductions in emissions, AB 197 gives CARB a statutory basis to target manufacturing facilities. Manufacturers will also face greater public scrutiny, as CARB will publish emissions data for individual facilities. Additional GHG reduction measures will also likely be applied to the transportation industry, such as increased fuel efficiency requirements. For a detailed discussion of SB 32 and AB 197, see our September 15, 2016 Update: [California's New Climate Change Laws Tighten Limits on GHG, Increase Legislative Oversight of CARB](#)

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