



Agenda Date: 12/19/2006
Agenda Placement: 9G

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Britt Ferguson for Nancy Watt - County Executive Officer
County Executive Office
REPORT BY: Andrew Carey, Management Analyst, 253-4477
SUBJECT: Compliance with Assembly Bill 32 concerning monitoring and reporting of green house gas emissions

RECOMMENDATION

County Executive Officer requests the following:

1. Find that there is a need to take immediate action concerning whether to participate in the California Climate Action Registry prior to December 31, 2006 and that the need for action came to the attention of the Board of Supervisors subsequent to the agenda for the December 19, 2006 meeting of the Board of Supervisors being posted; (2/3 vote required) and
2. Discussion and possible action concerning participation in the California Climate Action Registry prior to December 31, 2006 pursuant to provisions of Assembly Bill (AB) 32, the California Global Warming Solutions Act (green house gasses) of 2006. (Supervisor Dillon)

EXECUTIVE SUMMARY

AB 32, which requires the State Air Resources Board (state board) "to adopt rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions" by January 1, 2008, was signed by the governor in September 2006, and becomes effective January 1, 2007. The bill also provides that "[e]ntities that voluntarily participated in the California Climate Action Registry prior to December 31, 2006, and have developed a greenhouse gas emission reporting program, shall not be required to significantly alter their reporting or verification program" except as deemed necessary by the state board. The question for discussion is whether the Board of Supervisors wishes to authorize Napa County's participation in the California Climate Action Registry prior to December 31, 2006.

FISCAL IMPACT

Is there a Fiscal Impact? Yes

Is it currently budgeted?	No
What is the revenue source?	General Fund
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	<p>Participation in the California Climate Action Registry may result in less complex GHG reporting requirements than those ultimately adopted by the state board. However, it is not possible at this time to evaluate the relative risks and benefits of participating in the California Climate Action Registry now versus waiting for the state board to adopt regulations. The annual fee for participating in the California Climate Action Registry is \$2,000 for government agencies with budgets less than \$500 million.</p> <p>Staff costs associated with capturing and reporting the GHG data have not been calculated. However, it is estimated that a few hundred hours of staff time annually may be necessary for this activity.</p>
Is the general fund affected?	Yes
Future fiscal impact:	There would be future costs for annual participation in the California Climate Action Registry as well as staff costs to capture and report the GHG emissions data. It is not possible at this time to predict those costs.
Consequences if not approved:	The County would not participate in the California Climate Action Registry prior to December 31, 2006, and would be subject to the state board's GHG reporting requirements once adopted. However, due to flexibility given the state board in the bill's language, the County would still ultimately be subject to any reporting requirements deemed necessary by the state board regardless of participation in the California Climate Action Registry program.
Additional Information:	None

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

AB 32, the California Global Warming Act of 2006 requires the State Air Quality Board to take a number of actions to monitor and report green house gas emissions, with the intention of ultimately reducing these emissions throughout the state. AB 32 requires "the state board to adopt rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions" on or before January 1, 2008. AB 32 was signed by the governor in September 2006, and becomes effective January 1, 2007.

One provision of AB 32 requires the state board to, "[w]here appropriate and to the maximum extent feasible, incorporate the standards and protocols developed by the California Climate Action Registry." The bill also provides that "[e]ntities that voluntarily participated in the California Climate Action Registry prior to December 31, 2006, and have developed a greenhouse gas emission reporting program, shall not be required to significantly alter their reporting or verification program except as necessary to ensure that reporting is complete and verifiable

for the purposes of compliance with this division as determined by the state board.”

The question for discussion by the Board of Supervisors is whether it would be advisable to authorize Napa County's participation in the California Climate Action Registry prior to December 31, 2006. Reporting would begin for GHG emissions generated during 2006, although it is not necessary to submit these reports immediately in order to meet the participation requirements pursuant to AB 32. Based on verbal information provided by the California Climate Action Registry, registering in the program prior to december 31, 2006 and subsequently meeting the reporting guidelines is sufficient to meet AB 32's participation requirements. (AB 32 does not specify what activities constitute participation in the California Climate Action Registry.)

For the county to participate in the California Climate Action Registry, it would necessary to submit a signed letter of intent to perform the following actions:

- | Inventory entity-wide direct and indirect greenhouse gas (GHG) emissions, using guidance provided by the Registry, and to agree to report GHG emissions in the State of California.
- | Certify GHG emissions through a State and Registry approved (third-party)certifying entity.
- | Report total GHG emissions through the Registry's on-line reporting tool.

There are a number of unknowns at this time concerning the benefits and risks associated with participating in the California Climate Action Registry program versus waiting to see what regulations and requirements the state board will develop during the next year. Staff hopes to be able to provide additional information during the Board meeting.

SUPPORTING DOCUMENTS

- A . AB 32 text
- B . California Climate Action Registry statement of intent
- C . California Climate Action Registry - background information
- D . California Climate Action Registry - frequently asked questions
- E . California Climate Action Registry - membership

CEO Recommendation: Approve

Reviewed By: Andrew Carey