



## IN BRIEF

SB 1203 will establish a goal for all state agencies to achieve zero net greenhouse gas (GHG) emissions from their own operations by 2035. It will also require state agencies to publish inventories of their current emissions, establish interim targets, and create a plan for achieving these targets, with the ultimate goal of leveraging the state's procurement power to jumpstart clean tech solutions.

## THE PROBLEM

In 2018, Governor Brown issued executive order B-55-18 to set a target for the whole economy of California to achieve zero net GHG emissions no later than 2045. As we drive toward this net-zero target, every resident and every company in the state must make changes to decarbonize the vehicles they drive, the energy they use in their homes and other buildings, the energy used in manufacturing and other industrial processes, and more. However, for most businesses and consumers across the state, it is difficult to understand *how* to achieve net-zero GHG emissions. In some cases, the necessary technologies are not widely available, and early adopters are needed to help develop the market for the solutions California will need to get to net-zero.

California's state agencies face similar challenges, but they have a head start. Many agencies have been voluntarily compiling and submitting GHG emissions inventories to CalEPA since 2010, and Executive Order B-18-12 required all state agencies under the direct authority of the Governor to take actions to reduce entity-wide greenhouse gas emissions by 10 percent by 2015 and 20 percent by 2020, as measured against a 2010 baseline. The agencies reporting to CalEPA achieved a 68% reduction by 2020.<sup>1</sup> Governor Newsom's executive order N-19-19<sup>2</sup> has also directed state agencies to take further steps to reduce GHG emissions. However, there is no comprehensive plan for the state government to achieve net-zero GHG emissions from its own operations, and there is a long way to go. For example, only about 2% of the ~40,000 vehicles in the state's fleet are zero-emission vehicles today.<sup>3</sup>

In December 2021, President Biden established a net-zero target for federal agencies to achieve by 2050, with earlier targets for emissions from electricity (2030), vehicles

(2035), and buildings (2045).<sup>4</sup> California can similarly lead by example. Developing clear plans for how the state will get to net-zero emissions within its own operations – and becoming an early adopter of those necessary technologies – will position California as a true clean tech innovator and will showcase to industry and the public that the challenge of decarbonizing is not insurmountable.

## THE SOLUTION

SB 1203 establishes a goal for all state agencies to aim to achieve zero net emissions of GHGs from their own operations by 2035. This includes emissions from sources owned or controlled by the state government (such as the state's buildings and vehicles) as well as emissions from making the electricity purchased by the state government.

To ensure progress toward the net-zero goal, SB 1203 requires state agencies to publish plans describing their current inventory of GHG emissions and planned actions for reducing emissions to achieve interim targets and the eventual net-zero target, with progress updates every 2 years. Smaller agencies can meet this requirement if their emissions are included within the plan published by another agency. For example, the Department of General Services, which manages the state's vehicle fleet and many of the state's buildings, could develop a plan that covers all commissions, boards, etc. whose only emissions are from the use of those buildings and vehicles.

The bill also directs the Climate Action Team, overseen by CalEPA, to establish consistent rules for how agencies should set interim targets and report their emissions inventories and to review agencies' decarbonization plans to ensure that the plans include a thorough accounting of GHG emissions and could reasonably be expected to achieve the reduction targets. The bill also tasks the Department of General Service's Office of Sustainability with acting as a resource to other state agencies and to local governments to provide information, coordination, and best practices on how to reduce emissions cost-effectively.

Some parts of the state government are already making substantial progress toward net-zero goals. CalTrans, which represents more than 25% of the state's vehicle fleet, is already working on a plan to rapidly transition its fleet to net-zero. The University of California system is on track to

<sup>1</sup> Excluding the Dept of Water Resources, which made up 75% of all reductions by itself, the other agencies achieved a 39% reduction.

<sup>2</sup> <https://www.gov.ca.gov/wp-content/uploads/2019/09/9.20.19-Climate-EO-N-19-19.pdf>

<sup>3</sup> <https://www.green.ca.gov/fleet/>

<sup>4</sup> <https://www.whitehouse.gov/briefing-room/statements-releases/2021/12/08/fact-sheet-president-biden-signs-executive-order-catalyzing-americas-clean-energy-economy-through-federal-sustainability/>

achieve net-zero for itself by 2025.<sup>5</sup> This bill will extend these efforts to all parts of the state government so that all agencies are working toward a shared, long-term goal.

To ensure that the state is making prudent budget decisions in its efforts to reduce GHG emissions, agencies' plans to achieve net-zero will still be contingent on future appropriations by the legislature. Once we understand the steps needed to achieve net-zero and the expected costs of those actions, the legislature can better decide how quickly to fund these efforts versus other priorities. In that sense, net-zero by 2035 is a planning goal and not a legally binding commitment.

However, having the state government embark on plans to achieve net-zero by 2035 will leverage the state's procurement power to kickstart progress across many sectors. The state has already begun using its procurement power within the Buy Clean California program to purchase building materials that have lower than average embodied carbon. Buy Clean will push those industries to lower their emissions in order to compete to sell products to the state. SB 1203 will expand on that progress by demonstrating how net-zero can be achieved, driving early demand, and reducing costs for the solutions the rest of the state will need to meet California's 2045 economy-wide net-zero target.

## **SUPPORT**

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## **FOR MORE INFORMATION**

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<sup>5</sup> <https://ucop.edu/carbon-neutrality-initiative/index.html>