

# The State of the State

## Setting the Stage

- In limbo due to state and federal actions
  - PHMSA draft regulations released at end of Former President Biden's term
  - SB905 moratorium
- Sense of urgency in acting
- Momentum in movement

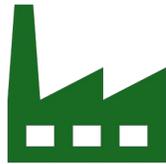
# California's Views on Carbon-Background 2022

- Governor Newsom highlights the need for carbon removal to achieve the state's climate goals
- The [2022 Scoping Plan Update](#) along with the [Climate Change 2022: Mitigation of Climate Change](#), a report by the IPCC released in early 2022, show there is no path to carbon neutrality without carbon removal and sequestration. (<https://ww2.arb.ca.gov/our-work/programs/carbon-sequestration-carbon-capture-removal-utilization-and-storage>)
- The Legislature also passed a number of bills that were signed into law in 2022 to advance and implement these efforts

# Governor Newsom's California Climate Commitment



The California Climate Commitment, Governor Newsom's comprehensive plan to:



- Cut pollution, transition away from big oil
- Deliver clean, reliable, and affordable energy



- Save Californians money and create prosperous communities



- Protect Californians from extreme heat, wildfires, and drought

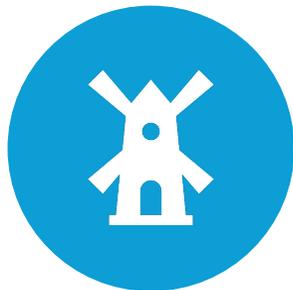
# New World-Leading Climate Actions



**CARBON NEUTRALITY:** AB 1279 establishes a clear, legally binding, and achievable goal for California to achieve statewide carbon neutrality as soon as possible, and no later than 2045, and ensures an 85% emissions reduction as part of that goal.



**100% CLEAN ELECTRIC GRID:** SB 1020 creates clean energy targets of 90% by 2035 and 95% by 2040, advancing the state's trajectory to 100% clean energy by 2045.



**REMOVING CARBON POLLUTION:** SB 905 and SB 1314 establish a regulatory framework for the safe deployment of carbon removal and carbon capture, utilization and sequestration, while banning its use for the continued production of fossil fuels.



**PROTECT COMMUNITIES FROM HARMFUL OIL DRILLING:** SB 1137 establishes a setback distance of 3,200 feet between any new oil well and homes, schools, or parks. Ensures comprehensive pollution controls for existing oil wells within 3,200 feet of these facilities. • **ENLISTING NATURE:** AB 1757 requires the state to develop an achievable carbon removal target for natural and working lands.

## Governor Newsom's Letter to the California Air Resources Board (CARB) (2022)

- California is in the midst of a climate crisis. Drought, wildfire, and extreme heat have become everyday realities. We are compelled to do more. That's why we are investing \$54 billion in California's Climate Commitment. With this historic funding, and a laser focus on implementation and acceleration of California's climate goals, we can meet the urgency of the moment.
- My Administration's unprecedented all-of-government approach has resulted in a draft of the world's first large-economy plan for carbon neutrality. Through the excellent facilitation and work of the California Air Resources Board and staff, and after significant public comment, the draft 2022 Scoping Plan calls for emissions cuts in every sector of the economy while prioritizing community health and equitable economic growth. Now, because of the severity of the impacts California faces, we need to up our game.
- Time and time again, California has shown the world that climate action and economic growth can work hand in hand. The final Scoping Plan must lay out a clear path to achieve both our 2030 climate goal and statewide carbon neutrality no later than 2045. We now need to take even bolder action than outlined in the draft plan.
- <https://www.gov.ca.gov/wp-content/uploads/2022/07/07.22.2022-Governors-Letter-to-CARB.pdf>



# Advancing Carbon Removal Letter Continued

- Achieving carbon neutrality will require us to continue to reduce our carbon emissions and ultimately eliminate most of these emissions, while also removing existing carbon from the atmosphere.
- Simply put, it will not be possible to eliminate all emissions across our economy, so achieving carbon neutrality will rely on carbon sequestration. Science tells us that removing enough carbon to achieve carbon neutrality relies on both natural and engineered carbon removal. Our lands are currently a source of carbon emissions, and we must prioritize sustainable management of these lands as nature-based solutions to sequester carbon over the long-term. At the same time, engineered carbon removal is clearly needed to achieve the scale of carbon removal required to reach carbon neutrality. State agencies will facilitate safe and equitable engineered carbon removal and capture solutions that help achieve our climate goals while avoiding environmental or community impacts.
- Given the need to accelerate development of natural and engineered carbon removal projects across the state, I request that CARB set a 20 MMT carbon removal target for 2030 and 100 MMT carbon removal target for 2045.
- <https://www.gov.ca.gov/wp-content/uploads/2022/07/07.22.2022-Governors-Letter-to-CARB.pdf>



# Assembly Bill 1279

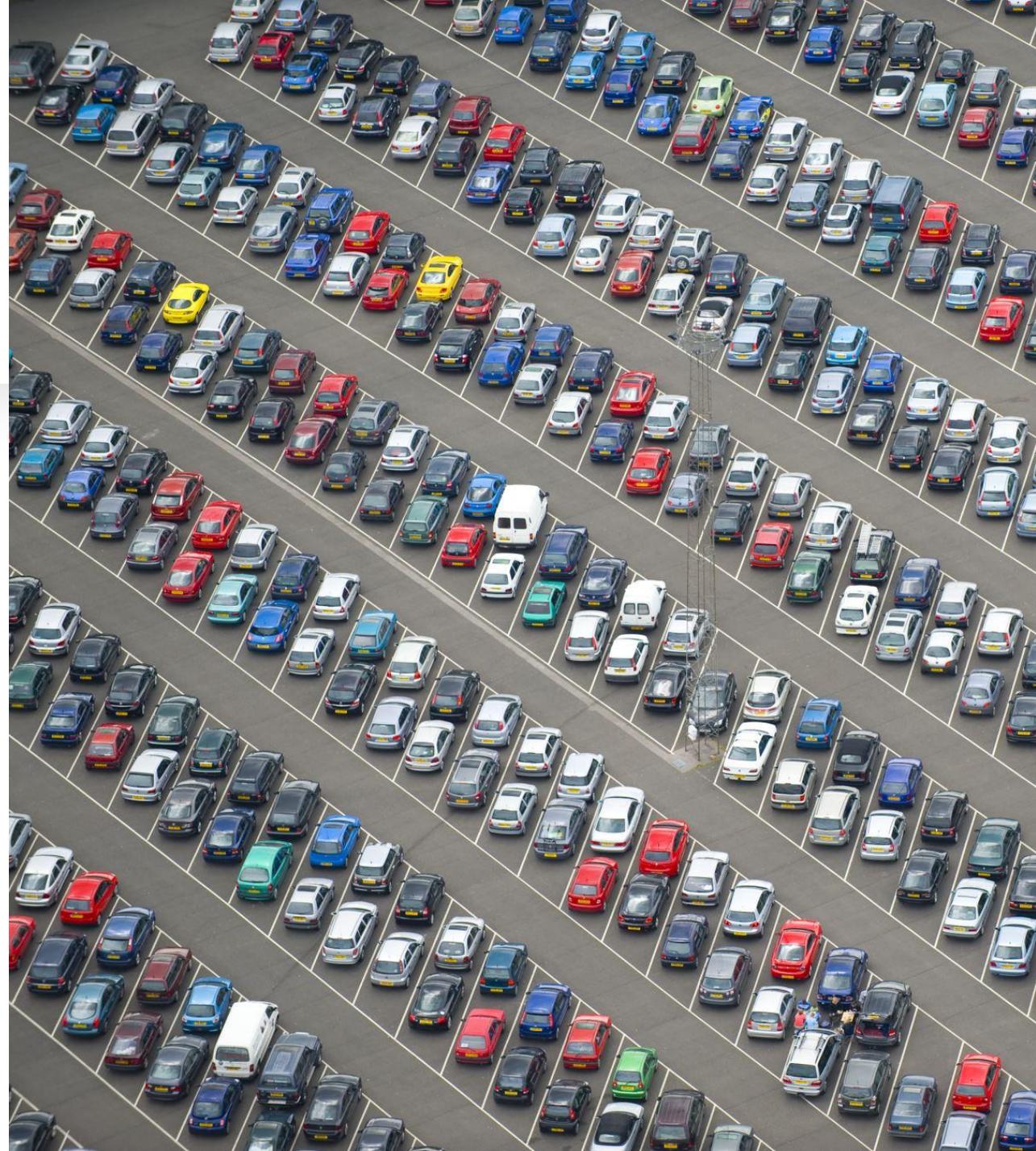
## California Climate Crisis Act (2022)

- Establishes the policy of the state to achieve carbon neutrality as soon as possible, but no later than 2045; to maintain net negative GHG emissions thereafter; and to ensure that by 2045 statewide anthropogenic GHG emissions are reduced at least 85 percent below 1990 levels.
- Requires CARB to ensure that Scoping Plan updates identify and recommend measures to achieve carbon neutrality, and to identify and implement policies and strategies that enable CO2 removal solutions and carbon capture, utilization, and storage (CCUS) technologies.



# Senate Bill 905 (2022)

- Requires CARB to create the Carbon Capture, Removal, Utilization, and Storage Program to evaluate, demonstrate, and regulate CCUS and carbon dioxide removal (CDR) projects and technology.
- While CARB has already approved a CCS Protocol for use in the Low Carbon Fuel Standard, it will need to be updated to reflect any requirements established in the new SB 905 program at CARB.
- Also requires the California Natural Resources Agency (CNRA) to develop recommendations for CO2 pipeline safety and a framework for pore space ownership.



# Assembly Bill 1757 (2022)

- Requires CNRA, in collaboration with CARB, other state agencies, and an expert advisory committee, to determine a range of targets for natural carbon sequestration, and for nature-based climate solutions, that reduce GHG emissions in 2030, 2038, and 2045 by January 1, 2024.
- These targets must support state goals to achieve carbon neutrality and foster climate adaptation and resilience.



# Where are We Today Moment & Momentum



Rare opportunity where stakeholders from all sides see the need for action



Willingness to move forward to develop best practices for both climate goals and community protections



Stakeholders seemed posed to connect, cooperate, and collaborate in a meaningful way

# California Bills Introduced in Senate this Session

SB 285

Net zero greenhouse gas emissions goal: carbon dioxide removal: regulation  
(Becker)

SB 613

Methane emissions: petroleum and natural gas producing low methane emissions  
(Stern)

SB 643

Carbon Dioxide Removal Purchase Program  
(Caballero)

# California Bills Introduced in Assembly this Session

AB 881

Carbon Capture, Removal, Utilization, and Storage Program (Petrie-Norris)

AB 1086

Carbon Capture, Removal, Utilization, and Storage Program: public database (Muratsuchi)



Stay tuned this legislative session for developments