

Alert | Environmental/Energy & Natural Resources



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California Air Resources Board Releases Updated 2022 Scoping Plan

On Nov. 16, the California Air Resources Board (CARB) released its updated **2022 Scoping Plan** to outline policies and actions California proposes to reduce its dependence on fossil fuels and to achieve carbon neutrality by 2045 or earlier. Under the Plan, CARB proposes to shift every sector of the state's economy away from petroleum and to implement a rapid transition to renewable energy resources and zero-emission vehicles. Under the Plan, by 2045 California would:

- Cut greenhouse gas (GHG) emissions by 85% below 1990 levels;
- Achieve a 71% reduction in smog-forming air pollution; and
- Reduce liquid petroleum fuel consumption by 94% and total fossil fuel demand by 86%.

The 2022 Scoping Plan also includes a commitment to build no new gas plants and to increase support for mass transit. CARB states that the plan would also create four million new jobs and save Californians \$200 billion in health costs due to pollution in 2045. Gov. Gavin Newsom stated that the plan, if approved, would “spur an economic transformation akin to the industrial revolution.”

The Scoping Plan projects a 48% reduction of GHG emissions below 1990 levels in 2030 and adopts the following goals to reduce emissions in the electricity and natural gas industries:

- Renewable and zero carbon electricity sales of 90%, 95%, and 100% by 2035, 2040, and 2045, respectively;
- Three million all-electric and electric-ready homes by 2030, 7 million all-electric and electric-ready homes by 2035, and six million deployed heat pumps by 2030;
- Double statewide energy efficiency savings in electricity and fossil gas end uses by 2030;
- End fossil gas infrastructure expansion for newly constructed buildings;
- Strengthen California’s building standards to support zero-emission new construction;
- Develop building performance standards for existing buildings;
- Adopt a zero-emission standard for new space and water heaters sold in California beginning in 2030;
- Support electrification with changes to utility rate structures and by promoting load management programs;
- Implement biomethane procurement targets for investor-owned utilities;
- Avoid adding any new fossil gas capacity in the electricity sector; and
- Add 20 gigawatts of offshore wind capacity by 2045.

The Scoping Plan adopts the following goals for the transportation sector:

- Achieve 100% zero-emission vehicles sales of light-duty vehicles by 2035 and medium-heavy-duty vehicles by 2040;
- Achieve a 20% zero-emission target for the aviation sector; and,
- Achieve a per-capita vehicle miles traveled (VMT) reduction of at least 25% below 2019 levels by 2030 and 30% below 2019 levels by 2045.

Under the Plan, CARB also proposes to accelerate the reduction and replacement of fossil fuel production while incentivizing private investment in new zero-carbon fuel production in California. Among other things, incentives for low-carbon-intensity fuels would be increased by evaluating/proposing accelerated carbon intensity targets for the Low Carbon Fuel Standard (LCFS) program prior to 2030, evaluating/proposing further declines after 2030, and providing capacity credits for hydrogen and electricity for heavy-duty fueling. CARB states it would monitor and ensure that raw materials used to produce low-carbon fuels or technologies do not result in unintended consequences.

The Scoping Plan also supports development of infrastructure for carbon capture and sequestration and hydrogen production to reduce GHG emissions where cost-effective and where technologically feasible non-combustion alternatives are unavailable. The Scoping Plan anticipates leveraging low-carbon hydrogen programs, including the Bipartisan Infrastructure Law, for regional hydrogen hubs, hydrogen electrolysis, and hydrogen manufacturing and recycling. The Plan also supports evaluating the role of hydrogen in meeting GHG emission reductions and addressing cost barriers to promote low-carbon fuels for hard-to-electrify industrial applications.

CARB will vote on the 2022 update to the Scoping Plan at its Dec. 15–16 meeting. If adopted, the Plan’s implementation would impact every industry sector in California. Other states may follow several aspects of the Plan.

Author

This GT Alert was prepared by:

- **Hazel Ocampo** | +1 949.732.6545 | ocampoh@gtlaw.com
- **Thomas R. Brill** | +1 949.732.6537 | brillt@gtlaw.com

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