Proposed Rule 250
Sacramento Carbon Exchange Program

and

Proposed Rule 350
Greenhouse Gas (GHG) Program Fees

SMAQMD
March 25, 2010
In 2006, the District established the District Climate Change Protection Program (DCCPP)

In August 2008, the Board authorized the APCO to develop proposed enhancements to the DCCPP
- Assist local agencies in addressing GHG impacts in the CEQA process
- Assist local agencies to respond to future GHG regulations
- Investigate GHG credit options

In May 2009, the Board authorized the APCO to develop rules for banking GHG emission reduction credits
Applicability and Use

- Anyone who submits a Project Plan to voluntarily reduce GHG emissions in Sacramento County
- Anyone who owns, purchases, sells, or retires certified carbon credits that are registered with the District
- Examples of Potential Use
  - Satisfy CEQA mitigation requirement or other mitigation requirement
  - Retirement for the benefit of the environment
  - Retirement to reduce a carbon footprint
  - Other uses authorized by local, state, federal, or international laws, regulations, or programs
Rules Overview

- Proposed Rule 250, Sacramento Carbon Exchange Program
  - Establishes a mechanism to purchase, sell, or retire certified carbon credits
    - Any certified carbon credit that has been used or retired cannot be reactivated
  - Emission reductions must meet the requirement of an approved protocol
    - Approved protocols include those adopted by EPA, CAR, or a similar entity approved by APCO
  - Requirements
    - Real, additional, quantifiable, verifiable, permanent, and enforceable
  - No requirements for using credits (e.g. restrictions, discounting)
    - Governed by other laws or regulations (e.g. CEQA)

- Proposed Rule 350, Greenhouse Gas Program Fees
  - Establishes fees to recover the District’s cost to implement proposed Rule 250
  - Costs include staff time plus actual cost of other items (public notices, contractors, etc.)
Staff Recommendations

- Proposed Rule 250
  - Determine that the proposed rule is exempt from CEQA
  - Adopt a resolution approving the proposed rule

- Proposed Rule 350
  - Open public hearing and take public comments
  - Consider proposed rule for adoption at the April 29th Board meeting