


Proposed Rule 250
Sacramento Carbon Exchange Program

and

Proposed Rule 350
Greenhouse Gas (GHG) Program Fees



SMAQMD
March 25, 2010

Background

- 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

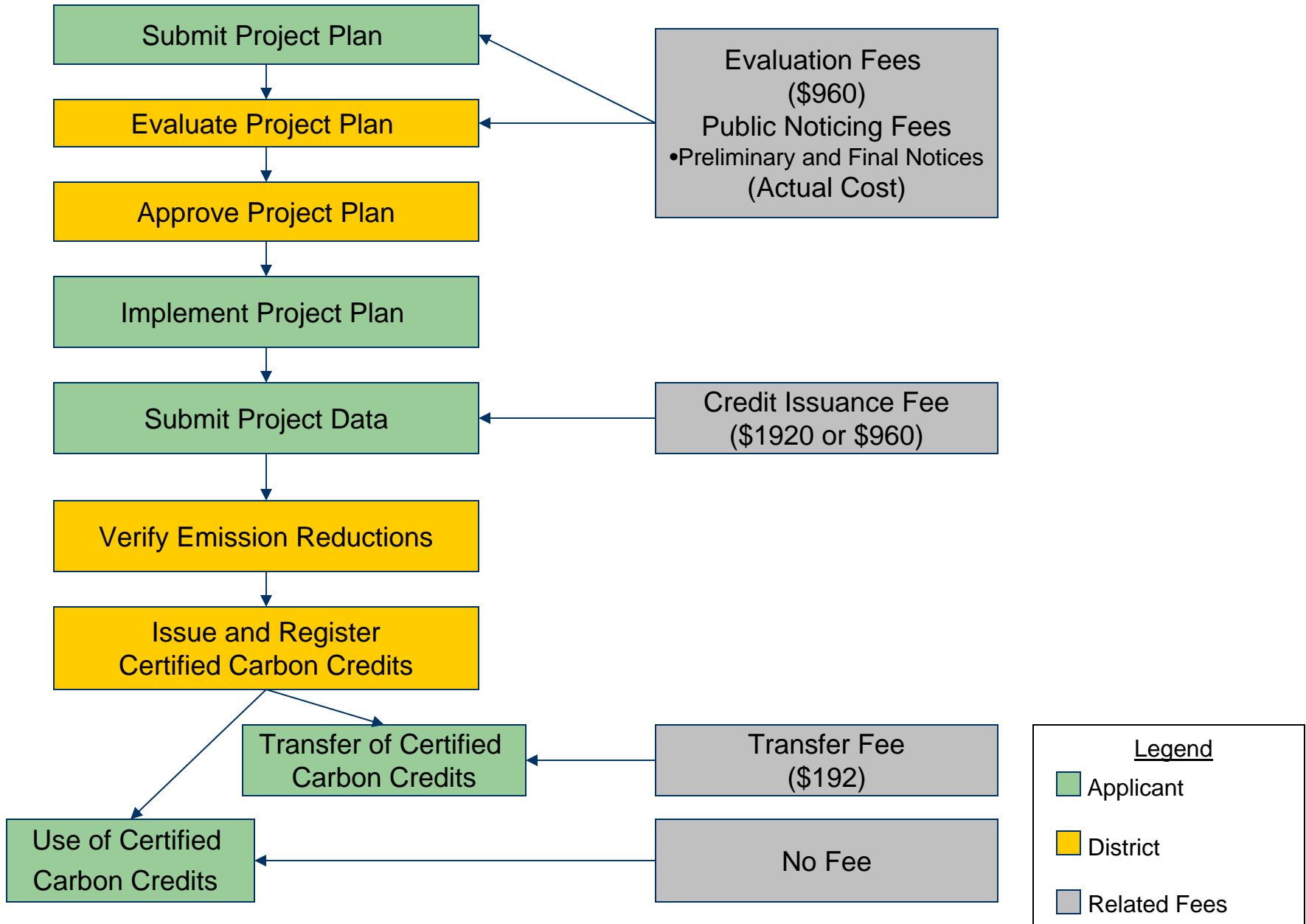
- Anyone who submits a Project Plan to voluntarily reduce GHG emissions in Sacramento County
- Anyone who owns, purchases, sells, or retires certified carbon credits that are registered with the District
- Examples of Potential Use
 - Satisfy CEQA mitigation requirement or other mitigation requirement
 - 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.)

Rule 250

Rule 350



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