

SENATE BILL 1383 – NEW CLIMATE CHANGE REGULATION TO EFFECT VARIETY OF POLLUTANTS INCLUDING METHANE

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On September 19, 2016, Governor Brown signed Senate Bill 1383 into law, setting the stage for a substantial shift in California regulation of greenhouse gas emissions, with particularly drastic consequences for the livestock and dairy industries.

SB 1383 signals the start of an expansive, statewide emissions reduction implementation for **methane and other greenhouse gas pollutants** (e.g. fluorinated gases and black carbon) that together comprise a significant portion of greenhouse gas emissions in California.

Methane, fluorinated gas, and black carbon are termed “short-lived climate pollutants,” which have a disproportionate climate-changing impact given their limited atmospheric lifespan. According to the Air Resources Board (ARB) of the California Environmental Protection Agency, the climate-changing potency of short-lived climate pollutants – measured by their ability to heat the atmosphere – ranges from **ten to thousands of times** greater than carbon dioxide. Widespread concerns over unfettered short-lived pollutant emissions have mostly been addressed by SB 1383, which proposes major emissions reduction goals.

With the signing of SB 1383 into law, the ARB will be accepting public comments and hosting forums in geographically diverse locations throughout the state (where there are dairy and livestock operations) to guide drafting of final rules.

Emissions Reduction Goals

SB 1383 adds section 393730.5 to the Health and Safety Code, which requires that – by January 1, 2018 – the state approve and begin implementation of a strategy to reduce statewide emissions of methane gases and fluorinated gases by 40 percent, and black carbon by 50 percent (compared to 2013 levels) by the year 2030.

The rules eventually drafted by the state board to meet these emissions reduction goals must be technologically and economically feasible, cost effective, and must fully consider the effects of simultaneous incentive-based schemes on emissions reduction (such as the cap-and-trade program).

Though SB 1383 institutes quite drastic emissions reduction goals that will affect dairy and livestock operations throughout the state, the bill includes provisions to allow for a partial rollback of the methane reduction goal in the event that certain unforeseen barriers arise. As per SB 1383, if progress towards methane emissions reduction in the dairy and livestock industry is not on target due to various funding, technical, or market barriers, then the ARB may consult with various stakeholders and reduce the emissions reduction goals for methane.

Effect on Stakeholders

Though final rules have yet to be implemented, it is clear at this early juncture that the total effect on dairy and livestock stakeholders is likely to increase in costs as implementation of localized emissions solutions becomes more widespread.

Final rules do not go into effect until January 1, 2018, and the ARB will analyze methane reduction progress for dairy and livestock stakeholders by July 1, 2020, with the possibility of partially rolling back the reduction targets if necessary (due to funding, technical, or market barriers).

Dairy and livestock operations have until 2030 to meet the current targets. SB 1383 provides for the establishment of various incentive programs for environmental credits and to encourage alternative biomethane use.

To speak with an experienced California environmental regulatory lawyer, please contact Bick Law LLP today.