Environmental Protection

The California Environmental Protection Agency works to restore, protect, and enhance environmental quality. The Agency coordinates the state's environmental regulatory programs to provide fair and consistent enforcement of the law. The Budget proposes total funding of $3.8 billion ($69.5 million General Fund) for all programs included in this Agency.

Climate Change Policies

California has the most comprehensive policy of any state for dealing with climate change, including programs to promote renewable energy, energy efficiency, cleaner cars and transportation fuels, energy storage, and more sustainable land use practices. This mix of balanced policies is working—the state is on track to meet the AB 32 goal of reducing greenhouse gas (GHG) emissions to 1990 levels (roughly 431 million metric tons) by 2020. The state already procures around 23 percent renewable energy statewide and will achieve the target of 33 percent renewables by 2020 ahead of schedule. California has the most rooftop solar generation of any state, well over 2,000 megawatts on over 244,000 homes, businesses and schools. The state has close to 115,000 plug-in hybrid or battery electric vehicles, the most of any state, and California is on target to meet the goal of having 1.5 million zero emission vehicles by 2025. New, low carbon alternatives to petroleum gas and diesel fuels are being developed to meet the State's Low Carbon Fuel Standard. California has held nine Cap and Trade auctions to date, and is investing over $870 million from auction proceeds in low carbon transportation, sustainable

communities, energy efficiency, urban forests, and high-speed rail. The Budget proposes to continue implementation with an additional $1 billion of Cap and Trade revenues. (See Figure EPA-01) One quarter of the investments will be specifically targeted to benefit disadvantaged communities. The State has implemented these policies at the same time that economic and job growth in California has outpaced the nation.

Figure EPA-01

2015-16 Cap and Trade Expenditure Plan

(Dollars in Millions)

Investment Category	*Department*	*Program*	*Amount*
Sustainable Communities and Clean Transportation	High-Speed Rail Authority	High-Speed Rail Project	$250
	State Transit Assistance	Low Carbon Transit Operations Program	$50
	Transportation Agency	Transit and Intercity Rail Capital Program	$100
	Strategic Growth Council	Affordable Housing and Sustainable Communities Program	$200
	Air Resources Board	Low Carbon Transportation	$200
Energy Efficiency and Clean Energy	Department of Community Services and Development	Energy Efficiency Upgrades/Weatherization	$75
	Energy Commission	Energy Efficiency for Public Buildings	$20
	Department of Food and Agriculture	Agricultural Energy and Operational Efficiency	$15
Natural Resources and Waste Diversion	Department of Fish and Wildlife	Wetlands and Watershed Restoration	$25
	Department of Forestry and Fire Protection	Fire Prevention and Urban Forestry Projects	$42
	Cal Recycle	Waste Diversion	$25
Total			**$1,002**

Continued and even steeper reductions in carbon pollutants are necessary to address the ongoing threat posed by climate change. The overwhelming scientific consensus is that reducing GHG emissions by 80 percent below 1990 levels by 2050 is necessary to avoid "dangerous" climate change—meaning some of the worst and most disruptive climate impacts. The Administration will work with the Legislature and stakeholders to develop a midterm reduction target for 2030 that is consistent with this 2050 objective for stabilizing climate change, and to develop an integrated, economy-wide plan for meeting this target. Such a plan will include reductions in a number of key areas:

- Decarbonizing Electricity—Significantly increase the state's share of renewable energy, while maintaining system reliability and operability.
- Energy Efficiency for Existing Buildings—Significantly improve the energy efficiency of the existing building stock, a majority of which was built before California adopted building efficiency standards.
- Cleaner Transportation Fuels and Reduced Vehicle Miles Traveled—Significantly reduce the use of petroleum-based transportation fuels and the number of vehicle miles traveled statewide, currently at around 330 billion miles per year. Healthy active transportation alternatives, including transit, walkable, bikeable communities, and high-speed rail, will receive at least 50 percent of future Cap and Trade revenues.
- Water and Space Heating—Significantly increase the use of cleaner fuels—low carbon electricity or low carbon gas—for water and space heating in our buildings.
- Natural and Working Lands—Enhancing California's natural landscape—forests, rangelands, wetlands, grasslands, riparian areas and agricultural lands—to be net carbon sinks, rather than sources, of GHG emissions, by improving the health and resilience of soils and other strategies (see the California Department of Food and Agriculture section of the Statewide Issues and Various Departments Chapter).
- Short-Lived Climate Pollutants—Significantly reduce emissions of pollutants, such as methane and black carbon, from oil production, landfills, agriculture and other sources. These pollutants have a much greater short-term impact on the climate than carbon dioxide, and also have adverse air quality and public health impacts.
- Price on Carbon—Continue policies that put a price on carbon, reflecting the costs that GHG emissions impose on society and creating incentives for the development of cleaner technology.
- Resilience—Implement climate adaptation strategies. The effects of climate change have already begun in the state, and even under the best-case scenarios for reductions in global carbon emissions, additional climate impacts are inevitable, including more frequent and extreme events. State agencies will need to work with local governments to make both the built and natural environments more secure and resilient, including through implementation of the state's climate adaptation strategy, Safeguarding California, and other planning and investment decisions.

Department of Toxic Substances Control

The Department of Toxic Substances Control protects California residents and the environment from the harmful effects of toxic substances through restoring contaminated sites, enforcement, regulation, and pollution prevention. The Budget includes $208.1 million and 1,005 positions for the Department.

Over the past three years, the Department has initiated substantial reforms to core programs through its "Fixing the Foundation" initiative. These reforms include enhancing protections, making timely hazardous waste permitting decisions, improving the tracking of hazardous waste shipments, creating systems that make all polluters pay to clean up their contamination, and enhancing efforts to recover the costs of the Department's oversight and other costs from polluters and regulated businesses.

The Department is making significant progress in implementing these reforms that will help to reshape and modernize the state's hazardous waste management programs, particularly in disadvantaged communities impacted by industries that violate hazardous waste laws. Additionally, to maximize the benefits of these reform efforts, the Department must enhance compliance with strengthened hazardous waste management operations. The Budget proposes additional resources to build on these initiatives.

Significant Adjustments:

- Enhanced Permitting Coordination—An increase of $1.6 million Hazardous Waste Control Account and 16 positions to improve the effectiveness and timeliness of the permitting process and reduce the backlog of permit applications. This proposal will build on the Department's existing Permit Enhancement Work Plan.
- Hazardous Waste Reduction—An increase of $840,000 Toxic Substances Control Account and 6 positions to support pilot projects that address hazardous wastes generated in significant quantities, posing the most significant public risks, and that disproportionately affect disadvantaged communities. This pilot program is designed to effectively leverage the Department's goal of a 50-percent reduction of hazardous waste by 2025 by using the best available technologies and systems to reduce such waste, and will be guided by a public advisory panel to improve public participation, especially in disadvantaged communities.