

**SB-596 Greenhouse gases: cement sector: net-zero emissions strategy. (2021-2022)**

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Senate Bill No. 596**CHAPTER 246**

An act to add Section 38561.2 to the Health and Safety Code, relating to greenhouse gases.

[Approved by Governor September 23, 2021. Filed with Secretary of State September 23, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

SB 596, Becker. Greenhouse gases: cement sector: net-zero emissions strategy.

The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030. The act requires the state board to prepare and approve, and update at least once every 5 years, a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions from sources or categories of sources of greenhouse gases by 2020 under the act, as provided.

This bill would require the state board, by July 1, 2023, to develop a comprehensive strategy for the state's cement sector to achieve net-zero emissions of greenhouse gases associated with cement used within the state as soon as possible, but no later than December 31, 2045. The bill would require the state board, in developing this comprehensive strategy, to define a metric for greenhouse gas intensity and evaluate data, as provided, to establish a baseline from which to measure greenhouse gas intensity reductions, coordinate and consult with other state agencies, prioritize actions that leverage state and federal incentives, and evaluate measures to support market demand and financial incentives to encourage the production and use of cement with low greenhouse gas intensity, among other actions. The bill would require the state board to establish interim targets for reductions in the greenhouse gas intensity of cement used within the state relative to the average greenhouse gas intensity of cement used within the state during the 2019 calendar year, with the goal of reducing the greenhouse gas intensity of cement used within the state to 40% below the 2019 average levels by December 31, 2035. The bill would require the state board, by July 1, 2028, to evaluate the feasibility of these interim targets and authorize the state board to adjust the targets upwards or downwards, as provided, to achieve these goals. The bill would require the state board to implement the comprehensive strategy, upon appropriation by the Legislature.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) Climate change is an urgent threat to the health and well-being of California's residents and economy.

(2) California is a global leader on climate action and has committed to achieve carbon neutrality as soon as possible, and no later than 2045, in line with the latest climate science.

(3) Achieving this objective will require advance planning, coordination, outreach, and development of a robust set of policies tailored to the needs and opportunities of every major emitting sector, including cement and concrete.

(4) California's cement and concrete industry is well positioned to lead and accelerate the commitments to achieve carbon neutrality made by leading trade associations representing cement producers in California, the United States, and globally.

(5) A wide range of commercially available technologies and practices exist to reduce and remove emissions of greenhouse gases throughout the life cycle of cement and concrete production and use, but these technologies and practices face a series of market and regulatory barriers hindering their deployment.

(6) Implementing complementary strategies to both reduce the greenhouse gas intensity of cement production and grow the demand for low-carbon concrete will also reduce air pollution and improve public health in California communities.

(7) Positioning California's cement and concrete sector to thrive in a low-carbon economy will enhance the sector's long-term competitiveness, support high-quality jobs, and enable resilient infrastructure development.

(b) It is the intent of the Legislature that attaining net-zero or net-negative emissions of greenhouse gases from the cement and concrete sector in a manner that enhances California's competitiveness, supports high-paying jobs, improves public health, and aligns with local community priorities becomes a pillar of the state's strategy for achieving carbon neutrality.

SEC. 2. Section 38561.2 is added to the Health and Safety Code, to read:

38561.2. (a) (1) By July 1, 2023, the state board shall develop a comprehensive strategy for the state's cement sector to achieve net-zero emissions of greenhouse gases associated with cement used within the state as soon as possible, but no later than December 31, 2045.

(2) To ensure adequate progress is made toward achieving the goal established in paragraph (1), the state board shall establish interim targets for reductions in the greenhouse gas intensity of cement used within the state relative to the average greenhouse gas intensity of cement used within the state during the 2019 calendar year, with the goal of reducing the greenhouse gas intensity of cement used within the state to 40 percent below the 2019 average levels by December 31, 2035.

(3) When determining the greenhouse gas intensity of cement, the state board shall not include greenhouse gas emissions reductions attributable to activities or offsets that are unrelated to the raw materials, fuels or other energy sources, processes, or transportation involved in making or using cement or its inputs.

(4) (A) By July 1, 2028, the state board shall evaluate the feasibility of achieving the interim targets established under paragraph (2) and may adjust the interim targets upward or downward to reflect technological advancements and progress in addressing barriers to the deployment of greenhouse gas emissions reduction technologies and processes, including those barriers for which measures have been identified pursuant to paragraph (7) of subdivision (b).

(B) If the state board makes a downward adjustment to any interim target established under paragraph (2), the state board shall document the feasibility constraints the state board has identified and recommend measures and actions, including proposed statutory changes, necessary to overcome those constraints to enable the cement sector to achieve net-zero emissions of greenhouse gases as soon as possible, but no later than December 31, 2045.

(b) In developing the comprehensive strategy pursuant to subdivision (a), the state board shall do all of the following:

(1) Define a metric for greenhouse gas intensity and evaluate the data submitted by cement manufacturing plants to the state board for the 2019 calendar year and other relevant data about emissions of greenhouse gases for cement that was imported into the state to establish a baseline from which to measure greenhouse gas intensity reductions.

(2) Assess the effectiveness of existing measures, identify any modifications to existing measures, and evaluate new measures to overcome the market, statutory, and regulatory barriers inhibiting achievement of the objectives described in this section.

(3) Identify actions that reduce adverse air quality impacts and support economic and workforce development in communities neighboring cement plants.

(4) Include provisions to minimize and mitigate potential leakage and account for embedded emissions of greenhouse gases in imported cement in a similar manner to emissions of greenhouse gases for cement produced in the state, such as through a border carbon adjustment mechanism.

(5) Coordinate and consult with other state agencies, districts, and experts in academia, industry, and public health, and with local communities.

(6) Prioritize actions that leverage state and federal incentives, where applicable, to reduce costs of implementing greenhouse gas emissions reduction technologies and processes and to increase economic value for the state.

(7) Evaluate measures to support market demand and financial incentives to encourage the production and use of cement with low greenhouse gas intensity, including, but not limited to, consideration of all of the following measures:

(A) Measures to expedite the adoption for use in projects undertaken by state agencies, including the Department of Transportation, of Portland limestone cement and other blended cements.

(B) Measures to provide financial support and incentives for research, development, and demonstration of technologies to mitigate emissions of greenhouse gases from the production of cement with the objective of accelerating industry deployment of those technologies.

(C) Measures to facilitate fuel switching.

(D) Measures to create incentives and remove obstacles for energy efficiency improvements and waste heat recovery at cement manufacturing facilities.

(c) The state board shall implement the strategy developed pursuant to this section, upon appropriation by the Legislature.