

California's Landmark Climate Law and Its Legacy

AB 32 established an economy-wide cap on statewide GHG emissions and directed CARB to develop regulations to meet this cap, including authorizing CARB to create a cap-and-trade program to control emissions from large polluters.

Key Achievements

- Emissions per capital fell 29% since 2006, while California's GDP per capita has grown by 41% (as of 2023).
- 1 million solar roofs by December 2019 with over 3,000 MW of rooftop solar capacity installed. By 2024, CA had doubled this with nearly 16,000 MW of capacity installed.
- 552,300 clean energy jobs in California as of 2024 – the most of any state in the U.S.
- 100% clean electricity for several hours of the day on 219 and 279 days in 2024 and 2025, respectively.
- 2.7 million electric vehicles sold in California as of July 2026.
- Increased battery storage by 2,500% since 2019 – 41% of the state's 2045 target.

Subsequent Legislation

SB 32 (2016)

Expanded upon AB 32 to reduce GHG emissions to 40% below the 1990 levels by 2030.

SB 100 (2018)

Set the goals of 60% & 100% of CA's electricity from carbon-free sources by 2030 & 2045.

ACC I & II

ACC I (2012) set vehicle emissions caps. ACC II (2022) requires 100% of new vehicles be zero-emission by 2035.

AB 1207 (2025)

Reauthorized the state's cap-and-trade program through 2045 while renaming it "Cap-and-Invest."

Emissions Reductions

California has seen dramatic reductions in emissions since the passage of AB 32 in 2006, demonstrating the effectiveness of the legislation without sacrificing economic growth.

- Met goal of reducing emissions to 1990 levels by 2020 **four years early** but is **not** on track to meet the SB 32 goal by 2030.
- In 2006, California was the 12th-largest emitter of GHG emissions in the world. In 2023, **California was the 20th-largest**, producing fewer emissions than smaller economies such as Brazil, Australia, and Indonesia.
- The **Clean Cars 4 All** program is estimated to have led to reductions of 6.7 tons particulate matter (PM), 47.5 tons of hydrocarbon (HC) and reactive organic gases (ROG), 281.2 tons oxides of nitrogen (NOx), and **221,100 MTCO_{2e}**.



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Cap-and-Trade Investments

Cap-and-Trade has raised a total of **\$36.2 billion** which is deposited into the Greenhouse Gas Reduction Fund (GGRF). A portion of this is used to fund climate-related projects, referred to as **California Climate Investments (CCI)**.

- Awarded over **\$21.6 billion** to fund CCI programs, supporting over 143,000 jobs.
- CCI has implemented over **\$15.5 billion** (out of the \$21.6 billion) across over 604,891 projects since 2014.
- CCI has directed **\$632 million** to over **9,000** local air-quality improvement projects since 2017, with 85% of the funding reaching disadvantaged and low-income communities.
- **\$16 billion** of Cap-and-Trade funding has been returned to residents and small businesses through the **California Climate Credits program**.

Global Leadership

AB 32 can also be recognized for its role as the gold standard of environmental regulations – often replicated by other jurisdictions – and for spurring global climate partnerships.

- Hawaii, New Jersey, Massachusetts, and Connecticut all implemented their own versions of **AB 32**.
- Oregon, Washington, New Mexico, and Hawaii have implemented versions of California's **Low Carbon Fuel Standard**.
- 17 states and D.C. are beneficiaries of **California's Clean Air Act Waiver**, preempting federal regulations to set stricter tailpipe emission and zero-emission vehicle (ZEV) standards.
- In 2007, Governor Schwarzenegger led the development of the **International Carbon Action Partnership (ICAP)**, an international forum for governments that have implemented emissions trading systems.
- In 2011, California and Québec established the **Western Climate Initiative (WCI)** which administers a shared emissions trading market, representing the largest carbon market in the Americas.

AB 32 set the stage for two decades of climate action across three governorships in partnership with the Legislature, the California Air Resources Board (CARB), the California Energy Commission (CEC), and other state agencies, resulting in robust environmental, economic, and public health benefits across the state.

