



June 17, 2025

## **Recommendation**

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Authorize the General Manager to release Assembly Bill 32 (AB 32) Cap-and-Trade Program revenues generated through California's Cap-and-Trade Consignment Auction in Fiscal Year 2025 for qualifying Greenhouse Gas reduction programs and projects in FY 2026, in compliance with the California Global Warming Solutions Act of 2006.

## **Executive Summary**

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The California Global Warming Solutions Act of 2006, AB 32, established an extensive program aimed at significantly reducing greenhouse gas (GHG) emissions across multiple sectors, targeting emission levels equal to 1990 by 2020 and even deeper reductions by 2050. Central to AB 32 is the Cap-and-Trade Program, which imposes a statewide cap on greenhouse gas (GHG) emissions and enables entities to buy, sell, or consign emission allowances, promoting cost-effective reductions and encouraging investment in cleaner technologies.

Under Section 95893(d) of the California Code of Regulations, proceeds from the auction of consigned allowances must specifically benefit natural gas ratepayers by funding programs that effectively reduce greenhouse gas emissions. Eligible categories include:

- Energy-efficient equipment rebates
- Energy-efficient building retrofits
- Additional projects aimed at reducing energy demand

In Fiscal Year 2025, available revenues from the AB 32 Cap-and-Trade Program totaled approximately \$9.4 million. Over the past few months, the Long Beach Public Utilities Department (LBPUD), in collaboration with the City Manager's Office and the Office of Climate Action and Sustainability, has carefully evaluated potential projects against these established criteria.

The proposed projects have been selected for their significant potential to yield measurable reductions in greenhouse gas emissions and reduce energy expenses for ratepayers, particularly benefiting low-income households. By strategically directing these funds towards energy efficiency and emission-reduction initiatives, LBPUD and the City can realize substantial environmental benefits and enhance overall quality of life for the community.

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The following projects and amounts totaling \$9.4 million are recommended for Board approval:

Lead City Department	Projects	AB 32 Award Proposed	Description
<b>Utilities</b>	EERP-Single-Family Natural Gas Rebate Program	\$50,000	Single-family water and gas customer rebates for high-efficiency natural gas devices.
<b>Utilities</b>	EERP-Manufactured Home Natural Gas Rebate Program	\$50,000	Manufactured or mobile home, water, and gas customer rebates for high-efficiency natural gas devices.
<b>Utilities</b>	EERP-Multifamily Natural Gas Rebate Program	\$50,000	Multifamily water and gas customer rebates for high-efficiency natural gas devices.
<b>Utilities</b>	EERP-Com/Ind/Ins Natural Gas Rebate Program	\$100,000	Commercial, industrial, and institutional water and gas customer rebates for high-efficiency natural gas devices.
<b>Utilities</b>	DIA-Single-Family Direct Install Appliances	\$900,000	Single-family water and gas customer retrofits involve upgrading older devices to improve efficiency and replacing them with new, more efficient ones.
<b>Utilities</b>	DIA-Multifamily Direct Install Appliances	\$400,000	Multifamily water and gas customer retrofits to older devices to improve efficiency and replace inefficient devices with new, efficient devices.
<b>Utilities</b>	DIA-Commercial/Industrial/Institutional Direct Install Appliances	\$400,000	Commercial, industrial, and institutional water and gas customer retrofits to older devices to improve efficiency and replace inefficient devices with new, efficient devices.
<b>Utilities</b>	DIA-Manufactured Homes Direct Install Appliances	\$300,000	Manufactured home water and gas customer retrofits to older devices to improve efficiency and replace inefficient devices with new, more efficient ones.
<b>Financial Management</b>	Mobile EV Charging Station	\$1,725,000	Procurement of a mobile EV charging station to support city fleet vehicles, serve local emergencies, and to be deployed for special events as needed.

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Lead City Department	Projects	AB 32 Award Proposed	Description
<b>Public Works</b>	702 W Anaheim (Year-Round Shelter)	\$500,000	Replacement of existing lighting with new energy efficient lighting to reduce energy consumption and GHG emissions
<b>City Manager</b>	Urban Forestry Tree Planting	\$100,000	Planting 1,000 trees to meet the tree planting goals listed in the Council-adopted Climate Action Plan to increase tree canopy coverage for carbon sequestration, and is the number of trees that can be planted in a year.
<b>Public Works</b>	Dana Branch Library Roof Replacement	\$850,000	Replacement of the existing roof with a cool roof to increase solar reflectance, decrease heat absorption, and reduce energy consumption and GHG emissions.
<b>Public Works</b>	Burnett Library Window Replacement	\$500,000	Replacement of existing aluminum-framed, fixed windows with new energy-efficient windows to increase energy efficiency.
<b>Public Works</b>	Expo Building Solar Installation	\$500,000	Installation of roof-mounted solar PV configured to maximize the offset of existing electrical consumption and reduce GHG emissions associated with the energy use.
<b>Public Works</b>	Citywide Park Lighting	\$500,000	Converting existing park lights to energy efficient LED lighting.
<b>Public Works</b>	Municipal Urban Stormwater Treatment Facility EV Chargers	\$75,000	Installation of 6-7 EV charging ports for public use.
<b>Public Works</b>	Burnett Library EV Chargers	\$1,200,000	Installation of four Level 2 ports and 2 Level 3 ports at Burnett library for public use.
<b>Public Works</b>	Ruth Bach Library EV Chargers	\$1,200,000	Installation of six Level 2 ports and 2 Level 3 ports at Ruth Bach Library for public use.

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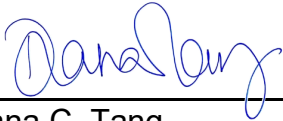
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### **Fiscal Impact**

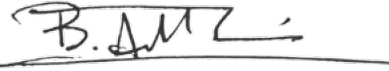
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This action utilizes existing monetary revenues that have been generated through participation in California's Cap-and-Trade Program Consignment Auction for Fiscal Year 2025.



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B. Anatole Falagán  
General Manager