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UPDATE: It's Official: California's Gov. Brown Signs AB 398 Into Law

(Adds information about the AB 398 legislation in paragraphs two and three.)

Paying homage to the preceding legislation that gave California its cap-and-trade program, Gov. Jerry Brown (D) signed Assembly Bill 398 into law this afternoon from Treasure Island in the San Francisco Bay, the same site used by then-Gov. Arnold Schwarzenegger (R) to sign AB 32 in 2006.

AB 398, authored by Assemblyman Eduardo Garcia (D), reauthorized the cap-and-trade program through December 2030, albeit with more controls on prices. The bill requires the Air Resources Board (ARB) to establish a price ceiling, as well as price containment points leading up to the price ceiling, maintain industrial assistance factors beginning in 2021 at 2015-2017 levels and applying the statewide annual cap reductions to those assistance factors, while also reducing the usage of offsets and tightening allowance supplies over the next decade.

The bill passed out of the Senate and Assembly with two-thirds approval.

Brown was flanked by Garcia, as well as Senate Pro Tem Kevin de Leon (D), and Schwarzenegger, all of whom praised the California Legislature for its bipartisan approval of cap-and-trade extension.

"I wish that in 2006 I had eight Republicans. I had one," said Schwarzenegger, recalling his efforts to pass AB 32, the bill that authorized the cap-and-trade program. "This is how times have changed."

In his comments to a small group of invitees and press, Brown kept his foot on the gas when speaking about the stakes of climate change and the challenges of addressing it.

"This is not one of these ordinary legislative things. We're dealing with climate change. And next to the threat of nuclear danger, which is the other existential threat, nothing is more serious in the world than extinction," he said.

"The gravity of this topic is so great, it's hard to talk about it. People think you're wacky," added the governor. "If we don't do something about it, it is the end of the world as we know it. That's how serious it is."

"Having said that, you've got to take it in steps. You can't just say overnight, 'OK, we're not going to have oil anymore. We're not going to have

fossil fuel cars. We're not going to have this, we're not going to have that.' We need an intelligent, planned transition that will take time."

Brown, Schwarzenegger and others took shots at the situation in Washington D.C. , notably for the Trump administration's denial of climate change and its withdrawal from the Paris Agreement on climate change.

"America did not drop out of the Paris Agreement. America is fully in the Paris Agreement," said Schwarzenegger. "The states, the cities in America, the private sector, the academic sector, the scientists, everyone is still in the Paris Agreement. There is only one man that dropped out. But America did not drop out."

Despite an arduous legislative process that pitted traditional allies against one another while uniting classic foes, AB 398 earned broad support from across the state's economy.

"With today's signing, California has secured one of the most powerful tools in the climate action toolbox to protect the next generation of Californians," said Timothy O'Connor, director of California legislative and regulatory affairs for the Environmental Defense Fund. "Cap and trade will ensure California meets its ambitious climate commitments and maintains the economic prosperity that California has enjoyed since initially launching the program in 2013. California is now ahead of schedule in meeting its 2020 target, which had seemed ambitious when it was set in 2006. Extending California's cap-and-trade program means California can maintain this recipe for success, which includes a flexible and cost-effective way for the state to achieve its new more ambitious 2030 climate target."

Next comes an important board meeting for the state's air regulator to consider amendments to the cap-and-trade program. The ARB on Thursday will discuss amendments that would increase oversight and improve implementation of the program, while also allowing for additional linkages, specifically with Ontario, Canada.

The board meeting will also kick start the rule-making process to implement cap-and-trade for the post-2020 period, as per AB 398 directives.

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