About 15 years ago, when presenting about California's then-new climate change law AB32, I used to show a slide with six words on it — "Why Mary Nichols Rules the World"— along with a huge photo of Mary. The slide let me talk about the enormous authority and discretion bestowed by AB32 on one agency, the California Air Resources Board. The 2006 legislation set fairly ambitious climate goals and essentially told ARB to go figure out how to meet those goals, targeting whatever sectors and using whatever mix of incentives, regulations, and other tools the agency saw fit. Yes, AB32 gave the agency some guidance and guard rails (for example, ARB had to design regulations to achieve "the maximum technologically feasible and cost-effective greenhouse gas emission reductions;" and had to do so in a way that was "equitable," that sought to "minimize costs and maximize the total benefits to California," and that did not "disproportionately impact low-income communities"). But even those guard rails were left to be interpreted and implemented as the agency saw fit. Thus, Mary — and the staff she led — had tons of power.

Over the years, the legislature has shown varying degrees of squeamishness about this arrangement but has never altered its basic dynamic. By nearly all accounts, ARB succeeded in meeting its original AB32 mandates, reducing the state's greenhouse gas emissions back to 1990 levels well before the 2020 deadline for doing so. When lawmakers voted in 2017 to extend ARB's authority to run its landmark cap-and-trade emissions reduction program beyond 2020, they did so with more than a 2/3 majority. The legislature put a few more constraints on ARB's design of the C&T program and married its extension of authority with a new mandate to reduce fenceline pollution in certain highly-impacted communities. But ARB remained in the driver's seat in choosing key regulatory targets and methods for reducing GHG emissions, aiming toward even-more-ambitious 2030 & 2045 goals.

Which is why two news items from this past week are worth discussing together. First, as my colleague Jason Gray explains in detail here, the Legislature just extended ARB's authority to run its cap-and-trade program–renamed cap-and-invest — for another 20 years, until 2045. In the end, lawmakers again did so without tinkering very much with ARB's requirements for the program, even though many ideas had been on the table throughout this legislative session for C&T updates and redesigns. ARB's basic job remains intact: figure out how to create the maximum technologically feasible and cost-effective GHG reductions to meet ambitious statewide emissions limits, now bolstered by a decades-long mandate for cap-and-

invest plus plenty of remaining discretion to create complementary regulations, too.

Second, there's a new person charged with leading ARB and exercising that considerable authority and discretion. Lauren Sanchez has been named to the position Mary Nichols held for many years, Chair of ARB, taking over for Liane Randolph, who has had the role since 2020 and who is retiring. It's arguably the most important climate job in California (and, thus, the U.S., especially these days), potentially even more important than the job Ms. Sanchez is leaving, Governor Newsom's senior climate advisor. Given ARB's power, by setting priorities well the Chair can do more than any other person to help determine whether California meets its ambitious statewide climate emissions-reduction goals or, instead, is forced to delay them. That, in turn, will have ripple effects in jurisdictions around the U.S. and world.

Some observations about Ms. Sanchez's appointment:

- She's taking over the agency at a time when its challenges have never been greater. The agency is fighting on multiple fronts with a hostile U.S. federal administration; it seems to have less leverage over private actors in the transportation sector than ever, given the recent decisions by Congress to undo key California waivers; and it has reached the "no more low hanging fruit" part of the climate regulatory path it's forging, just as affordability concerns dominate the state conversation. Meeting California's 2030 and 2045 climate goals will be hard and will require hard choices, and many of those choices will be made by ARB.
- She'll be the first non-lawyer in the AB32 era to lead the agency. She'll also be working with a relatively new ARB Chief Counsel, since ARB's long-time (and beloved & strategic) counsel Ellen Peter retired earlier this year. That said, Lauren will undoubtedly have the resources of a very strong legal team at ARB and at the AG's office to help navigate complicated legal shoals.
- She brings incredible political experience to the job as well as good perspective on how California agencies can, or should, work together. She likely understands this dicey political moment for California climate policy as well as, or better than, anyone else.
- At a time when the U.S. has (again) abdicated any sense of climate leadership on the world stage, she understands global climate diplomacy. She spent years in the U.S State Department and working with U.S. Climate Envoy John Kerry pushing for progress globally, including in the lead-up to the Paris Agreement and on its implementation. Under Trump 1.0, California and ARB

helped to forge and lead subnational coalitions of climate actors, and Lauren’s appointment suggests that ARB will be well-positioned to continue that work.