



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
LEGISLATIVE COMMITTEE MEETING

COMMITTEE MEMBERS

BRAD WAGENKNECHT - CHAIR
MARGARET ABE-KOGA
PAULINE RUSSO CUTTER
DAVE HUDSON
SHIRLEE ZANE

KAREN MITCHOFF - VICE CHAIR
DAVID CANEPA
JOHN GIOIA
SCOTT HAGGERTY

THURSDAY
MAY 11, 2017
9:30 A.M.

1ST FLOOR BOARD ROOM
375 BEALE STREET
SAN FRANCISCO, CA 94105

AGENDA

1. **CALL TO ORDER - ROLL CALL – PLEDGE OF ALLEGIANCE**

The Committee Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members. The Committee Chair shall lead the Pledge of Allegiance.

2. **PUBLIC COMMENT PERIOD**

(Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at Air District headquarters, 375 Beale Street, San Francisco, California 94105, and on the Air District's website www.baaqmd.gov at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Board's authority. Speakers will be limited to three (3) minutes each.

This meeting will be webcast. To see the webcast, please visit <http://www.baaqmd.gov/The-Air-District/Board-of-Directors/Agendas-and-Minutes.aspx> at the time of the meeting.

Staff/Phone (415) 749-

3. **APPROVAL OF THE MINUTES OF DECEMBER 12, 2016 AND MARCH 30, 2017**
Clerk of the Boards/5073

The Committee will consider approving the attached draft minutes of the Legislative Committee meetings of December 12, 2016 and March 30, 2017.

4. **CONSIDERATION OF NEW BILLS**

J. Roggenkamp/4646
jroggenkamp@baaqmd.gov

The Committee will discuss and review new bills and take positions where appropriate.

5. **LEGISLATIVE UPDATE**

J. Roggenkamp/4646
jroggenkamp@baaqmd.gov

Staff will update the Committee on the status of bills the District has adopted positions on.

6. **COMMITTEE MEMBERS' COMMENTS/OTHER BUSINESS**

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may; ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

7. **TIME AND PLACE OF NEXT MEETING – AT THE CALL OF THE CHAIR**

At the Call of the Chair

8. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
375 BEALE STREET, SAN FRANCISCO, CA 94105
mmartinez@baaqmd.gov

(415) 749-5016
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting. Please note that all correspondence must be addressed to the “Members of the Legislative Committee” and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Committee meeting. Any correspondence received after that time will be presented to the Committee at the following meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District’s offices at 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

Accessibility and Non-Discrimination Policy

The Bay Area Air Quality Management District (Air District) does not discriminate on the basis of race, national origin, ethnic group identification, ancestry, religion, age, sex, sexual orientation, gender identity, gender expression, color, genetic information, medical condition, or mental or physical disability, or any other attribute or belief protected by law.

It is the Air District’s policy to provide fair and equal access to the benefits of a program or activity administered by Air District. The Air District will not tolerate discrimination against any person(s) seeking to participate in, or receive the benefits of, any program or activity offered or conducted by the Air District. Members of the public who believe they or others were unlawfully denied full and equal access to an Air District program or activity may file a discrimination complaint under this policy. This non-discrimination policy also applies to other people or entities affiliated with Air District, including contractors or grantees that the Air District utilizes to provide benefits and services to members of the public.

Auxiliary aids and services including, for example, qualified interpreters and/or listening devices, to individuals who are deaf or hard of hearing, and to other individuals as necessary to ensure effective communication or an equal opportunity to participate fully in the benefits, activities, programs and services will be provided by the Air District in a timely manner and in such a way as to protect the privacy and independence of the individual. Please contact the Non-Discrimination Coordinator identified below at least three days in advance of a meeting so that arrangements can be made accordingly.

If you believe discrimination has occurred with respect to an Air District program or activity, you may contact the Non-Discrimination Coordinator identified below or visit our website at www.baaqmd.gov/accessibility to learn how and where to file a complaint of discrimination.

Questions regarding this Policy should be directed to the Air District’s Non-Discrimination Coordinator, Rex Sanders, at (415) 749-4951 or by email at rsanders@baaqmd.gov.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
375 BEALE STREET, SAN FRANCISCO, CALIFORNIA 94105
FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

MAY 2017

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Legislative Committee <i>(At the Call of the Chair)</i>	Thursday	11	9:30 a.m.	1 st Floor Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i> - CANCELLED	Monday	15	9:30 a.m.	1 st Floor Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i> - CANCELLED	Monday	15	10:30 a.m.	1 st Floor Board Room
Board of Directors Budget Hearing <i>(At the Call of the Chair)</i>	Wednesday	17	9:45 a.m.	1 st Floor Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	17	Following Budget Hearing	1 st Floor Board Room
Board of Directors Climate Protection Committee <i>(Meets on the 3rd Thursday of every other Month)</i>	Thursday	18	9:30 a.m.	1 st Floor Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	24	9:30 a.m.	1st Floor, Yerba Buena Room #109
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	25	9:30 a.m.	1 st Floor Board Room
Special Board of Directors Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	31	9:45 a.m.	1 st Floor Board Room

JUNE 2017

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Personnel Committee <i>(At call of the Chair)</i>	Friday	2	9:30 a.m.	1 st Floor Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	7	9:45 a.m.	1 st Floor Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	19	9:30 a.m.	1 st Floor Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	19	10:30 a.m.	1 st Floor Board Room

JUNE 2017

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	21	9:45 a.m.	1 st Floor Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	22	9:30 a.m.	1 st Floor Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	28	9:30 a.m.	1st Floor, Yerba Buena Room #109
HL – 5/1/17 3:25 p.m.				G/Board/Executive Office/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/Air Pollution Control Officer

Date: May 3, 2017

Re: Approval of the Minutes of December 12, 2016 and March 30, 2017

RECOMMENDED ACTION

Approve the attached draft minutes of the Legislative Committee (Committee) meetings of December 12, 2016 and March 30, 2017.

DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meetings of December 12, 2016 and March 30, 2017.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Maricela Martinez

Attachment 3A: Draft Minutes of the Committee Meeting of December 12, 2016.

Attachment 3B: Draft Minutes of the Committee Meeting of March 30, 2017.

AGENDA 3A – ATTACHMENT

Draft Minutes – Legislative Committee Meeting of December 12, 2016

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, California 94105
(415) 749-5073

DRAFT MINUTES

Summary of Board of Directors
Legislative Committee Meeting
Monday, December 12, 2016

1. CALL TO ORDER – ROLL CALL

Legislative Committee (Committee) Vice Chair Mitchoff called the meeting to order at 9:33 a.m.

Present: Committee Chair Brad Wagenknecht and Committee Vice Chair Karen Mitchoff; and Directors John Avalos, Scott Haggerty, and David Hudson.

Absent: Directors John Gioia and Shirlee Zane.

Also Present: None.

2. PUBLIC COMMENT PERIOD

No requests received.

3. REVIEW OF THE 2016 LEGISLATIVE YEAR (OUT OF ORDER, ITEM 4)

Jean Roggenkamp, Deputy Executive Officer, introduced Tom Addison, Senior Policy Advisor, who summarized actions from the 2016 Legislative year pertaining to the District's interests. Bills that the District sponsored or generally supported included: AB 1685 (Gomez), AB 2055 (Gibson), AB 2292 (Gordon), AB 2841 (Allen), ACR 112 (Hadley), SB 32 (Pavley), SB 773 (Allen), SB 1128 (Glazer), SB 1338 (Lara), SB 1383 (Lara), and SB 1441 (Leno). Bills that the District opposed included: AB 1550 (Gomez) and SB 1239 (Gaines).

NOTED PRESENT: Committee Chair Wagenknecht was noted present at 9:40 a.m. and Director Avalos was noted present at 9:45 a.m.

Public Comments:

No requests received.

Committee Comments:

The Committee and staff discussed the history of the recent trends regarding Air District Boards of Directors in California and how this may affect the District in the future; potential

repercussions and financial consequences due to Southern California’s representation in the Capitol; the addition of two Environmental Justice representatives on the California Air Resources Board of Directors; the elements of AB 197 (Garcia); the significance of the extension of SB 1128; the need for the revision and improvement of CalEnviroScreen and disadvantaged Bay Area communities that are being excluded; variables that create a CalEnviroScreen score; ways in which the District can engage the University of California and/or the Legislature to initiate the study on motor vehicle registration fraud and failure to register a motor vehicle, under SB 773; ways in which the District can revive the efforts of dead legislation that would have developed and implemented energy efficiency upgrades and investments at public ports; the feasibility of the District drafting its own bill that could focus specifically on ports adjacent to disadvantaged areas; and the future of hydrogen fueling in the Bay Area, particularly regarding sales and use tax exemption and income tax credits for hydrogen refueling station equipment.

Committee Action:

None; receive and file.

4. APPROVAL OF THE MINUTES OF MARCH 30, 2015, OCTOBER 26, 2015, MARCH 21, 2016, AND JUNE 27, 2016 (ITEM 3)

Public Comments:

No requests received.

Committee Comments:

None.

Committee Action:

Director Hudson made a motion, seconded by Vice Chair Mitchoff, to approve the minutes of March 30, 2015, October 26, 2015, March 21, 2016, And June 27, 2016; and the motion carried by the following vote of the Committee:

AYES: Avalos, Haggerty, Hudson, Mitchoff, and Wagenknecht.

NOES: None.

ABSTAIN: None.

ABSENT: Gioia and Zane.

5. DISCUSSION OF POTENTIAL 2017 LEGISLATIVE AGENDA

Mr. Addison predicted potential issues worthy of the Committee’s consideration. These included the obstacles to the identification of disadvantaged communities for state funding, and maximum penalties for violations of stationary source air regulations.

Public Comments:

No requests received.

Committee Comments:

The Committee and staff discussed holding public workshops to address the increasing deficiencies of CalEnviroScreen Version 3.0, and the public’s need to see the Board’s engagement regarding this issue; the point at which the District should become involved with the South Coast Air Quality Management District’s efforts to reformulate penalties for stationary source air regulations; appropriate ceilings that can incentivize good behavior and penalty structures to act as deterrents; and how future wood-burning standards may impact the District’s current programs.

Committee Action:

At the consensus of members present, the Committee recommended that the Board pursue and support legislation seeking to reform CalEnviroScreen as means of distribution of state revenues, and support legislative efforts relative to reformulating penalties for stationary source air regulations.

6. COMMITTEE MEMBERS’ COMMENTS / OTHER BUSINESS

None.

7. TIME AND PLACE OF NEXT MEETING

At the call of the Chairperson.

8. ADJOURNMENT

The meeting adjourned at 10:43 a.m.

Marcy Hiratzka
Clerk of the Boards

AGENDA 3B – ATTACHMENT

Draft Minutes – Legislative Committee Meeting of March 30, 2017

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, California 94105
(415) 749-5073

DRAFT MINUTES

Summary of Board of Directors
Legislative Committee Meeting
Friday, March 30, 2017

1. CALL TO ORDER – ROLL CALL

Committee Chairperson, Brad Wagenknecht, called the meeting to order at 9:41 a.m.

Present: Chair Brad Wagenknecht; Vice-Chairperson Karen Mitchoff; and Directors Margaret Abe-Koga and Pauline Cutter.

Absent: Directors David J. Canepa, John Gioia, Scott Haggerty, David Hudson, and Shirlee Zane.

Also Present: None.

2. PUBLIC COMMENT PERIOD

No requests received.

3. APPROVAL OF THE MINUTES OF DECEMBER 12, 2016

Public Comments:

No requests received.

Committee Comments:

None.

Committee Action:

None, due to lack of quorum.

4. CONSIDERATION OF NEW BILLS

Jean Roggenkamp, Deputy Executive Officer, introduced Thomas Addison, Senior Policy Advisor, who delivered the staff report *Consideration of New Bills*, including discussion and

review of new bills. Mr. Addison noted that, since the meeting packet was published, amendments were made to AB 1014, AB 1274, and SB 41, and SB 563 was also added.

Public Comments:

No requests received.

Committee Comments:

The Committee and staff discussed the significance of AB 378 (the potential extension of the Cap and Trade program to 2030) and the priority it has been given in both Houses; the lack of a sunset provision for AB 1014 (reduces the mandated frequency of the testing of hospital backup generators); potential concern that AB 1132 would give Air Pollution Control Officers too much power; the Committee's concern that AB 1274 (exemption of 7-8 year old vehicles from Smog Check) will erroneously exempt vehicles with excess emissions from Smog Check requirements, and the District's request that the California Air Resources Board confirm the proposed emissions benefits of the bill; the potential exclusion of Bay Area participation in the current draft language of AB 193 (Clean Reused Vehicle Rebate Project) and SB 4 (Goods Movement and Clean Trucks Bond Act); and the Cap and Trade program as the funding source for SB 563 (statewide Woodsmoke Reduction Program).

Committee Action:

Due to a lack of quorum, the consensus of the members present was to recommend that the Board of Directors adopt the following positions:

- AB 193 (Cervantes): Oppose unless amended;
- AB 378 (C. Garcia): Support;
- AB 1014 (Cooper): Support if amended;
- AB 1132 (C. Garcia): Support;
- AB 1274 (O'Donnell): Support in concept;
- AB 1647 (Muratsuchi): Support if amended;
- SB 4 (Mendoza): Support if amended;
- SB 41 (Galgiani): Oppose;
- SB 49 (De Leon): Support if amended;
- SB 174 (Lara): Support;
- SB 563 (Lara): Support; and
- Potential bill, currently without an author or number, initiated by Californians Against Waste, regarding composting as an Essential Public Service for air district permitting consideration: Oppose

5. COMMITTEE MEMBERS' COMMENTS / OTHER BUSINESS

None.

6. TIME AND PLACE OF NEXT MEETING

At the call of the Chairperson.

7. ADJOURNMENT

The meeting adjourned at 10:27 a.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Brad Wagenknecht and
Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 2, 2017

Re: Consideration of New Bills

RECOMMENDED ACTION

The Committee will discuss new bills and recommend positions to the Board of Directors where appropriate.

DISCUSSION

The Board adopted a support position on **AB 378**, authored by Assemblymember Christina Garcia (D-Bell Gardens). This bill when reviewed by the Committee in late March would have allowed the cap-and-trade program to be extended through 2030. However, recent amendments have altered the bill substantially, and staff are bringing it back to the Committee for further deliberation. A copy of the amended bill is attached.

Perhaps the highest current environmental priority for Governor Brown is extending the cap-and-trade program beyond 2020, and doing so with a two-thirds vote of the Legislature. To oversimplify a complex issue, several environmental justice organizations believe direct regulation of greenhouse gas (GHG) emissions is preferable to cap-and-trade, believing that direct regulation will create ancillary health benefits for adjacent communities. Several business organizations believe that if California requires GHG reductions, cap-and-trade is preferable to direct regulation.

AB 378 as amended April 18, 2017, would now have the Air Resources Board (ARB) set air pollutant emissions standards for criteria air pollutants and air toxics for stationary sources subject to the cap-and-trade program. Facilities not meeting these new standards would not receive GHG allowances starting in 2021. Under the bill, ARB may adopt no-trade zones or facility-specific GHG limits where the stationary sources contribute to a cumulative pollution burden that creates a significant health impact. Additionally, facilities would not be allowed to emit more GHGs than their annual average from 2014 to 2016.

Air District staff are recommending an **Oppose unless Amended** position on the new version of the bill. Stationary sources have had their criteria and toxic emissions regulated by local air districts, through regulations and permitting and enforcement programs. This bill changes that and would have ARB step into that role. Staff believe that ARB lacks the staff and technical expertise to set emissions standards for stationary sources and that these local sources are better

regulated by air districts, which have decades of stationary source expertise and local officials serving on the Boards. Furthermore, having two sets of requirements for sources, administered by two different agencies, is duplicative at best for the affected industries. Similarly, whether or not there is cumulative pollution burden on local communities is not a decision that the state has shown it can address well, as the flawed CalEnviroScreen tool for assigning disadvantage has demonstrated. Additionally, staff question the wisdom of capping individual facilities, as this bill would do, rather than establishing a shrinking cap over multiple sources. Staff suggest that the amendments sought would be to return to the earlier version of the bill.

AB 378 is not the only bill addressing cap-and-trade post-2020. Amendments to **SB 775**, authored by Senator Bob Wieckowski (D-Fremont), went into print the day this packet was prepared. The newly gutted and amended measure is attached along with the initial fact sheet from the author's office. The bill would create a new cap-and-trade program from 2021 through 2030, which will be separate and distinct from the current program. Allowances will not be given away but will have both floor and ceiling prices fixed. These prices will increase automatically with time. Fixed floor prices will dramatically increase both the money the program raises and the amount Californians will pay. To minimize the impact, not all the revenues will go into the cap-and-trade funding program, but an unspecified percentage will be rebated back to the public. The author's hope is that there will be a much more stable future revenue stream for the cap-and-trade funded programs and the current uncertainty and low auction revenues will end. Allowances from the current program will not be able to be used in the post-2020 program. Allowances in the post-2020 program can only be used in the year they are issued, so banking allowances for future years is prevented.

SB 775 is being backed by the Senate Pro Tem Kevin De Leon. At least one environmental organization has expressed concerns about the sweeping nature of the changes the bill would make. Because the bill is so new, staff will discuss the bill with various parties, and will present a recommended position to the Committee on May 11, 2017.

AB 476 is authored by Assemblymember Mike Gipson (D-Carson), and sponsored by the California Natural Gas Vehicle Coalition. It changes vehicle weight classifications, moving the heavy-duty definition from over 6,000 pounds to over 26,000 pounds. It would increase the light-duty definition from under 6,000 pounds to under 10,000 pounds. Staff suggest the reason for this change is to secure a dramatically increased share of limited incentive funds for natural gas engines with low emissions of oxides of nitrogen (NO_x). Today, incentive funds such as the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) or cap-and-trade funded programs incentivize a range of vehicle weights and uses. These include delivery vehicles, step-vans, and many other vehicles, as well as the heaviest trucks (which are designated Class 7 and 8 vehicles). This diversity allows the most cost-effective projects to be funded, as well as incentivizing the clean technology development that historically has spread from lighter vehicles to heavier vehicles. By excluding vehicles less than 26,000 pounds from these programs, natural-gas-based technology is favored at the expense of other technologies. Staff are recommending an “**Oppose**” position.

Staff may bring other bills to the committee for it to consider adopting positions on in addition to those discussed above.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Thomas Addison
Reviewed by: Jean Roggenkamp

Attachment 4A: Assembly Bill No. 378
Senate Bill No. 775
Assembly Bill No. 476

AMENDED IN ASSEMBLY APRIL 18, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 378

**Introduced by Assembly Members Cristina Garcia, Holden, and
Eduardo Garcia
(Coauthors: Assembly Members Bloom, Bonta, Eggman, Friedman,
Gomez, Jones-Sawyer, Kalra, McCarty, Reyes, Mark Stone,
Thurmond, and Ting)**

February 9, 2017

An act to amend Section 38562.5 of, and to add ~~Section~~ *Sections* 38562.6 and 38567 to, the Health and Safety Code, relating to ~~greenhouse gases: air pollution.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 378, as amended, Cristina Garcia. ~~California Global Warming Solutions Act of 2006: regulations. Greenhouse gases, criteria air pollutants, and toxic air contaminants.~~

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. The act requires the state board to approve a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and 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, when adopting rules and regulations to achieve greenhouse gas emissions reductions beyond the statewide greenhouse gas emissions limit and to protect the state's most impacted

and disadvantaged communities, to follow specified requirements, consider the social costs of the emissions of greenhouse gases, and prioritize specified emission reduction rules and regulations.

This bill would additionally require the state board to consider and account for the social costs of the emissions and greenhouse gases when adopting those rules and regulations. The bill would authorize the state board to adopt or ~~subsequently revise new~~ *amend* regulations that establish a market-based compliance mechanism, applicable from January 1, 2021, to December 31, 2030, to complement direct emissions reduction measures in ensuring that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030. *The bill would prohibit the state board from permitting a facility to increase its annual emissions of greenhouse gases compared to the annual average of emissions of greenhouse gases reported during specified years. The bill would authorize the state board to adopt no-trade zones or facility-specific declining greenhouse gas emissions limits where facilities' emissions contribute to a cumulative pollution burden that creates a significant health impact.*

This bill would require the state board, in consultation with affected air pollution control and air quality management districts, to adopt air pollutant emissions standards for emissions of criteria air pollutants and toxic air contaminants at industrial facilities that are subject to a market-based compliance mechanism. The bill would prohibit the state board from allocating allowances as part of a market-based compliance mechanism to industrial facilities that do not meet the air pollutant emissions standards for criteria air pollutants and toxic air contaminants.

This bill would require the state board, in ensuring that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030, to adopt the most effective and equitable mix of emissions reduction measures and ensure that emissions reduction measures collectively and individually support achieving air quality and other environmental and public health goals.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:

1 (a) It is a primary objective of the state to reduce greenhouse
2 gas emissions, which is critical for the protection of all areas of
3 the state but especially for the state’s most disadvantaged
4 communities, which will be disproportionately impacted by climate
5 change and emissions from sources of greenhouse gases, including
6 short-lived climate pollutants, as well as criteria pollutants and
7 toxic air contaminants.

8 (b) While low-income communities and communities of color
9 in the state suffer from some of the worst air quality in the nation,
10 the state has been and must continue to be a leader in making
11 investments in historically disadvantaged communities.

12 (c) Achieving the state’s climate and air quality goals in an
13 equitable and effective manner will require a mix of direct
14 regulations and incentives that hold major emitters accountable
15 for the social costs of their emissions, protect the state’s economy,
16 and direct investments to communities across the state.

17 SEC. 2. Section 38562.5 of the Health and Safety Code is
18 amended to read:

19 38562.5. (a) When adopting rules and regulations pursuant to
20 this division to achieve emissions reductions beyond the statewide
21 greenhouse gas emissions limit and to protect the state’s most
22 impacted and disadvantaged communities, the state board shall
23 follow the requirements in subdivision (b) of Section 38562,
24 consider and account for the social costs of the emissions of
25 greenhouse gases, and prioritize both of the following:

26 (1) Emission reduction rules and regulations that result in direct
27 emission reductions at large stationary sources of greenhouse gas
28 emissions and direct emission reductions from mobile sources.

29 (2) Emission reduction rules and regulations that result in direct
30 emission reductions from sources other than those specified in
31 paragraph (1).

32 ~~(b) The state board may adopt or subsequently revise new~~
33 ~~regulations that establish a market-based compliance mechanism~~
34 ~~developed pursuant to Part 5 (commencing with Section 38570),~~
35 ~~applicable from January 1, 2021, to December 31, 2030, to~~ *To*
36 *complement direct emissions reduction measures in ensuring the*
37 *reductions in greenhouse gas emissions required pursuant to*
38 *Section 38566. 38566, the state board may adopt or amend*
39 *regulations that establish a system of market-based declining*
40 *annual aggregate emissions limits for sources or categories of*

1 sources that emit greenhouse gases, applicable from January 1,
2 2021, to December 31, 2030, inclusive, that the state board
3 determines will achieve the maximum technologically feasible and
4 cost-effective reductions in the emissions of greenhouse gases, in
5 the aggregate, from sources or categories of sources.

6 (c) The state board shall not permit a facility to increase its
7 annual emissions of greenhouse gases compared to the annual
8 average of emissions of greenhouse gases reported from 2014 to
9 2016, inclusive.

10 (d) The state board may adopt no-trade zones or facility-specific
11 declining greenhouse gas emissions limits where facilities'
12 emissions contribute to a cumulative pollution burden that creates
13 a significant health impact.

14 SEC. 3. Section 38562.6 is added to the Health and Safety
15 Code, to read:

16 38562.6. (a) For purposes of this section, "district" has the
17 same meaning as set forth in Section 39025.

18 (b) (1) On or before January 1, 2019, the state board, in
19 consultation with each affected district, shall adopt air pollutant
20 emissions standards applicable to industrial facilities subject to
21 a regulation adopted pursuant to subdivision (b) of Section 38562.5
22 or Part 5 (commencing with Section 38570).

23 (2) In adopting the air pollutant emissions standards pursuant
24 to this subdivision, the state board shall evaluate the air pollutant
25 emissions of each industrial facility subject to the regulation
26 adopted pursuant to subdivision (c) of Section 38562. The state
27 board's evaluation shall be based on the most recent available
28 data on industrial facilities gathered from districts, facility
29 operators, public comments, and other research as necessary, and
30 shall examine all of the following:

31 (A) Permitted and actual emissions of criteria air pollutants
32 and toxic air contaminants.

33 (B) Date of the most recent new source review conducted
34 pursuant to the federal Clean Air Act (42 U.S.C. Sec. 7401, et seq.)
35 for each emission unit.

36 (C) Emissions control measures for each criteria air pollutant
37 and toxic air contaminant, including, but not limited to, emissions
38 control technology for each emission unit.

1 (D) Whether each emission unit meets best available control
2 technology, as defined in Section 40405, or best available retrofit
3 control technology, as defined in Section 40406, as applicable.

4 (E) The performance of similar industrial facilities.

5 (F) District records of complaints, enforcement actions, and
6 penalties.

7 (c) On and after January 1, 2021, the state board shall not
8 allocate allowances pursuant to a regulation adopted pursuant to
9 subdivision (b) of Section 38652.5 or Part 5 (commencing with
10 Section 38570) to an industrial facility that does not meet the air
11 pollutant emissions standards for criteria air pollutants and toxic
12 air contaminants adopted pursuant to subdivision (b).

13 ~~SEC. 3.~~

14 SEC. 4. Section 38567 is added to the Health and Safety Code,
15 to read:

16 38567. In furtherance of ensuring the reductions in greenhouse
17 gas emissions required pursuant to Section 38566 and consistent
18 with this division, the state board shall do all of the following:

19 (a) Adopt the most effective and equitable mix of emissions
20 reduction measures to achieve the 2030 goal.

21 (b) Ensure that emissions reduction measures collectively and
22 individually support achieving air quality and other environmental
23 and public health goals.

AMENDED IN SENATE MAY 1, 2017

SENATE BILL

No. 775

Introduced by Senator Wieckowski

February 17, 2017

~~An act to amend Section 38564 of the Health and Safety Code, relating to greenhouse gases.~~ *An act to amend Section 12894 of, and to add Section 16428.87 to, the Government Code, and to amend Section 38505 of, to add Section 38574.5 to, and to add Part 5.5 (commencing with Section 38575) and Part 5.6 (commencing with Section 38577) to Division 25.5 of, the Health and Safety Code, relating to greenhouse gases, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 775, as amended, Wieckowski. ~~California Global Warming Solutions Act of 2006: greenhouse gas emissions reduction.~~ *California Global Warming Solutions Act of 2006: market-based compliance mechanisms.*

(1) The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include use of market-based compliance mechanisms. Existing law prohibits a state agency from linking a market-based compliance mechanism with any other state, province, or country unless the state agency notifies the Governor. Existing law requires the Governor to issue specified findings within 45 days of receiving that notice from a state agency and to provide those findings to the Legislature.

This bill would add to the findings required to be issued by the Governor and provided to the Legislature in those circumstances.

(2) *The California Global Warming Solutions Act of 2006 requires the state board to approve a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030.*

This bill would require the state board to adopt a regulation establishing as a market-based compliance mechanism a market-based program of emissions limits, applicable on and after January 1, 2021, for covered entities, as defined. The bill would require the program to set an initial minimum reserve price of \$20 per allowance, as defined, and an initial auction offer price of \$30 per allowance when auctioning allowances. The bill would require the program to increase the minimum reserve price each quarter by \$1.25 plus any increase in the Consumer Price Index, and the auction offer price each quarter by \$2.50 plus any increase in the Consumer Price Index, as specified. The bill would authorize the state board to revise the definition of a covered entity, as specified.

The bill would establish the Economic Competitive Assurance Program, to be administered by the state board, to ensure that importers that sell, supply, or offer for sale in the state a greenhouse gas emission intensive product have economically fair and competitive conditions and to maintain economic parity between producers that are subject to the market-based program of emissions limits and those who sell like goods instate that are not subject to that program, as specified.

This bill would establish the California Climate Infrastructure Fund, the California Climate Dividend Fund, and the California Climate and Clean Energy Research Fund in the State Treasury. The bill would require the Franchise Tax Board, in consultation with the Climate Dividend Access Board, which the bill would establish, to develop and implement a program to deliver quarterly per capita dividends to all residents of the state that would maximize the ease with which residents of the state may enroll in the program, as specified.

(3) *This bill would declare that it is to take effect immediately as an urgency statute.*

~~The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act requires the state board to consult with other states, the federal government, and other nations to identify the most effective strategies and methods to reduce greenhouse gases, manage greenhouse gas control~~

programs, and facilitate the development of integrated and cost-effective regional, national, and international greenhouse gas reduction programs.

~~This bill would require the state board also to consult with local agencies for these purposes.~~

Vote: majority ²/₃. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12894 of the Government Code is
2 amended to read:

3 12894. (a) (1) The Legislature finds and declares that the
4 establishment of nongovernmental entities, such as the Western
5 Climate Initiative, Incorporated, and linkages with other states and
6 countries by the State Air Resources Board or other state agencies
7 for the purposes of implementing ~~Division the California Global~~
8 Warming Solutions Act of 2006 (Division 25.5 (commencing with
9 Section 38500) of the Health and Safety ~~Code, Code~~) should be
10 done transparently and should be independently reviewed by the
11 Attorney General for consistency with all applicable laws.

12 (2) The purpose of this section is to establish new oversight and
13 transparency over any such linkages and related activities
14 undertaken in relation to ~~Division the California Global Warming~~
15 Solutions Act of 2006 (Division 25.5 (commencing with Section
16 38500) of the Health and Safety ~~Code Code~~) by the executive
17 agencies ~~in order~~ to ensure consistency with applicable laws.

18 (b) (1) The California membership of the board of directors of
19 the Western Climate Initiative, Incorporated, shall be modified as
20 follows:

21 (A) One appointee or his or her designee who shall serve as an
22 ex officio nonvoting member shall be appointed by the Senate
23 Committee on Rules.

24 (B) One appointee or his or her designee who shall serve as an
25 ex officio nonvoting member shall be appointed by the Speaker
26 of the Assembly.

27 (C) ~~The Chairperson~~ Chair of the State Air Resources Board
28 or her or his designee.

29 (D) The Secretary for Environmental Protection or his or her
30 designee.

1 (2) ~~Sections 11120 through 11132 do~~ *The Bagley-Keene Open*
2 *Meeting Act (Article 9 (commencing with Section 11120) of*
3 *Chapter 1 of Part 1)* does not apply to the Western Climate
4 Initiative, Incorporated, or to appointees specified in subparagraphs
5 (C) and (D) of paragraph (1) when performing their duties under
6 this section.

7 (c) The State Air Resources Board shall provide notice to the
8 Joint Legislative Budget Committee, consistent with that required
9 for Department of Finance augmentation or reduction
10 authorizations pursuant to subdivision (e) of Section 28.00 of the
11 annual Budget Act, of any funds over one hundred fifty thousand
12 dollars (\$150,000) provided to the Western Climate Initiative,
13 Incorporated, or its derivatives or subcontractors no later than 30
14 days prior to transfer or expenditure of these funds.

15 (d) ~~The Chairperson~~ *Chair* of the State Air Resources Board
16 and the Secretary for Environmental Protection, as the California
17 voting representatives on the Western Climate Initiative,
18 Incorporated, shall report every six months to the Joint Legislative
19 Budget Committee on any actions proposed by the Western Climate
20 Initiative, Incorporated, that affect California state government or
21 entities located within the state.

22 (e) For purposes of this section, “link,” “linkage,” or “linking”
23 means an action taken by the State Air Resources Board or any
24 other state agency that will result in acceptance by the State of
25 California of compliance instruments issued by any other
26 governmental agency, including any state, province, or country,
27 for purposes of demonstrating compliance with the market-based
28 compliance mechanism established pursuant to ~~Division the~~
29 *California Global Warming Solutions Act of 2006 (Division 25.5*
30 *(commencing with Section 38500) of the Health and Safety Code*
31 *Code)* and specified in Sections 95801 to 96022, inclusive, of Title
32 17 of the California Code of Regulations.

33 (f) A state agency, including, but not limited to, the State Air
34 Resources Board, shall not link a market-based compliance
35 mechanism established pursuant to ~~Division the~~ *California Global*
36 *Warming Solutions Act of 2006 (Division 25.5 (commencing with*
37 *Section 38500) of the Health and Safety Code Code)* and specified
38 in Sections 95801 to 96022, inclusive, of Title 17 of the California
39 Code of Regulations with any other state, province, or country
40 unless the state agency notifies the Governor that the agency

1 intends to take such action and the Governor, acting in his or her
2 independent capacity, makes all of the following findings:

3 (1) The jurisdiction with which the state agency proposes to
4 link has adopted program requirements for greenhouse gas
5 reductions, including, but not limited to, requirements for offsets,
6 that are equivalent to or stricter than those required by ~~Division~~
7 *the California Global Warming Solutions Act of 2006 (Division*
8 *25.5 (commencing with Section 38500) of the Health and Safety*
9 ~~Code. Code).~~

10 (2) Under the proposed linkage, the State of California is able
11 to enforce ~~Division~~ *the California Global Warming Solutions Act*
12 *of 2006 (Division 25.5 (commencing with Section 38500) of the*
13 *Health and Safety Code Code)* and related statutes, against any
14 entity subject to regulation under those statutes, and against any
15 entity located within the linking jurisdiction to the maximum extent
16 permitted under the United States and California Constitutions.

17 (3) The proposed linkage provides for enforcement of applicable
18 laws by the state agency or by the linking jurisdiction of program
19 requirements that are equivalent to or stricter than those required
20 by ~~Division~~ *the California Global Warming Solutions Act of 2006*
21 *(Division 25.5 (commencing with Section 38500) of the Health*
22 *and Safety Code. Code).*

23 (4) The proposed linkage and any related participation of the
24 State of California in Western Climate Initiative, Incorporated,
25 shall not impose any significant liability on the state or any state
26 agency for any failure associated with the linkage.

27 (5) *The jurisdiction with which the state agency proposes to*
28 *link has adopted legally binding program requirements for*
29 *greenhouse gases that include minimum carbon prices, including*
30 *auction reserve prices, that are equivalent to or greater than those*
31 *required by the California Global Warming Solutions Act of 2006*
32 *(Division 25.5 (commencing with Section 38500) of the Health*
33 *and Safety Code).*

34 (6) *The prospective link does not threaten the uninterrupted*
35 *performance and purpose of the California Climate Dividend*
36 *Program, established by Part 5.6 (commencing with Section 38577)*
37 *of Division 25.5 of the Health and Safety Code, with a finding*
38 *made in consultation with the Franchise Tax Board.*

39 (g) The Governor shall issue findings pursuant to subdivision
40 (f) within 45 days of receiving a notice from a state agency, and

1 shall provide those findings to the Legislature. The findings shall
2 consider the advice of the Attorney General. The findings to be
3 submitted to the Legislature shall not be unreasonably withheld.
4 The findings shall not be subject to judicial review.

5 *SEC. 2. Section 16428.87 is added to the Government Code,*
6 *to read:*

7 *16428.87. (a) The California Climate Infrastructure Fund is*
8 *hereby created in the State Treasury.*

9 *(b) The California Climate Dividend Fund is hereby created in*
10 *the State Treasury. Moneys in the fund shall be allocated, upon*
11 *appropriation, pursuant to Part 5.6 (commencing with Section*
12 *38577) of Division 25.5 of the Health and Safety Code.*

13 *(c) The California Climate and Clean Energy Research Fund*
14 *is hereby created in the State Treasury.*

15 *SEC. 3. Section 38505 of the Health and Safety Code is*
16 *amended to read:*

17 *38505. For the purposes of this division, the following terms*
18 *have the following meanings:*

19 *(a) "Allowance" means an authorization to emit, during a*
20 *specified year, up to one ton of carbon dioxide equivalent.*

21 *(b) "Alternative compliance mechanism" means an action*
22 *undertaken by a greenhouse gas emission source that achieves the*
23 *equivalent reduction of greenhouse gas emissions over the same*
24 *time period as a direct emission reduction, and that is approved*
25 *by the state board. "Alternative compliance mechanism" includes,*
26 *but is not limited to, a flexible compliance schedule, alternative*
27 *control technology, a process change, or a product substitution.*

28 *(c) (1) "Carbon dioxide equivalent" means the amount of carbon*
29 *dioxide by ~~weight~~ mass that would produce the same global*
30 *warming impact as a given ~~weight~~ mass of another greenhouse*
31 *gas, based on the best available science, including from the*
32 *Intergovernmental Panel on Climate Change. gas over a specified*
33 *time horizon.*

34 *(2) In calculating the carbon dioxide equivalent of any*
35 *greenhouse gas emission pursuant to this subdivision, the state*
36 *board shall use the best available scientific information, including*
37 *the most recent findings from the Intergovernmental Panel on*
38 *Climate Change. Where other jurisdictions use different methods*
39 *for calculating the carbon dioxide equivalent of any greenhouse*
40 *gas emissions, the state board may in parallel report carbon*

1 *dioxide equivalents using these alternative methods, but the state*
2 *board shall not use the existence of alternative methods in other*
3 *jurisdictions as a basis for selecting methods other than the best*
4 *available scientific information, including the most recent findings*
5 *from the Intergovernmental Panel on Climate Change, for*
6 *regulations developed pursuant to this division. The state board*
7 *shall select consistent methods in calculating carbon dioxide*
8 *equivalents across all regulations developed pursuant to this*
9 *division.*

10 (d) “Cost-effective” or “cost-effectiveness” means the cost per
11 unit of reduced emissions of greenhouse gases adjusted for its
12 global warming potential.

13 (e) “Direct emission reduction” means a greenhouse gas
14 emission reduction action made by a greenhouse gas emission
15 source at that source.

16 (f) “Emissions reduction measure” means programs, measures,
17 standards, and alternative compliance mechanisms authorized
18 pursuant to this division, applicable to sources or categories of
19 sources, that are designed to reduce emissions of greenhouse gases.

20 (g) “Greenhouse gas” or “greenhouse gases” includes all of the
21 following gases:

- 22 (1) Carbon dioxide.
- 23 (2) Methane.
- 24 (3) Nitrous oxide.
- 25 (4) Hydrofluorocarbons.
- 26 (5) Perfluorocarbons.
- 27 (6) Sulfur hexafluoride.
- 28 (7) Nitrogen trifluoride.

29 (h) “Greenhouse gas emissions limit” means an authorization,
30 during a specified year, to emit up to a level of greenhouse gases
31 specified by the state board, expressed in tons of carbon dioxide
32 equivalents.

33 (i) “Greenhouse gas emission source” or “source” means any
34 source, or category of sources, of greenhouse gas emissions whose
35 emissions are at a level of significance, as determined by the state
36 board, that its participation in the program established under this
37 division will enable the state board to effectively reduce greenhouse
38 gas emissions and monitor compliance with the statewide
39 greenhouse gas emissions limit.

1 (j) “Leakage” means a reduction in emissions of greenhouse
2 gases within the state that is offset by an increase in emissions of
3 greenhouse gases outside the state.

4 (k) “Market-based compliance mechanism” means either of the
5 following:

6 (1) A system of market-based declining annual aggregate
7 emissions limitations for sources or categories of sources that emit
8 greenhouse gases.

9 (2) Greenhouse gas emissions exchanges, banking, credits, and
10 other transactions, governed by rules and protocols established by
11 the state board, that result in the same greenhouse gas emission
12 reduction, over the same time period, as direct compliance with a
13 greenhouse gas emission limit or ~~emission~~ emissions reduction
14 measure adopted by the state board pursuant to this division.

15 (l) “State board” means the State Air Resources Board.

16 (m) “Statewide greenhouse gas emissions” means the total
17 annual emissions of greenhouse gases in the state, including all
18 emissions of greenhouse gases from the generation of electricity
19 delivered to and consumed in California, accounting for
20 transmission and distribution line losses, whether the electricity
21 is generated in state or imported. Statewide emissions shall be
22 expressed in tons of carbon dioxide equivalents.

23 (n) “Statewide greenhouse gas emissions limit” or “statewide
24 emissions limit” means the maximum allowable level of statewide
25 greenhouse gas emissions in 2020, as determined by the state board
26 pursuant to Part 3 (commencing with Section 38550).

27 *SEC. 4. Section 38574.5 is added to the Health and Safety*
28 *Code, to read:*

29 *38574.5. (a) For purposes of this section, the following terms*
30 *have the following meanings:*

31 *(1) “Allowance” means a tradeable compliance instrument that*
32 *is equal to one metric ton of carbon dioxide equivalent and is*
33 *issued by the state board as part of the regulation adopted pursuant*
34 *to this section or is issued by the appropriate governing body of*
35 *an external market-based compliance mechanism to which the*
36 *program established pursuant to this section has been linked*
37 *pursuant to Section 12894 of the Government Code.*

38 *(2) “Annual compliance event” means an annual process to*
39 *demonstrate compliance with the program established pursuant*
40 *to this section in which covered entities submit allowances to the*

1 state board equal to a minimum specified proportion of their
2 verified emissions of greenhouse gases for the prior year, as
3 reported to the state board pursuant to Section 38530.

4 (3) “Carbon offset credits” means credits awarded to projects
5 or programs for voluntary greenhouse gas emissions reductions
6 that occur outside of the scope of covered entities’ greenhouse gas
7 emissions, including all credits issued by the state board pursuant
8 to Section 38562.

9 (4) “Consumer Price Index” means the California Consumer
10 Price Index, All Urban Consumers, published by the Department
11 of Industrial Relations.

12 (5) “Covered entity” means a source of emissions of greenhouse
13 gases that is within a source category that is subject to compliance
14 obligations pursuant to subdivision (c) of Section 38562 as of
15 January 1, 2017. For a new source of emissions of greenhouse
16 gases commencing operation after January 1, 2017, “covered
17 entity” means a source that would have been within a source
18 category subject to compliance obligations under subdivision (c)
19 of Section 38562 if it had began emitting greenhouse gases on or
20 before January 1, 2017. If, after January 1, 2018, the state board
21 determines that a future adjustment to the definition of “covered
22 entity” is warranted, the adjustment shall result in at least an
23 equal percentage of statewide greenhouse gas emissions remaining
24 subject to the program established pursuant to this section as if
25 the initial definition of “covered entity” developed under this
26 subdivision were to apply.

27 (6) “Covered imported product” has the some meaning as in
28 Section 38575.

29 (b) The state board shall adopt a regulation establishing as a
30 compliance mechanism program of market-based emissions limits,
31 applicable on and after January 1, 2021, to covered entities. The
32 regulation shall do all of the following:

33 (1) Set annual aggregate emissions limits for greenhouse gas
34 emissions from covered entities that the state board determines in
35 conjunction with other policies applicable to statewide greenhouse
36 gas emissions are sufficient to ensure the emissions target specified
37 in Section 38566.

38 (2) Require, beginning January 1, 2021, the state board to
39 conduct quarterly allowance auctions that are open to participation
40 from covered entities, importers or sellers of covered imported

1 products, and any other participants who register with the state
2 board for the purposes of participating in quarterly allowance
3 auctions.

4 (3) Offer at each auction a number of allowances equal to the
5 auction's quarterly share of the annual aggregate emissions limit
6 established in paragraph (1).

7 (4) Require a covered entity to submit allowances equal to at
8 least 90 percent of its annual carbon dioxide equivalent emissions
9 at each annual compliance event, with the option to submit
10 additional allowances without penalty to account for the remainder
11 of its annual emissions, if any, at the subsequent year's annual
12 compliance event. The state board shall determine the timing of
13 the annual compliance event taking into account the availability
14 of covered entities' verified emissions data as reported to the state
15 board pursuant to Section 38530.

16 (5) Require that all allowances created pursuant to this section
17 be offered for sale at auction and not allocated to covered entities
18 either for free or for consignment sale, unless subsequent events
19 trigger the creation of a free allowance allocation program
20 pursuant to Section 38575.

21 (6) Require an initial minimum auction reserve price equal to
22 twenty dollars (\$20) per allowance. The state board shall not
23 auction allowances to bidders at a price less than the currently
24 applicable auction reserve price.

25 (7) Require an initial auction offer price equal to thirty dollars
26 (\$30) per allowance. At each auction, the state board shall make
27 an unlimited number of allowances available at the currently
28 applicable auction offer price.

29 (8) Require, beginning April 1, 2022, a quarterly increase in
30 the auction reserve price on April 1, July 1, October 1, and January
31 1 of each year equal to one dollar and twenty-five cents (\$1.25)
32 plus a quarterly share of the percentage, if any, by which the
33 Consumer Price Index increased for the preceding calendar year.

34 (9) Require, beginning April 1, 2021, a quarterly increase in
35 the auction offer price on April 1, July 1, October 1, and January
36 1 of each year equal to two dollars and fifty cents (\$2.50) plus a
37 quarterly share of the percentage, if any, by which the Consumer
38 Price Index increased for the preceding calendar year.

39 (10) Require allowances to be valid for compliance purposes
40 only in the calendar year in which they are introduced into

1 *circulation by the state board or for covering any remaining*
2 *compliance obligations from the prior year pursuant to paragraph*
3 *(4).*

4 *(11) Prohibit carbon offset credits from being used to meet a*
5 *covered entity's compliance obligation required pursuant to*
6 *paragraph (4).*

7 *(12) Prohibit an allowance or any other compliance instrument*
8 *issued pursuant to a regulation adopted pursuant to Section 38562*
9 *from being used to meet a covered entity's compliance obligation*
10 *required pursuant to paragraph (4).*

11 *(13) Prohibit compliance instruments issued by external*
12 *market-based compliance mechanisms that have been linked*
13 *pursuant to Section 12894 of the Government Code to a regulation*
14 *adopted pursuant to Section 38562 from being used to meet a*
15 *covered entity's compliance obligation required pursuant to*
16 *paragraph (4).*

17 *(14) Allow for the use of compliance instruments issued by*
18 *external market-based compliance mechanisms that have been*
19 *linked pursuant to Section 12894 of the Government Code to the*
20 *program established pursuant to this section to satisfy a covered*
21 *entity's compliance obligation required pursuant to paragraph*
22 *(4).*

23 *(c) All moneys collected pursuant to this section shall be*
24 *deposited in the California Climate Dividend Fund, the California*
25 *Climate and Clean Energy Research Fund, and the California*
26 *Climate Infrastructure Fund, which are all created pursuant to*
27 *Section 16428.87 of the Government Code, as follows:*

28 *(1) The first ____ per year shall be deposited into the California*
29 *Climate and Clean Energy Research Fund.*

30 *(2) The next ____ per year shall be deposited into the California*
31 *Climate Dividend Fund.*

32 *(3) All other remaining moneys shall be deposited into the*
33 *California Climate Infrastructure Fund.*

34 *(d) On a quarterly and annual basis, the state board shall*
35 *determine the net amount of moneys collected from covered entities*
36 *pursuant to this section and Part 5.5 (commencing with Section*
37 *38575).*

38 *(e) (1) The state board, in consultation with the Franchise Tax*
39 *Board, shall prepare an annual report summarizing the collection*
40 *and disposition of all moneys collected pursuant to this section*

1 and Part 5.5 (commencing with Section 38575). The state board
 2 shall make the report publicly available by posting the report on
 3 its Internet Web site.

4 (2) In addition to any other reporting requested by the Joint
 5 Legislative Committee on Climate Change Policies, the state board
 6 shall provide quarterly summary statistics of the moneys collected
 7 pursuant to this section and Part 5.5 (commencing with Section
 8 38575) and make that summary publicly available by posting the
 9 summary on its Internet Web site.

10 (f) The state board, in consultation with the Franchise Tax
 11 Board, shall project and analyze the expected emissions of
 12 greenhouse gases and future revenue collection, taking into
 13 account uncertainty over future economic growth, energy
 14 consumption, and other relevant factors that affect the emissions
 15 of greenhouse gases. The projections shall include at least one-year
 16 and five-year emissions of greenhouse gases and revenue outlooks
 17 and shall be included in the annual report required pursuant to
 18 paragraph (1) of subdivision (e).

19 (g) In administering the collection and disposition of the moneys
 20 collected pursuant to this section and Part 5.5 (commencing with
 21 Section 38575), the state board and the Franchise Tax Board shall
 22 use conservative accounting management practices to maintain
 23 sufficient reserves in each of the funds established pursuant to
 24 Section 16428.87 of the Government Code. The appropriate
 25 accounting management practices may include reasonable
 26 projections determined on an annual basis of expected revenue
 27 collection to achieve the money collection and disposition
 28 requirements of this section, Part 5.5 (commencing with Section
 29 38575), and Part 5.6 (commencing with Section 38577).

30 SEC. 5. Part 5.5 (commencing with Section 38575) is added
 31 to Division 25.5 of the Health and Safety Code, to read:

32

33 **PART 5.5. ECONOMIC COMPETITIVENESS ASSURANCE**
 34 **PROGRAM**

35

36 38575. (a) For purposes of this part, the following terms have
 37 the following meanings:

38 (1) "Allowance" has the same meaning as set forth in Section
 39 38574.5.

1 (2) “Annual compliance event” has the same meaning as set
2 forth in Section 38574.5.

3 (3) “Covered entity” has the same meaning as set forth in
4 Section 38574.5.

5 (4) “Covered imported product” means a product or category
6 of imported product that the state board has determined, after an
7 evaluation of relevant market prices and associated lifecycle
8 greenhouse gas emissions to exhibit a material price difference.

9 (5) (A) “Material price difference” means a substantial
10 difference in the price of a covered imported product or prospective
11 covered imported product that arises solely as a result of whether
12 or not a substantial component of the product’s lifecycle
13 greenhouse gas emissions is not subject to the program established
14 pursuant to Section 38574.5.

15 (B) In determining whether a material price difference exists,
16 the state board shall consider only the economic consequences of
17 the program established pursuant to Section 38574.5 and not other
18 factors that are merely coincident with the program. The state
19 board, at its discretion and based upon the availability of sufficient
20 data, may evaluate whether a material price difference exists with
21 respect to the retail or wholesale prices of the product.

22 (b) The Economic Competitiveness Assurance Program is hereby
23 established, to be administered by the state board to ensure that
24 importers that sell, supply, or offer for sale in the state a
25 greenhouse gas emission intensive product have economically fair
26 and competitive conditions. The purpose of the Economic
27 Competitiveness Assurance Program is to maintain economic
28 parity between producers, the prices of whose goods are materially
29 impacted by the implementation of the program established
30 pursuant to Section 38574.5, and those who sell like goods instate
31 that are not subject to the program established pursuant to Section
32 38574.5. The state board shall adopt a regulation implementing
33 this part that does all of the following:

34 (1) Applies to all covered imported products.

35 (2) Establishes a process for evaluating the prices and
36 greenhouse gas emission intensities of major categories of products
37 manufactured, sold, or consumed in the state. The state board shall
38 use its expert discretion, emissions inventory data, state economic
39 and trade data, and any other supplemental data sources necessary

1 to conduct a thorough analysis of the flow of greenhouse gas
2 emission intensive products through the state economy.

3 (3) Establishes, and periodically updates, a list, based on
4 analysis conducted pursuant to paragraph (2), of covered imported
5 products and their associated greenhouse gas emissions intensities.
6 The list shall include estimates of the lifecycle greenhouse gas
7 emissions of covered imported products that the state board
8 calculates by product type, production process, or any other
9 aggregated category that the state board deems relevant, with
10 lifecycle greenhouse gas emissions reported on a per product unit
11 basis at the aggregated category level for each covered imported
12 product.

13 (4) Creates a process for private parties involved in the sale of
14 greenhouse gas emission intensive products manufactured instate
15 to petition the state board to have a product listed as a covered
16 imported product as a result of a material price difference. The
17 state board shall evaluate private party petitions using consistent
18 criteria for establishing the presence of a material price difference.
19 The state board may prioritize the order in which it addresses the
20 petitions according to reasonable factors, including the relative
21 quantity of potentially affected greenhouse gas emissions and the
22 relative impact of any economic disparities petitioners claim are
23 created by the program established pursuant to Section 38574.5.
24 To the maximum extent practicable, the state board shall be
25 consistent across the evaluation of private party petitions and
26 between the evaluation of private petitions and the state board's
27 own determinations of covered imported products pursuant to
28 paragraph (3).

29 (5) Creates a process for removing a covered imported product
30 from the list of covered imported products created pursuant to
31 paragraph (3) if at any time the state board concludes the program
32 adopted pursuant to Section 38574.5 does not result in a material
33 price difference for a listed product or covered imported product.

34 (6) Imposes an obligation on any person who sells, supplies, or
35 offers for sale instate a covered imported product to surrender
36 allowances equal to the lifecycle greenhouse gas emissions
37 associated with each covered imported product sold or supplied
38 for consumption in the state and that would have been subject to
39 the program established pursuant to Section 38574.5 if the product
40 had been manufactured instate. The person shall submit to the

1 *state board allowances equal to at least 70 percent of the annual*
2 *lifecycle greenhouse gas emissions obligated under this paragraph*
3 *at the time of the annual compliance event established pursuant*
4 *to Section 38574.5, with an option to submit additional allowances*
5 *without penalty to account for the remainder, if any, at the*
6 *subsequent year's annual compliance event. The obligation to*
7 *surrender allowances established by this paragraph does not apply*
8 *to individual products for which covered entities face compliance*
9 *obligations for all substantial components of the covered imported*
10 *product's lifecycle greenhouse gas emissions. If one or more*
11 *covered entities are subject to compliance obligations for one or*
12 *more substantial components, but not all substantial components,*
13 *of the covered imported product's lifecycle greenhouse gas*
14 *emissions, the state board, to the maximum extent practicable,*
15 *shall reduce the obligation imposed by this paragraph on importers*
16 *of those covered imported products to account only for the*
17 *proportion of total lifecycle greenhouse gas emissions for which*
18 *covered entities do not already face compliance obligations.*

19 *(7) Develops, to the maximum extent practicable, a process to*
20 *exempt covered entities from the obligation to surrender*
21 *allowances pursuant to Section 38574.5 for the production of*
22 *covered imported products for which a covered entity faces a*
23 *compliance obligation for a substantial component of the lifecycle*
24 *greenhouse gas emissions of a covered imported product that is*
25 *exported for final sale outside of the state or, at the state board's*
26 *discretion, to instead develop a process for returning or issuing*
27 *to covered entities the same number of valid allowances that the*
28 *covered entity submitted to the state board to account for a*
29 *substantial component of the lifecycle greenhouse gas emissions*
30 *from covered imported products that are exported for final sale*
31 *outside the state.*

32 *(8) Reduces, to the maximum extent practicable, the obligation*
33 *to surrender allowances at the annual compliance event pursuant*
34 *to paragraph (6) to account for any legally binding carbon pricing*
35 *policies that apply in the place of origin of a covered imported*
36 *product. For the purposes of this paragraph, carbon pricing*
37 *policies may include carbon fees, carbon taxes, emissions limits*
38 *programs, and other market-based compliance mechanisms that*
39 *impose an explicit cost on greenhouse gas emissions. If a carbon*
40 *pricing policy exists in the place or places of origin of a covered*

1 *imported product, but that policy does not impose carbon prices*
2 *that are equivalent to those resulting from the program established*
3 *pursuant to Section 38574.5, the state board shall use reasonable*
4 *methods to account for the adjustments specified in this paragraph*
5 *on a partial basis that reflect the difference between carbon pricing*
6 *policies across applicable jurisdictions to the lifecycle greenhouse*
7 *gas emissions of the covered imported product.*

8 *(9) Creates a process for a manufacturer or importer of a*
9 *covered imported product to petition for an entity-specific lifecycle*
10 *greenhouse gas emissions factor if it can provide credible*
11 *documentation supporting the claim.*

12 *(10) Creates, if at any time a judicial opinion, settlement, or*
13 *other legally binding decision reduces or eliminates the state*
14 *board's authority to implement the Economic Competitiveness*
15 *Assurance Program, a system that freely allocates allowances to*
16 *the manufacturers subject to Section 38574.5 whose products the*
17 *state board is no longer able to include as covered imported*
18 *products in the Economic Competitiveness Assurance Program.*
19 *The free allowance program is subject to all of the following:*

20 *(A) The purpose of a free allowance allocation pursuant to this*
21 *paragraph is to maintain economic parity between producers of*
22 *greenhouse gas intensive goods that are subject to Section 38574.5*
23 *and those who produce or sell similar products that are not.*

24 *(B) The state board shall design, to the extent feasible and*
25 *subject to other conditions in this paragraph, a free allowance*
26 *allocation program to treat manufacturers of greenhouse gas*
27 *intensive goods that are subject to Section 38574.5 on an equal*
28 *basis with respect to producers and sellers of similar goods that*
29 *are not.*

30 *(C) The state board shall allocate any free allowances to*
31 *covered entities according to a formula that accounts for the*
32 *volumetric output of greenhouse gas intensive products produced,*
33 *the greenhouse gas intensity of the product, the lifecycle*
34 *greenhouse gas emissions of the average and best performing*
35 *manufacturers instate, the impact of free allocation on the dividend*
36 *distributed pursuant to subdivision (c) of Section 38577.2, and*
37 *any other factors the state board finds appropriate.*

38 *(D) The state board, subject to the limited authority to allocate*
39 *free allowances pursuant to this paragraph, shall require that the*
40 *process for considering and prioritizing the eligibility of product*

1 *categories to receive free allowances be governed by the*
2 *decisionmaking criteria and process provisions of this section.*

3 *(c) All moneys collected pursuant to this part shall be deposited*
4 *in the California Climate Dividend Fund, created pursuant to*
5 *Section 16428.87 of the Government Code.*

6 *SEC. 6. Part 5.6 (commencing with Section 38577) is added*
7 *to Division 25.5 of the Health and Safety Code, to read:*

8

9

PART 5.6. FUNDS

10

11 *38577. For purposes of this part, “covered entity” has the*
12 *same meaning as set forth in Section 38574.5.*

13 *38577.2. (a) The California Climate Dividend Program is*
14 *hereby established to be administered by the Franchise Tax Board*
15 *for allocation of the moneys in the California Climate Dividend*
16 *Fund, created pursuant to Section 16428.87 of the Government*
17 *Code, in the form dividends to all residents of the state on a per*
18 *capita basis pursuant to subdivision (c) for the public purpose of*
19 *mitigating the costs of transitioning to a low-carbon economy.*

20 *(b) (1) The Climate Dividend Access Board is hereby*
21 *established and shall consist of six representatives with at least*
22 *one member from each of the following groups:*

23 *(A) Nonprofit organizations working in the area of*
24 *environmental justice.*

25 *(B) Nonprofit organizations working in the area of immigration*
26 *reform.*

27 *(C) Nonprofit or government organizations providing direct*
28 *social services to low-income or homeless communities.*

29 *(D) Organizations providing financial services and assistance*
30 *to unbanked and underbanked communities.*

31 *(2) (A) The Senate Committee on Rules shall appoint two*
32 *members.*

33 *(B) The Speaker of the Assembly shall appoint two members.*

34 *(C) The Governor shall appoint two members.*

35 *(3) The Climate Dividend Access Board shall conduct periodic*
36 *public workshops and make recommendations to the Franchise*
37 *Tax Board on how to effectively and safely distribute climate*
38 *dividends to residents of communities in the state that are difficult*
39 *to reach, including, but not limited to, homeless, unbanked,*
40 *underbanked, and undocumented residents.*

1 (4) *The Climate Dividend Access Board, in making*
2 *recommendations to the Franchise Tax Board pursuant to*
3 *paragraph (3), shall consider methods to minimize the cost both*
4 *to the state and to residents of alternative climate dividend*
5 *distribution methods, with the goal of maximizing the degree to*
6 *which climate dividend moneys benefit residents.*

7 (c) (1) *The Franchise Tax Board, in consultation with the*
8 *Climate Dividend Access Board convened pursuant to subdivision*
9 *(b), shall develop and implement a program to deliver quarterly*
10 *per capita dividends to all residents and shall maximize the ease*
11 *with which residents may enroll in the program. The program may*
12 *include the automatic enrollment of residents who have filed a*
13 *state income tax return in the prior year. The program shall*
14 *provide per capita dividends on a quarterly basis unless the*
15 *Franchise Tax Board, in consultation with the Climate Dividend*
16 *Access Board, makes a finding that a quarterly dividend is*
17 *impracticable for any particular category of residents. The*
18 *Franchise Tax Board may determine an appropriate frequency of*
19 *dividends provided to a category of residents of not less than at*
20 *least once per year.*

21 (2) *If the Franchise Tax Board determines, after consultation*
22 *with the Climate Dividend Access Board, that it cannot create a*
23 *workable mechanism to distribute dividends to categories of*
24 *residents, the Franchise Tax Board, in consultation with the*
25 *Climate Access Dividend Board, may allocate dividends for those*
26 *residents to nonprofit organizations providing direct services to*
27 *those residents.*

28 (3) *In determining the per capita refund amount, the Franchise*
29 *Tax Board shall employ reasonable estimates of expected carbon*
30 *revenue collection and the projected number of residents, setting*
31 *aside reasonable reserve margins from period to period to ensure*
32 *that the per capita refund does not deplete available moneys in*
33 *the California Climate Dividend Fund.*

34 38577.4. *All revenues generated pursuant to Section 38574.5*
35 *and Part 5.5 (commencing with Section 38575) constitute state*
36 *funds for the purposes of the False Claims Act (Article 9*
37 *(commencing with Section 12650) of Chapter 6 of Part 2 of*
38 *Division 3 of Title 2 of the Government Code).*

1 38577.6. *This part does not affect the implementation of any*
2 *other requirements of this division, including regulations developed*
3 *pursuant to Part 5 (commencing with Section 38570).*

4 *SEC. 7. This act is an urgency statute necessary for the*
5 *immediate preservation of the public peace, health, or safety within*
6 *the meaning of Article IV of the California Constitution and shall*
7 *go into immediate effect. The facts constituting the necessity are:*

8 *It is necessary to provide for the reauthorization, extension, and*
9 *reform of the state's cap and trade program implemented pursuant*
10 *to Part 5 (commencing with Section 38570) of Division 25.5 of the*
11 *Health and Safety Code to provide certainty in the marketplace*
12 *and to reduce the emissions of greenhouse gases in furtherance*
13 *of achieving the statewide greenhouse gas emission target specified*
14 *in Section 38566 of the Health and Safety Code at the earliest*
15 *possible date.*

16 ~~SECTION 1. Section 38564 of the Health and Safety Code is~~
17 ~~amended to read:~~

18 ~~38564. The state board shall consult with local agencies, other~~
19 ~~states, the federal government, and other nations to identify the~~
20 ~~most effective strategies and methods to reduce greenhouse gases,~~
21 ~~manage greenhouse gas control programs, and facilitate the~~
22 ~~development of integrated and cost-effective regional, national,~~
23 ~~and international greenhouse gas reduction programs.~~

AMENDED IN ASSEMBLY APRIL 17, 2017

CALIFORNIA LEGISLATURE—2017—18 REGULAR SESSION

ASSEMBLY BILL

No. 476

Introduced by Assembly Member Gipson

February 13, 2017

An act to amend ~~Sections 39033, 39035, and 39037.5~~ *Section 39033* of the Health and Safety Code, relating to vehicular air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 476, as amended, Gipson. Vehicular air ~~pollution~~: *pollution: heavy-duty vehicles*.

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution. Existing law defines a heavy-duty vehicle as having a manufacturer's maximum gross vehicle weight rating of 6,001 or more pounds, a light-duty vehicle as having a manufacturer's gross vehicle weight rating of under 6,001 pounds, and a medium duty vehicle as a heavy-duty vehicle having a manufacturer's gross vehicle weight rating under a limit established by the state board.

This bill instead would define a heavy-duty vehicle as having a manufacturer's maximum gross vehicle weight rating of 26,001 or more pounds, ~~a light-duty vehicle as having a manufacturer's gross vehicle weight rating of under 10,001 pounds, and a medium-duty vehicle as having a manufacturer's gross vehicle weight rating of between 10,001 and 26,000 pounds.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 39033 of the Health and Safety Code is
- 2 amended to read:
- 3 39033. “Heavy-duty” means having a manufacturer’s maximum
- 4 gross vehicle weight rating of 26,001 or more pounds.
- 5 ~~SEC. 2. Section 39035 of the Health and Safety Code is~~
- 6 ~~amended to read:~~
- 7 ~~39035. “Light-duty” means having a manufacturer’s maximum~~
- 8 ~~gross vehicle weight rating of under 10,001 pounds.~~
- 9 ~~SEC. 3. Section 39037.5 of the Health and Safety Code is~~
- 10 ~~amended to read:~~
- 11 ~~39037.5. “Medium duty” means having a manufacturer’s gross~~
- 12 ~~vehicle weight rating of between 10,001 and 26,000 pounds,~~
- 13 ~~inclusive.~~

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Brad Wagenknecht and
Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 2, 2017

Re: Legislative Update

RECOMMENDED ACTION

None; informational item.

BACKGROUND

At the time of this writing, the deadline in Sacramento for bills with fiscal implications to pass policy committees in the first house has expired. Non-fiscal bills have until May 12, 2017, to pass policy committees, and until May 26, 2017, to pass fiscal committees. All non-urgency measures have until June 2, 2017, to pass the floor in their house of origin.

Additionally, the Legislature has an upcoming constitutional deadline of June 15, 2017, to pass a budget.

Staff will give an oral update on the status of bills that the District has adopted positions on as well as other bills of note. A list of bills of air quality significance is attached.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Thomas Addison
Reviewed by: Jean Roggenkamp

Attachment 5A: Bill List

BAAQMD BILL DISCUSSION LIST

May 2, 2017

BILL NO.	AUTHOR	SUBJECT	STATUS	POSITION (Positions in italics are staff recommendations)
AB 1	Frazier	Transportation infrastructure funding proposal; new fees and taxes.	Similar SB 1 Chaptered	
AB 13	Eggman	Directs \$85M for marine highway between Ports of Oakland and Stockton.	Asm. Trans.	
AB 17	Holden	Free or reduced-fare transit passes to students.	Asm. Approps.	
AB 18	E. Garcia	Clean Water, Climate and Coastal Protection and Outdoor Access For All: \$3B in bonds, with \$600M for climate adaptation and resiliency projects.	Sen. Desk	
AB 33	Quirk	Utilities to provide level 2 EV charging for used vehicle purchasers.	Asm. Approps.	
AB 79	Levine	Requires ARB to improve GHG calculation for unspecified electricity imports	Asm. Approps.	
AB 151	Burke	Increases legislative oversight over ARB on scoping plan and related issues.	Asm. Approps.	
AB 179	Cervantes	Requires California Transportation Commission members to have expertise in various categories, including air pollution.	Asm. Approps.	
AB 188	Salas	Allows EMFP Plus Up recipients to trade a pickup for a cleaner pickup.	Asm. Approps.	
AB 193	Cervantes	Clean Reused Vehicle Rebate Project; rebates limited to consumers in disadvantaged communities.	Asm. Approps.	Oppose Unless Amended
AB 196	Bigelow	Allows cap-and-trade funds to go to waste and wastewater systems, drinking water system losses, and pumps and pump efficiency.	Asm. Approps.	
AB 246	Santiago	Hazardous waste facilities to install and maintain fence-line monitoring.	Asm. Approps.	
AB 247	C. Garcia	Establishes 20-member OEHHA-convened Lead Advisory Taskforce, with one air district representative.	Asm. Approps.	
AB 262	Bonta	Requires state agencies to incorporate GHG emissions in contracts.	Asm. Approps.	
AB 302	Gipson	Authorizes SCAQMD to adopt fleet rules requiring zero and near-zero vehicles	Asm. Trans.	
AB 311	Mathis	Spot bill on methane from livestock.	Asm. Desk	

AB 378	C. Garcia	Previous version extended cap-and-trade; now limits cap-and-trade post-2020 in different ways, and gives stationary source authority to ARB	Asm. Approps.	Previously Support; <i>Oppose unless amended</i>
AB 388	Mullin	Allows cap-and-trade funds for wetlands restoration, flood protection, and carbon sequestration using dredge spoils.	Senate Desk	
AB 398	E. Garcia	Specifies details on Dept. of Finance annual report on use of cap-and-trade funds, including benefits to residents of disadvantaged communities; requires air districts to coordinate with ARB on data issues around stationary sources.	Asm. Approps.	
AB 419	Salas	Requires CEC report on zero net energy residential building program.	Asm. Floor	
AB 421	Santiago	Specifies that air emissions are eligible for cost recovery under California's Hazardous Substances Account Act.	Asm. Judiciary	
AB 438	Caballero	Requires ARB in consultation with local air district to analyze GHG emissions from transporting construction aggregate from new or renewed permit mining.	Asm. Nat. Resources	
AB 458	Frazier	Reduces fleet size for permanent fleet registration program	Asm. Approps.	
AB 476	Gibson	Increases vehicle weights for heavy-duty vehicles from 6,000 to 20,000 lbs., and also increases light and medium-duty vehicle weights.	Asm. Trans. (reconsideration granted)	<i>Oppose</i>
AB 498	Harper	Spot bill on fire rings at state and local beaches.		
AB 509	Frazier	Tire Recycling Incentive Program Act; new tire fee of up to \$1 per new tire.	Asm. Approps.	
AB 544	Bloom	Allows new HOV lane white or green stickers a four-year lifespan, and sunsets existing HOV lane stickers.	Asm. Approps.	
AB 555	Cunningham	Uses cap-and-trade funds for clean schoolbuses for 3 years.	Asm. Nat. Resources	
AB 582	C. Garcia	ARB to work to detect defeat devices or other software to cheat emissions.	Asm. Approps.	
AB 615	Cooper	Removes sunset on CVRP income eligibility requirements, and provisions that increase incentive for low-income purchasers.	Asm. Floor	
AB 630	Cooper	Codifies the EFMP Plus-Up program and expands it to areas with more than 1 million people; various modifications to EFMP and Plus-up programs.	Asm. Approps.	
AB 655	O'Donnell	Categorizes certain municipal solid waste energy producers as renewables.	Asm. Nat. Resources	
AB 733	Berman	Allows local enhanced infrastructure finance districts to fund climate adaptation projects.	Asm. Floor	
AB 739	Chau	Requires that by 2030 30% of state heavy duty fleet purchases be ZEVs, and 15% by 2025.	Asm. Approps.	

AB 771	Quirk	Requires steps to attempt to make prescribed burning easier, with a Cal FIRE & ARB website with uniform prescribed burn template and other information.	Asm. Approps.	
AB 863	Cervantes	In the cap-and-trade funded Affordable Housing and Sustainable Communities program, boosts workforce training and local entrepreneurs.	Asm. Approps.	
AB 891	E. Garcia	Requires ARB to add cross-border air monitoring data into CalEnviroscreen.	Asm. Approps.	
AB 920	Aguiar-Curry	Encourages development of renewable baseload power.	Asm. Approps.	
AB 954	Chiu	Encourages uniform food labeling to reduce organic waste.	Asm. Approps.	
AB 964	Gomez	California Clean Vehicle Affordable Program; loans to low-income and high financial risk individuals to help them purchase clean vehicles.	Asm. Approps.	
AB 1014	Cooper	Attempts to require testing of hospital backup generators only monthly.	Asm. Floor	Support if Amended
AB 1036	McCarty	Requires reporting on organics waste diversion goals to include progress on SB 1383 of 2016 (bill dealing with short-lived climate pollutants).	Asm. Floor	
AB 1073	E. Garcia	Extends from 2018 to 2023 the requirement that 20% of Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program go to deployment of existing technology.	Asm. Floor	
AB 1081	Burke	Eliminates sales tax on value of traded-in vehicle during new clean vehicle purchase.	Asm. Approps.	
AB 1082	Burke	Requires utilities to install and operate EV charging equipment at schools, with priority to schools in disadvantaged communities.	Asm. Approps.	
AB 1083	Burke	Requires utilities to install and operate EV charging equipment at state parks.	Asm. Approps.	
AB 1088	Eggman	Requires CEC to increase efforts to involve renters and owners of multi-unit residential buildings in efficiency upgrade, EV infrastructure, and more.	Asm. Approps.	
AB 1103	Obernalte	Allows bicycles to treat stop signs as yields when safe to do so.	Asm. Trans.	
AB 1117	Fong	Prohibits lead agency in CEQA from evaluating aesthetics of a project.	Asm. Nat. Resources	
AB 1132	C. Garcia	Allows APCO to issue emergency abatement order in cases of imminent and substantial public endangerment.	Asm. Floor	Support
AB 1180	Holden	Increases tire fee by \$1.50 to fund municipal storm sewer projects.	Asm. Approps.	
AB 1187	E. Garcia	Crowdsourcing and Citizen Science Act. Encourages CalEPA and ARB to have the public formulate their research agendas; collect, analyze, and interpret data; and ensure broad public participation.	Asm. Env. Safety and Toxic Materials	
AB 1218	Obernalte	Removes sunset on CEQA provisions exempting certain bicycle projects.	Senate Desk	

AB 1239	Holden	Requires development of building standards for EV parking for multifamily housing.	Asm. Approps.	
AB 1259	Calderon	Expands Capital Access loan program EV purchases by low- and middle-income purchasers	Asm. Approps.	
AB 1274	O'Donnell	Will become bill to exempt 7-8 yr. old vehicles from Smog Check, and increase funding for Moyer program using their exemption fee.	Asm. Approps.	Support in Concept
AB 1301	Fong	Establishes mission of Joint Legislative Committee on Climate Change Policies; includes effects on gas and electric prices, and cost-effectiveness.	Asm. Nat. Resources	
AB 1317	Gray	Expands projects eligible for Moyer grants to include stationary irrigation or water conveyance engines.	Asm. Floor	
AB 1341	Calderon	Cuts sales tax on clean vehicle purchases by low-income.	Asm. Approps.	
AB 1342	Flora	Allows cap-and-trade funds for healthy forests, for organic waste reduction and reuse, and for in-state recycling.	Asm. Approps.	
AB 1369	Gray	Directs 25% of cap-and-trade funds to water storage projects.	Asm. Nat. Resources	
AB 1374	Salas	Defines biodiesel for fuel tax purposes.	Asm. Rev. & Tax	
AB 1383	Fong	Requires ARB to do various things prior to adopting new GHG regulations.	Asm. Nat. Resources	
AB 1433	Wood	Climate Adaptation and Resilience Based on Nature Act; tree thinning.	Asm. Approps.	
AB 1452	Muratsuchi	Allows local authorities to ticket non-EVs parked in public space EV charging.	Senate Desk	
AB 1469	Grayson	Requires public noncharter schools to provide free transportation to school.	Asm. Approps.	
AB 1530	Gonzalez Fletcher	Amends Urban Forestry Act by adding new goals, and changing its definition of disadvantaged community from low-income to CalEnviroScreen-based.	Asm. Approps.	
AB 1531	Berman	Expands Local Government Renewable Energy Self Generation Bill Credit Transfer Program.	Asm. Utilities and Energy	
AB 1608	Kalra	Establishes Vibrant Landscape Program to cut GHGs through land management and conservation.	Asm. Approps.	
AB 1623	Acosta	ARB spot bill.		
AB 1640	E. Garcia	Requires each RTIP to direct 25% of funds to projects benefitting low income.	Asm. Trans.	
AB 1645	Muratsuchi	Phases out use of hydrofluoric acid at refineries.	Asm. Env. Safety and Toxic Materials	
AB 1646	Muratsuchi	Would require refineries to have automatic notifications, alarms, and alerts.	Asm. Approps.	

AB 1647	Muratsuchi	Requires air districts to require refineries to install community monitors by 2020 and fence-line monitors by 2019, and make that real-time data public.	Asm. Approps.	Support if Amended
AB 1648	Muratsuchi	Requires CalOSHA to increase the number of refinery safety inspectors.	Asm. Labor	
AB 1649	Muratsuchi	Codifies existing Governor's Interagency Task Force on Refinery Safety.	Asm. Approps.	
AB 1683	Burke	Requires new Strategic Growth Council report on Transformative Climate Communities	Asm. Approps.	
SB 1	Beall	Transportation infrastructure funding proposal; new fees and taxes.	Chaptered	
SB 4	Mendoza	\$600M Goods Movement and Clean Trucks Bond Act, with \$400M to ARB; \$200M for clean trucks in severe or extreme nonattainment areas only.	Sen. Approps.	Support if Amended
SB 5	De Leon	\$3B in bonds; CA Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All; setasides for severely disadvantaged communities.	Sen. Approps.	
SB 41	Galgiani	Allows owners of recalled Cleaire Long Mile filter systems an additional 5 years of operation, contrary to regulatory requirements from ARB.	Sen. Env. Quality	Oppose
SB 49	De Leon	CA Environmental, Public Health, and Workers Defense Act of 2017; attempts to impose no backsliding requirements on ARB and air districts prior to potential federal rollbacks.	Sen. Approps.	Support if Amended
SB 53	Hueso	Allows natural gas trucks to exceed weight limits by the amount of the difference between a diesel and a natural gas truck.	Sen. Approps.	
SB 79	Allen	Cuts sales tax for purchasers of used electric and plug-in vehicles.	Sen. Approps.	
SB 80	Wieckowski	Requires CEQA lead agencies to post material on the web.	Asm. Desk	
SB 100	De Leon	Tightens Renewable Portfolio Standard to 100% renewables by 2045	Sen. Energy and Utilities	
SB 174	Lara	Blocks registration of trucks not in compliance with air quality regulations.	Included in chaptered SB1	Support
SB 262	Wieckowski	Specifies that Office of Planning and Research climate adaptation advisory council members serve staggered 4-year terms.	Assembly Desk	
SB 263	Leyva	Requires Strategic Growth Council to establish 10 regional climate assistance centers to help disadvantaged communities compete for cap-and-trade funds.	Sen. Approps.	
SB 276	Dodd	State Water Efficiency and Enhancement Program; water-saving farming techniques eligible for cap-and-trade funds.	Sen. Approps.	
SB 338	Skinner	Clean Peak Reliability Requirement.	Sen. Approps.	
SB 376	Bradford	Requires CEC Chair to report directly to legislature on various activities.	Asm. Desk	
SB 406	Leyva	Allows blood transport vehicles to use HOV lanes regardless of occupancy.	Sen. Approps.	

SB 498	Skinner	Requires 50% of light-duty vehicles purchased to be ZEV by 2024; ARB to review ZEV targets.	Sen. Approps.	
SB 521	Leyva	Extends from 2018 to 2021 sunset on requirement that automotive service providers check tire inflation pressure.	Sen. Rules	
SB 560	Allen	Requires CalPERS and others to report on financial climate risks of their investment portfolios, and their carbon footprint.	Sen. Approps.	
SB 563	Lara	Establishes the Woodsmoke Reduction Program using cap-and-trade funds to replace old wood-burning stoves.	Sen. Approps.	Support
SB 584	De Leon	Previously Renewable Portfolio Standard's from 50% in 2030 to 2025, and adds 100% renewables requirement by 2045; now unrelated.		
SB 638	Leyva	Requires heavy duty vehicles to undergo regular emissions testing in order to be registered with DMV.	Sen. Trans.	
SB 659	Stern	Spot bill on Alternative Energy and Advanced Transportation Financing Act.		
SB 660	Newman	Allows private entities to provide funding to ARB to expedite testing and certification of vehicle aftermarket equipment.	Sen. Floor	
SB 702	Stern	Requires DGS to expand statewide bike-sharing program for state employees.	Sen. Approps.	
SB 713	Anderson	Intent to provide legal relief to owners of commercial vehicles with faulty diesel particulate filters.	Sen. Judiciary	
SB 745	Stern	Spot bill on AB 32 (CA Global Warming Solutions Act of 2006).		
SB 760	Wiener	Establishes Division of Active Transportation in Caltrans, and incorporates 'complete streets' concept into Highway Design Manual.	Sen. Trans.	
SB 721	De Leon	Previously required continuing education for public agency employees with CEQA responsibilities; now amended into bill irrelevant to air districts.		
SB 775	Wieckowski	Establishes new post-2020 cap-and-trade program.	Sen. Env. Quality	