

## BOARD OF DIRECTORS LEGISLATIVE COMMITTEE MEETING

#### **COMMITTEE MEMBERS**

MARGARET ABE-KOGA – CO-CHAIR BRAD WAGENKNECHT – VICE CHAIR ERIN HANNIGAN LYNDA HOPKINS ROB RENNIE

PAULINE RUSSO CUTTER – CO-CHAIR DAVID CANEPA DAVID HAUBERT DAVID HUDSON

# THIS MEETING WILL BE CONDUCTED UNDER PROCEDURES AUTHORIZED BY EXECUTIVE ORDER N-29-20 ISSUED BY GOVERNOR GAVIN NEWSOM

• THE PUBLIC MAY OBSERVE THIS MEETING THROUGH THE WEBCAST BY CLICKING THE LINK AVAILABLE ON THE AIR DISTRICT'S AGENDA WEBPAGE AVAILABLE AT

www.baaqmd.gov/bodagendas

• THE PUBLIC MAY PARTICIPATE REMOTELY VIA ZOOM AT THE FOLLOWING LINK OR BY PHONE

https://bayareametro.zoom.us/j/87010965138

(408) 638-0968 or (669) 900-6833

WEBINAR ID: 870 1096 5138

• THOSE PARTICIPATING BY PHONE WHO WOULD LIKE TO MAKE A COMMENT CAN USE THE "RAISE HAND" FEATURE BY DIALING "\*9". IN ORDER TO RECEIVE THE FULL ZOOM EXPERIENCE, PLEASE MAKE SURE YOUR APPLICATION IS UP TO DATE

WEDNESDAY APRIL 21, 2021 1:00 P.M.

#### **AGENDA**

#### 1. CALL TO ORDER - ROLL CALL

#### PLEDGE OF ALLEGIANCE

#### PUBLIC MEETING PROCEDURE

The Committee Co-Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members.

This meeting will be webcast. To see the webcast, please visit <u>www.baaqmd.gov/bodagendas</u> at the time of the meeting. Closed captioning may contain errors and omissions and are not certified for their content or form.

**Public Comment on Agenda Items** The public may comment on each item on the agenda as the item is taken up. Members of the public who wish to speak on matters on the agenda for the meeting, will have three minutes each to address the Committee. No speaker who has already spoken on that item will be entitled to speak to that item again.

Staff/Phone (415) 749-

#### 2. APPROVAL OF THE MINUTES OF MARCH 17, 2021

Clerk of the Boards/5073

The Committee will consider approving the attached draft minutes of the Legislative Committee meeting of March 17, 2021.

#### 3. SACRAMENTO LEGISLATIVE UPDATE

A. Abbs/8437 aabbs@baaqmd.gov

The Committee will receive an update on recent events of significance in Sacramento.

#### 4. AIR DISTRICT-SPONSORED BILLS

A. Abbs/8437 aabbs@baaqmd.gov

The Committee will receive an update on the status of two Air District-sponsored bills: Assembly Bill (AB) 426 (Bauer-Kahan) – Toxic Air Contaminants and AB 762 (Lee and C. Garcia) – Hazardous Emissions and Substances: Schoolsites: Private and Charter Schools.

#### 5. CONSIDERATION OF NEW BILLS

A. Abbs/8437 <a href="mailto:aabbs@baaqmd.gov">aabbs@baaqmd.gov</a>

Staff will present bills of interest and recommend the Committee recommend that the Board of Directors take positions on high priority bills where appropriate.

#### 6. **2021 LEGISLATIVE PLATFORM**

A. Abbs/8437 aabbs@baaqmd.gov

Staff will present the Committee with the revised legislative platform for 2021.

#### 7. FEDERAL LEGISLATIVE UPDATE

A. Abbs/8437 aabbs@baaqmd.gov

The Committee will receive an update on recent events of significance on the federal level.

#### 8. PUBLIC COMMENT ON NON-AGENDA MATTERS

Members of the public who wish to speak on matters not on the agenda for the meeting, will have three minutes each to address the Committee.

#### 9. COMMITTEE MEMBER 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).

#### 10. TIME AND PLACE OF NEXT MEETING

Wednesday, May 19, 2021, at 1:00 p.m. via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

#### 11. **ADJOURNMENT**

*The Committee meeting shall be adjourned by the Committee Co-Chair.* 

#### **CONTACT:**

MANAGER, EXECUTIVE OPERATIONS 375 BEALE STREET, SAN FRANCISCO, CA 94105 vjohnson@baaqmd.gov (415) 749-4941 FAX: (415) 928-8560 BAAQMD homepage: www.baaqmd.gov

• 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 Air 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 <a href="https://www.baaqmd.gov/accessibility">www.baaqmd.gov/accessibility</a> 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, Terri Levels, at (415) 749-4667 or by email at <a href="mailto:tlevels@baaqmd.gov">tlevels@baaqmd.gov</a>

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

# **EXECUTIVE OFFICE:**MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

#### **APRIL 2021**

TYPE OF MEETING	<u>DAY</u>	<b>DATE</b>	<b>TIME</b>	ROOM
Board of Directors Stationary Source and Climate Impacts Committee	Monday	19	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Administration Committee	Wednesday	21	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
<b>Board of Directors Legislative Committee</b>	Wednesday	21	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source and Climate Impacts Committee	Thursday	22	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20

#### **MAY 2021**

TYPE OF MEETING	<u>DAY</u>	<b>DATE</b>	<b>TIME</b>	ROOM
<b>Board of Directors Special Meeting Budget</b> <b>Hearing</b>	Wednesday	5	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
<b>Board of Directors Special Meeting</b>	Wednesday	5	10:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Community Equity, Health and Justice Committee	Thursday	6	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
<b>Board of Directors Stationary Source and Climate Impacts Committee</b>	Monday	17	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Administration Committee	Wednesday	19	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
<b>Board of Directors Legislative Committee</b>	Wednesday	19	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source and Climate Impacts Committee	Thursday	27	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Technology Implementation Office (TIO) Steering Committee	Friday	28	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20

#### BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Margaret Abe-Koga and Pauline Russo Cutter, and Members

of the Legislative Committee

From: Jack P. Broadbent

Executive Officer/APCO

Date: April 15, 2021

Re: Approval of the Minutes of March 17, 2021

#### RECOMMENDED ACTION

Approve the attached draft minutes of the Legislative Committee (Committee) meeting of March 17, 2021.

#### DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meeting of March 17, 2021.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by: <u>Marcy Hiratzka</u>
Reviewed by: <u>Vanessa Johnson</u>

Attachment 2A: Draft Minutes of the Committee Meeting of March 17, 2021

Draft Minutes – Legislative Committee Meeting of March 17, 2021

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 Wednesday, March 17, 2021

This meeting was conducted under procedures authorized by executive order N-29-20 issued by Governor Gavin Newsom. Members of the committee participated by teleconference.

#### 1. CALL TO ORDER – ROLL CALL

Legislative Committee (Committee) Co-Chairperson, Margaret Abe-Koga, called the meeting to order at 1:02 p.m.

Present: Co-Chairpersons Margaret Abe-Koga and Pauline Russo Cutter; and Directors

David Haubert, Lynda Hopkins, David Hudson, Rob Rennie.

Absent: Vice Chairperson Brad Wagenknecht; and Directors David Canepa and Erin

Hannigan.

Also Present: None.

#### 2. APPROVAL OF THE MINUTES OF FEBRUARY 17, 2021

#### **Public Comments**

No requests received.

#### **Committee Comments**

None.

#### Committee Action

Director Hudson made a motion, seconded by Co-Chair Cutter, to approve the Minutes of February 17, 2021; and the motion carried by the following vote of the Committee:

AYES: Abe-Koga, Cutter, Haubert, Hudson, Rennie.

NOES: None. ABSTAIN: Hopkins.

ABSENT: Canepa, Hannigan, Wagenknecht.

#### 3. SACRAMENTO LEGISLATIVE BUDGET UPDATE

Alan Abbs, Legislative Officer, gave the staff presentation *State Legislative Budget Update*, which captured the State's Proposed Fiscal Year (FY) 21/22 Budget and proposed early action. The list included ten programs currently listed in the State budget that are of interest to the Air District: Assembly Bill (AB) 617 Implementation, AB 617 Incentives, AB 617 Community Grants, Clean Vehicle Rebate, Clean Truck & Bus, Agriculture Diesel Engine Replacement, Clean Cars for All/School Bus/Equity, Clean Air Centers, Prescribed Fire, and Carl Moyer Program. All are funded by the Greenhouse Gas Reduction Fund (proceeds from Cap and Trade auctions) except for AB 836 (Wicks) and the Carl Moyer Program. Four of these ten programs are slated for proposed early action. Mr. Abbs reported that this year, leading up to the May revise, the Legislature is almost done with their budget hearings, which is earlier than usual. AB 617 has yet to be discussed in detail by the Legislature. The state Senate Budget Subcommittee on Resources, Environmental Protection and Energy early-action wildfire package includes \$32 million for cooling centers and clean air/hydration centers.

#### **Public Comments**

No requests received.

#### **Committee Comments**

The Committee and staff discussed whether the Carl Moyer Program includes Transportation Fund for Clean Air funds, and if so, whether that would provide funding for congestion management agencies; whether schools are directly receiving funding to become clean air centers, and the request to inform Board members as Bay Area schools are identified for such retrofits; and the fact that some Coronavirus Relief funds are being allocated for the inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities.

#### Committee Action

None; receive and file.

#### 4. AIR-DISTRICT SPONSORED BILLS

Mr. Abbs gave the staff presentation *Air District-Sponsored Bills*, providing updates on the following bills:

AB 426 (Bauer-Kahan) – Toxic Air Contaminants. This bill would authorize local air pollution control districts to adopt and implement regulations to require data regarding air pollution within the district's jurisdiction from indirect and areawide sources of air pollution, including mobile sources drawn by those sources, to enable the calculation of health risks from toxic air contaminants. This bill would additionally authorize the districts to adopt and implement regulations to accomplish these objectives in carrying out their responsibilities with respect to the reduction of health risks from toxic air contaminants. It will be introduced at the Assembly's Natural Resources and Transportation Committees in April. Ms. Abbs explained that it may be difficult for this

bill to pass through both the Assembly and Senate. He also mentioned that Assemblymember Eloise Gomez Reyes' bill, AB 1547, would require local governments, before approving a warehouse development project, to take certain actions to identify and address the potential environmental impacts of the project and to ensure public participation by residents affected by the project on the consideration of the project, as provided. By imposing additional duties on local governments, this bill would impose a state-mandated local program. The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

- AB 762 (Lee & C. Garcia) - Hazardous Emissions and Substances: School Sites; Private and Charter Schools. This bill would prohibit an environmental impact report or negative declaration from being approved for a project involving the purchase of a school site or the construction of a new elementary or secondary school by a charter school, unless those specified conditions are met. By imposing new requirements on school districts, charter schools, lead agencies, cities, and counties, the bill would impose a state-mandated local program. Additionally, this bill would impose that prohibition on the governing body of a charter school and would require the determination and identification described above to be made by the lead agency. The bill would impose that prohibition, and related requirements, additionally on a private school. By imposing new requirements on school districts, charter schools, lead agencies, cities, and counties, the bill would impose a state-mandated local program. It will be introduced at the Assembly's Education and Environmental Safety and Toxic Materials Committees in April, and the Air District is gathering support for these meetings.

#### **Public Comments**

Public comments were given by Jed Holtzman, 350 Bay Area.

#### **Committee Comments**

The Committee and staff discussed how burdens caused by city and county zoning policies are sometimes blamed on air districts.

#### Committee Action

None; receive and file.

#### 5. CONSIDERATION OF NEW BILLS

Mr. Abbs gave the staff presentation *Consideration of New Bills*, including:

- AB 905 (Quirk) - Mobile Fueling On-Demand Tank Vehicles: Performance Standards. This bill would require the state board to regulate a mobile fueling ondemand tank vehicle, as defined, as a mobile source, and, contingent upon an appropriation by the Legislature for this purpose, to adopt regulations on or before a specified date to control emissions attributable to mobile fueling on-demand tank vehicles and to certify equipment for those vehicles, as provided. (OPPOSE)

- Senate Bill (SB) 30 (Cortese) Building Decarbonization. This bill would, on or after January 1, 2022, prohibit a state agency from designing or constructing a state facility that is connected to the natural gas grid. (SUPPORT)
- SB 31 (Cortese) Building Decarbonization. This bill would require the commission to identify and implement programs to promote existing and new building decarbonization. The bill would, to the extent clean energy or energy efficiency funds are made available from the federal government to address economic recovery and development due to the COVID-19 pandemic, authorize the commission to expend federal moneys, to the extent authorized by federal law, for projects for existing and new building decarbonization. (SUPPORT)
- SB 32 (Cortese) Energy; General Plan: Building Decarbonization Requirements.
   This bill would require a city or county to amend, by January 1, 2023, the appropriate elements of its general plan to include goals, policies, objectives, targets, and feasible implementation strategies, as specified, to decarbonize newly constructed commercial and residential buildings. (SUPPORT)
- SB 68 (Becker) Building Decarbonization. This bill would require the Energy Commission to develop and publish on its internet website a guide for electrification of buildings and to submit to the Legislature a report on barriers to electrifying existing buildings and to adding energy storage or vehicle charging equipment to existing buildings. (SUPPORT)

#### Other bills highlighted by Mr. Abbs included:

- **SB 596 (Becker)** Greenhouse Gases: Cement and Concrete Production.
- **AB 363 (Medina)** Carl Moyer Memorial Air Quality Standards Attainment Program.
- AB 365 (O'Donnell) Sales and use taxes: exclusion: zero-emission and near-zero-emission drayage trucks.
- **AB 906 (Carrillo)** Zero-Emission Trucks: Tax and Fee Exemptions.
- **AB 745 (Gipson)** Air Pollution: Clean Cars 4 All Program.
- **AB 833 (Quirk-Silva)** State Government: Grants: Administrative Costs.
- AB 1500 Climate Bond (E. Garcia) Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022.
- SB 45 Climate Bond (Portantino) Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022.
- SB 342 (Gonzalez) South Coast Air Quality Management District: board membership.
- AB 1296 (Kamlager) South Coast Air Quality Management District: District Board: Membership.
- **AB 1547 (Reyes)** Air Pollution: Warehouse Facilities.
- **AB 619 (Calderon)** Lung Health.
- **AB 1205 (Frazier)** State Air Resources Board: Elections.
- **AB 1346 (Berman)** Air pollution: small off-road engines
- **AB 1001 (C. Garcia)** Permitting and Air Pollution.

#### **Public Comments**

Public comments were given by Jed Holtzman, 350 Bay Area.

#### **Committee Comments**

The Committee and staff discussed concerns about opposing AB 905, as it is being supported by the Paralyzed Veterans of America; the role of air districts regarding AB 905; whether air districts would have authority regarding SB 68 activities; whether SB 596 would affect AB&I Foundry in Oakland; the request that the Air District adopts a formal position on AB 1346; and whether there are any hydrogen vehicle bills this year.

#### Committee Action

Director Hudson made a motion, seconded by Co-Chair Abe-Koga, to recommend the Board **adopts** the following positions:

Bill	Staff Recommendation	Committee Recommendation
AB 905	Oppose	Oppose
SB 30	Support	Support
SB 31	Support	Support
SB 32	Support	Support
SB 68	Support	Support

The motion carried by the following vote of the Committee:

AYES: Abe-Koga, Cutter, Hudson, Hopkins, Rennie.

NOES: None. ABSTAIN: None.

ABSENT: Canepa, Hannigan, Haubert, Wagenknecht.

#### 6. 2021 LEGISLATIVE PLATFORM

Mr. Abbs gave the staff presentation 2021 Legislative Platform, including three sections – state budget, state legislation, and federal legislation. The platform does not commit the Air District to positions on every legislative proposal in the listed categories but does provide a metric for use in bringing proposals to the Committee for discussion.

Greg Nudd, Deputy Air Pollution Control Officer of Policy, also presented on Particulate Matter Best Available Retrofit Control Technology requirements and health benefits during this item.

Topic	State	State	Fed.
	Budget	Legislation	Legislation
State Funding for Clean Air Projects	X		
AB 617 Community Air Protection Implementation and	X	X	
Incentive Funding			
Carl Moyer Program AB 1274 Funding	X		
Carl Moyer / Mobile Source Incentive Fund / AB 118	X		
Reauthorization			
Wildfire Smoke Public Health Response	X	X	X
Support for Air District Activities Related to Wildfire	X		
Mitigation			
Clean Tech Financing	X		
Vehicle Emissions and Congestion Relief		X	
Climate Change		X	
Emergency Backup Generation		X	
Toxic Air Emissions		X	
Stationary Source Greenhouse Gas Authority		X	
Federal Funding for Air District Clean Air Programs			X
Clean Transportation Programs			X
Clean Energy Programs			X
Particulate Matter Standards			X
Vehicle Emission Standards			X

#### **Public Comments**

Public comments were made by Jed Holtzman, 350 Bay Area.

#### **Committee Comments**

The Committee and staff discussed whether 'wildfire risk mitigation' is included in the Air District's 2021 Legislative Platform; the importance of proactively mitigating wildfire smoke to alleviate the necessity for clean air centers; and why 'climate change' is not included in the federal legislation list.

#### Committee Action

Director Hopkins made a motion, seconded by Co-Chair Cutter, to recommend the Board **approve** the revised Draft Legislative Platform for 2021 with the inclusion of "Wildfire Smoke Mitigation" for State Legislation and "Climate Change" for Federal Legislation; and the motion carried by the following vote of the Committee:

AYES: Abe-Koga, Cutter, Hudson, Hopkins, Rennie.

NOES: None. ABSTAIN: None.

ABSENT: Canepa, Hannigan, Haubert, Wagenknecht.

#### 7. FEDERAL LEGISLATIVE UPDATE

Mr. Abbs gave the staff presentation Federal Legislative Update, including:

- Air District staff has spoken with Congressman DeSaulnier about his reintroduction of the Clean Corridors Act bill, which would direct the Department of Transportation to award grants to governmental entities and planning organizations for the installation of electric vehicle charging infrastructure and hydrogen fueling infrastructure along designated alternative fuel corridors. Congressman DeSaulnier has accepted the Air District's revisions.
- The Air District continues to track two companion bills, under the "Smoke Planning and Research Act", which are being reintroduced in the House of Representatives and Senate, respectively: H.R. 4924 (Eshoo) would help state and local governments protect their communities from the public risks of wildfire smoke; and S.1812 (Merkley) would require the United States Environmental Protection Agency (EPA) to research and mitigate the impacts of smoke emissions from wildland fires.
- The Air District is hopeful for funding allocation increases from the following federal sources: EPA's Diesel Emission Reduction Act, Targeted Airshed Grant Program, and Section 103 and 105 of the Clean Air Act. Congress passed a \$900 billion COVID-relief and \$1.4 trillion government funding package which will provide a one-time funding increase to Section 103 and 105 program funding.
- On March 11, 2021, President Biden signed the \$1.9 trillion American Rescue Plan into law. One significant provision of the bill is \$10 billion in funding for the State Small Business Credit Initiative. Grants of \$125.8 billion will be provided to states to support statewide and local funding for elementary and secondary schools and public postsecondary institutions. Funding may be used for inspecting and improving school facilities to ensure adequate air quality.
- Air District staff has met with Senator Alex Padilla, Congresswoman Zoe Lofgren, Congressman John Garamendi, Congressman Jimmy Panetta, Congresswoman Barbara Lee, and Congresswoman Jackie Speier to discuss bills that matter to the Air District and educate the Legislators about Air District programs such as Clean Cars for All and the Clean Tech Finance Program.
- There may be a new federal 'Cash for Clunkers' type of program that may target low income- households or electric vehicles.

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Public Comments			

**Committee Comments** 

No requests received.

None.

Committee Action

None; receive and file.

#### 8. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

#### 9. COMMITTEE MEMBERS' COMMENTS / OTHER BUSINESS

None.

#### 10. TIME AND PLACE OF NEXT MEETING

Wednesday, April 21, 2021, at 1:00 p.m. via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

#### 11. ADJOURNMENT

The meeting adjourned at 2:58 p.m.

Marcy Hiratzka Clerk of the Boards

#### BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Margaret Abe-Koga and Pauline Russo Cutter, and Members

of the Legislative Committee

From: Jack P. Broadbent

Executive Officer/APCO

Date: April 15, 2021

Re: Sacramento Legislative Update

#### RECOMMENDED ACTION

None; receive and file.

#### **BACKGROUND**

April is traditionally a busy time in the Legislature as bills must be out of policy committees by the end of the month. Budget committees also continue budget hearings in preparation for the Governor's May Revise and final budget negotiations.

#### DISCUSSION

Staff will provide an update to the Legislative Committee (Committee) on recent events of significance in Sacramento.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by: Alan Abbs

Reviewed by: Jack P. Broadbent

AGENDA: 4

#### BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Margaret Abe-Koga and Pauline Russo Cutter, and Members

of the Legislative Committee

From: Jack P. Broadbent

Executive Officer/APCO

Date: April 15, 2021

Re: <u>Air District-Sponsored Bills</u>

#### RECOMMENDED ACTION

None; receive and file.

#### **BACKGROUND**

This year, the Air District sponsored two bills, Assembly Bill (AB) 426 (Bauer-Kahan) – Toxic Air Contaminants and AB 762 (Lee and C. Garcia) – Hazardous emissions and substances: schoolsites: private and charter schools.

#### **DISCUSSION**

#### AB 426 (Bauer-Kahan) – Toxic Air Contaminants.

AB 426 was introduced by Assemblymember Bauer-Kahan on February 4, 2021 and was referred to Assembly Committees on Natural Resources and Transportation. Prior to its scheduled hearing on April 14, 2021, the Assemblymember's staff informed us that she was not moving forward with the bill this year. Attached are several letters of support and opposition that have been submitted for the bill.

## AB 762 (Lee and C. Garcia) – Hazardous emissions and substances: schoolsites: private and charter schools.

AB 762 was introduced by Assembly Members Alex Lee and Cristina Garcia on February 16, 2021 and has been referred to Assembly Environmental Safety and Toxic Materials and Assembly Education. It was heard in Assembly Environmental Safety and Toxic Materials on April 7, 2021. It received a vote in favor of 6-0 and was referred to Assembly Education. Attached are several letters of support that have been submitted for the bill.

Prior to constructing a new public school, a school district must go through a California Environmental Quality Act (CEQA) process that requires (in the Education Code and Public Resources Code) dialog with their local air district, identification of sources of air pollution nearby, and a thoughtful determination that the nearby sources of pollution do not pose a threat to the future students or employees. While private schools perform CEQA, they are not required to make a similar declaration prior to construction of a school. As we see more infill development in

California, including development of old industrial sites, it will be important to ensure that our children have an opportunity to attend schools with a healthy learning environment.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by: Alan Abbs

Reviewed by: <u>Jack P. Broadbent</u>

Attachment 4A: AB 426 (Bauer-Kahan) – Bay Area Air Quality Management District –

Sponsor Letter

Attachment 4B: AB 426 (Bauer-Kahan) – American College of Obstetricians and

Gynecologists District IX – Support Letter

Attachment 4C: AB 426 (Bauer-Kahan) – American Lung Association – Support Letter

Attachment 4D: AB 426 (Bauer-Kahan) – 350 Bay Area Action – Support Letter

Attachment 4E: AB 426 (Bauer-Kahan) – Brightline Defense – Support Letter

Attachment 4F: AB 426 (Bauer-Kahan) – Sierra Club – Support Letter

Attachment 4G: AB 426 (Bauer-Kahan) – Various Organizations – Oppose Letter

Attachment 4H: AB 762 (Lee and C. Garcia) – Assembly Environmental Safety and Toxic

Materials Committee Analysis

Attachment 4I: AB 762 (Lee and C. Garcia) – Bay Area Air Quality Management District –

Sponsor Letter

Attachment 4J: AB 762 (Lee and C. Garcia) – California Air Pollution Control Officers

Association – Support Letter

Attachment 4K: AB 762 (Lee and C. Garcia) – California Association of Private School

Organizations – Support Letter

Attachment 4L: AB 762 (Lee and C. Garcia) – County of San Diego – Support Letter



BAY AREA

Air Quality

MANAGEMENT

DISTRICT Dear Chair Rivas:

The Honorable Luz Rivas Chair, Assembly Committee on Natural Resources 1020 N Street, Room 164 Sacramento, CA 95814

RE: AB 426 (Bauer-Kahan) - Toxic Air Contaminants

#### ALAMEDA COUNTY

John J. Bauters (Secretary) Pauline Russo Cutter David Haubert Nate Miley

#### **CONTRA COSTA COUNTY**

John Gioia David Hudson Karen Mitchoff (Vice Chair) Mark Ross

MARIN COUNTY Katie Rice

NAPA COUNTY Brad Wagenknecht

#### SAN FRANCISCO COUNTY

Myrna Melgar Shamann Walton Tyrone Jue (SF Mayor's Appointee)

#### SAN MATEO COUNTY

David J. Canepa Carole Groom Davina Hurt

#### SANTA CLARA COUNTY

Margaret Abe-Koga Cindy Chavez (Chair) Rich Constantine Rob Rennie

#### SOLANO COUNTY

Erin Hannigan Lori Wilson

SONOMA COUNTY
Teresa Barrett
Lynda Hopkins

Jack P. Broadbent
EXECUTIVE OFFICER/APCO

Connect with the Bay Area Air District:







## On bohalf of the R

March 18, 2021

On behalf of the Bay Area Air Quality Management District (Bay Area AQMD), I wish to inform you of our sponsorship and support of Assembly Bill 426 (Bauer-Kahan), which better describes general air pollution control district and air quality management district authority related to indirect sources by adding toxic air contaminants to current authority and adding a data collection component. For many air districts in nonattainment of state ambient air quality standards including the South Coast AQMD, AB 426 is declarative of existing law. For the Bay Area however, identifying toxic air contaminants would allow us to better support public health initiatives in our disadvantaged communities.

Although the California Air Resources Board (CARB) and local air quality management districts (AQMDs) and air pollution control districts (APCDs) have made significant improvements in air quality over the years, the Legislature recognized in 2017 through AB 617 (C. Garcia; Chapter 136, Statutes of 2017) that improvements are not uniform throughout the state, and that additional effort should be made to work with communities that continue to be overly burdened by air pollution. In working with one of these communities, the community of West Oakland, the Bay Area AQMD and community members identified "indirect sources" as a source that should be addressed to improve public health in burdened communities throughout California. Given current statutory limitations that impact the Bay Area AQMD, this would require amendments to the California Health and Safety Code (HSC) Section 40716.

Traditional regulatory authority related to air quality gives local APCDs and AQMDs authority to regulate "stationary sources," facilities with stationary equipment such as boilers and engines, and CARB the authority to regulate "mobile sources," such as cars, trucks, and buses. "Indirect sources" are facilities that attract mobile sources and their associated pollution, such as warehouses, distribution centers, ports, shopping centers, and events centers. Current air district authority under HSC 40716 authorizes APCDs and AQMDs to enact local rules to reduce regional pollution impacts in areas of nonattainment of the state criteria pollutant standards, essentially ozone (smog) and particulate matter under 10 microns (PM10). AB 617 created a

new community air protection program that included air toxics such as diesel particulate matter as a major focus. HSC 40716, however, does not specifically identify air toxics, only state criteria pollutants (ozone and general particulate). Thus, the Bay Area AQMD is proposing three revisions to HSC 40716 that we believe are declarative of existing law:

- 1. Add air toxics to the pollutants covered under potential local air districts' indirect source rules.
- 2. Clarify that air district indirect source authority can include both new sources as well as existing sources.
- 3. Add data collection authority to actions that air districts can take under a local indirect source rule.

For the Bay Area AQMD, this would allow us to identify local indirect sources that contribute significantly to negative community health impacts, providing a platform to create future local actions to address these impacts.

The Bay Area AQMD is committed to reducing air pollution in California and ensuring that every one of the region's approximately 7.75 million residents can breathe clean, healthful air. We encourage you to support AB 426 when it comes before you for consideration. If you should have any questions, please do not hesitate to contact me at (415) 749-5052, or our Legislative Officer, Mr. Alan Abbs at (916) 769-7769.

Sincerely,

Jack P. Broadbent

Executive Officer/APCO

Brodling

JPB:AA

cc: The Honorable Rebecca Bauer-Kahan, Assemblymember, 16th District Members of the Assembly Committee on Natural Resources



# American College of Obstetricians and Gynecologists

#### **District IX**

March 17, 2021

The Honorable Luz Rivas, Chair Assembly Committee on Natural Resources 1020 N Street, Room 164 Sacramento, CA 95814

Re: AB 426 (Bauer-Kahan) – Support

Dear Chairwoman Rivas:

The American College of Obstetricians and Gynecologists District IX (ACOG) is pleased to support AB 426 (Bauer-Kahan), which would improve air quality standards for California by adding toxic air contaminants, including diesel particulates, to the pollutants covered under air districts' indirect source rules and permit air districts to gather data under a local indirect source rule so that local health ricks can be properly assessed.

Air pollution is controlled at the state level and local air district level. The California Air Resources Board (CARB) main responsibility at the state level is to regulate vehicle pollution from cars, trucks, and buses. At the local air district level, the primary responsibility is to regulate pollution emitted from sources that are not vehicles. However, air districts do not have enough information regarding "indirect sources" of pollution which includes facilities that attract truck traffic, and other mobile sources of pollution.

Additionally, one in every six Black children in America have asthma. Studies have proven that children growing up in areas with high diesel air pollution is one of the factors that contributes to asthma among youth. Diesel trucks emit more particulate matter than all of the state's power plants combined. To adequately address diesel pollution to protect the public's health, air districts need the capability to gather information and work with local jurisdictions to mitigate negative impacts on residents from diesel pollution.

For all these reasons, ACOG is pleased to support and ask your "aye" vote on AB 426.

Thank you for your attention.

Sincerely,

Ryan Spencer Legislative Advocate

CC:

The Honorable Rebecca Bauer-Kahan Members, Assembly Committee on Natural Resources Members, Assembly Committee on Transportation

CHAIR

Diana Ramos, MD, MPH, MBA

CHAIR-ELECT Kelly McCue, MD

TREASURER
John McHugh, MD

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IMMEDIATE PAST CHAIR Laura Sirott, MD

JUNIOR FELLOW CHAIR Hayley Miller, MD

**DISTRICT MANAGER**Michelle Clark, MSW

409 12<sup>th</sup> St SW Washington, DC 20024 DIRECT: (202) 863-2564 MAIN: (800) 673-8444 EMAIL: mclark@acog.org



March 18, 2021

The Honorable Luz Rivas, Chair Assembly Committee on Natural Resources Legislative Office Building 1020 N Street, Room 164 Sacramento, CA 95814

Subject: Support for Assembly Bill 426 (Bauer-Kahan) in re: Toxic Air Contaminants

Dear Chair Rivas and members of the Committee,

On behalf of the American Lung Association, I am writing to express our support for Assembly Bill 426 (Bauer-Kahan). AB 426 provides air districts with additional tools to address local sources of toxic air contaminants.

Despite decades of clean air progress, California remains home to the most difficult air pollution challenges in the United States. In addition, we know that too many communities face increased health burdens due to nearby sources of diesel particulate matter and other toxic air contaminants. Lower income communities and communities of color often face disproportionate exposures and disparities in poor health outcomes because pollution sources tend to be located near disadvantaged communities, increasing exposure to harmful pollutants. Assembly Bill AB 426 would expand the current authority of our local air districts to request and measure data from indirect sources of air pollution, such as distribution centers and warehouses, and evaluate health risks from those facilities on the surrounding communities.

AB 426 will expand authority to Air Quality Control Districts and Air Pollution Control Districts to reduce pollution and improve air quality standards for California by doing the following:

- Add toxic air contaminants, including diesel particulates, to the pollutants covered under air districts' indirect source rules.
- Allow air districts to collect data under a local indirect source rule so that local health risks can be properly assessed.

The American Lung Association supports AB 426 to provide air districts with additional tools to assess and address harmful air pollution from new and existing indirect sources that impact the health of local communities and especially California's most vulnerable communities. Please contact me with any questions at william.barrett@lung.org or (916) 585-7663.

Sincerely,

Will Barrett

Director, Clean Air Advocacy

cc: Assemblymember Bauer-Kahan



The Honorable Luz Rivas, Chair Committee on Natural Resources Legislative Office Building, 1020 N St., Room 164 Sacramento, CA 95814 March 12, 2021

Re: Assembly Bill 426 – Toxic Air Contaminants– SUPPORT

Dear Chair Rivas,

On behalf of **350 Bay Area Action**, I write to express our strong support for Assembly Bill 426 (Bauer-Kahan). This bill would expand current statewide air pollution control district and air quality management district (air district) authority related to indirect sources by including toxic air contaminants, as well as granting air districts authority to request data from new and existing indirect sources in order to calculate health risk assessments.

350 Bay Area gets policies passed that reduce toxic and climate-harming emissions. This is core to our mission, which is to eliminate carbon pollution and build a sustainable and socially equitable future, including a just transition to a clean energy economy. We are achieving this by building the grassroots climate movement in the Bay Area and beyond, and combining that work with policy expertise to provide leveraged pressure at the state, agency and local levels. We are working hard to protect communities from the well-documented and devastating health impacts caused by the air pollution.

AB 426 directly furthers this mission by increasing regulatory oversight of fine particulate matter (PM2.5), the deadliest air pollution our communities face. Local Air Districts are in the best position to regulate PM2.5 pollution from so-called "magnet sources," which currently fall into a gap in the state air quality regulatory framework. We are particularly concerned that the people who live or work in or near these sources, who are subjected to high levels of PM pollution, are also disproportionately low-income and of color. New studies show staggering increases in COVID-19 mortality from increased exposure to PM, suggesting that frontline communities heavily impacted by this environmental injustice are likely to experience much higher death rates from the pandemic. These disproportionate health impacts from PM emissions are not accounted for in standard cost-benefit analyses, so we must aggressively pursue all feasible methods to lower them. For that reason, we and our 17,000 members support AB 426.

Traditional regulatory authority related to air quality gives local air districts authority to regulate "stationary sources", facilities with stationary equipment such as boilers and engines, and the California Air Resources Board the authority to regulate "mobile sources" such as cars, trucks, and buses. "Indirect sources", facilities that attract mobile sources and their associated pollution, such as warehouses, distribution centers, ports, shopping centers, and events centers, are under limited local air district authority depending on attainment of state ozone or PM10 health standards. Although the California Air Resources Board and local air districts have made significant improvements in air quality over the years, the Legislature recognized in 2017 through AB 617 (C. Garcia; Chapter 136, Statutes of 2017) that additional effort should be made to work with communities that continue to be overly burdened by air pollution, including toxic air contaminants and fine particulate (PM2.5). Existing law, however, does not provide local air districts indirect source authority to determine and reduce health risks associated with toxic air contaminants such as diesel particulate matter, although people who live



near facilities that attract truck traffic and other mobile sources emitting these pollutants are at high risk for exposure and may experience compounded health impacts due to near-constant exposure.

This bill would allow (but not require) air districts to adopt local rules to accomplish the following:

- 1. Add air toxics to the pollutants covered under potential local air districts' indirect source rules;
- 2. Clarify that air district indirect source authority can include both new sources as well as existing sources; and
- 3. Add data collection authority to actions that air districts can take under a local indirect source rule.

These three aspects of rulemaking authority would allow air districts to identify local indirect sources that contribute significantly to negative community health impacts and, by working with communities, will in turn drive solutions to reduce those health impacts.

We appreciate the opportunity to submit our comments on this important piece of legislation and urge you to support AB 426 when it comes before you for consideration. For more information about 350 Bay Area Action's support of AB 426, please contact Ogie Strogatz at <a href="mailto:ogstrogatz@gmail.com">ogstrogatz@gmail.com</a> (925) 451-9359.

Sincerely,

Ogie Strogatz

Legislative Analyst

Ogie Strogatz

350 Bay Area Action Legislative Committee

cc: The Honorable Rebecca Bauer-Kahan, California State Assemblymember, 16th District

Alan Abbs, Legislative Officer, Bay Area Air Quality Management District

#### AGENDA 4E - ATTACHMENT



1028A Howard Street San Francisco, CA 94103 P 415.252.9700 F 415.252.9775 www.brightlinedefense.org

The Honorable Rebecca Bauer-Kahan California State Assembly State Capitol, Room Sacramento, CA 95814

March 18, 2021

Re: Assembly Bill 426 - SUPPORT

Dear Assemblymember Bauer-Kahan,

Brightline Defense, an environmental justice organization, is pleased to inform you of our support for Assembly Bill 426, which was introduced by Assemblymember Rebecca Bauer-Kahan.

Brightline supports AB 426 for furthering environmental justice in air quality. AB 426 expands the current authority of our statewide Air Pollution Control Districts (APCD) and Air Quality Management Districts (AQMD) to request and measure data from indirect sources of air pollution, such as distribution centers and warehouses, and evaluate health risks from those facilities on the surrounding communities.

One in every six Black children in America have asthma, higher than the national average according to CDC Data. Growing up in areas with high diesel air pollution is one of the factors that contributes to asthma among youth, as the case with many Black and Brown youth. According to a study done in the Eastbay, children who live near freeways have much higher likelihood for negative respiratory symptoms than those who do not.

AB 426 will expand authority to Air Quality Control Districts and Air Pollution Control Districts to reduce pollution and improve air quality standards for California by doing the following:

- 1. Add toxic air contaminants, including diesel particulates, to the pollutants covered under air districts' indirect source rules.
- 2. Allow air districts to collect data under a local indirect source rule so that local health risks can be properly assessed.

Brightline, respectfully urges your "AYE" vote on Assembly Bill 426 when it comes before you in the Assembly Natural Resources and Assembly Transportation. Please do not hesitate to contact me at eddie@brightlinedefense.org with any questions or concerns.

Sincerely,

Eddie Ahn

**Executive Director** 



March 15, 2021

Assemblymember Bauer-Kahan California State Capitol Sacramento, CA 95814

Re: AB 426 (Bauer-Kahan) - Toxic Air Contaminants

Dear Assemblymember Bauer-Kahan:

Sierra Club California supports your bill, AB 426, which expands the current authority of our statewide Air Pollution Control Districts (APCD) and Air Quality Management Districts (AQMD) to request and measure data from indirect sources of air pollution, such as distribution centers and warehouses, and evaluate health risks from those facilities on the surrounding communities.

Diesel trucks emit more particulate matter than all of the state's power plants combined. Air districts currently do not have adequate data nor the authority to gather data in order to combat the multiple pollutants emitted by diesel trucks. In order to adequately address diesel pollution to protect the public's health, air districts need the ability to gather information and work with local jurisdictions to mitigate negative impacts on residents from diesel pollution.

People who live near indirect sources that attract truck traffic and other mobile sources that emit pollutants are at high risk for exposure to health-threatening air pollutants emitted by these medium and heavy-duty vehicles. Communities near freeways and busy roadways have compounded health impacts due to near-constant exposure to air pollutants. According to a study done in the Eastbay, children who live near freeways have much higher likelihood for negative respiratory symptoms than those who do not.

AB 426 will expand authority to the APCDs and AQMDs to reduce pollution and improve air quality standards for California by (1) adding toxic air contaminants, including diesel particulates, to the pollution covered under air districts' indirect source rules and (2) allowing air districts to collect data under a local indirect source rule so that local health risks can be properly assessed. These provisions will allow air districts to identify local indirect sources of air pollution that contribute to detrimental community health impacts. For these reasons, Sierra Club California supports AB 426.

Sincerely,

Lauren Cullum Policy Advocate

Sierra Club California

CC: Assembly Committee on Natural Resources; Assembly Committee on Transportation



March 16, 2021

The Honorable Rebecca Bauer-Kahan California State Assembly State Capitol, Room 2130 Sacramento, CA 95814

#### RE: AB 426 (Bauer-Kahan) TOXIC AIR CONTAMINANTS - OPPOSE

Dear Assemblymember Bauer-Kahan,

The undersigned organizations must respectfully oppose AB 426. As you know, consistent with the California Toxic Air Contaminant Act, diesel exhaust was identified as a toxic air contaminant in 1998. As required by the law, the California Air Resources Board (CARB) adopted a control plan (the Diesel Risk Reduction Plan) in 2000.

Since that time, CARB has implemented a comprehensive mobile source control program which has, in many cases, far exceeded the Diesel Risk Reduction Plan's goal of reducing diesel exhaust by 85% by 2020. In addition, CARB continues to adopt new control measures requiring the use of zero and near-zero emission equipment.

Simply put, the current regulatory mobile source programs by CARB already provided for in California law – including the latest generation of control technologies – have been wildly successful in reducing community exposures to both mobile and stationary source diesel emissions. For example, by January 1, 2023, diesel exhaust in nearly all on-road heavy-duty trucks will be reduced by more than 98%.<sup>1</sup>.

<sup>&</sup>lt;sup>1</sup> https://ww3.arb.ca.gov/msprog/onrdiesel/documents/dpfeval.pdf

AB 426 would fundamentally change the successful two-step identification and control process in the California Toxic Air Contaminant Act as implemented in the Diesel Risk Reduction Plan. The bill would also grant indirect source rule authority over existing sources in conflict with the Federal Clean Air Act which applies such programs to new or modified sources only. In addition, this bill would duplicate existing facility-by-facility review and mitigation under the California Environmental Quality Act as well as the myriad regulatory and data collection efforts on mobile sources currently being implemented by CARB.

For the above reasons, we must respectfully oppose AB 426.

**Building Owners and Managers Association of California** California Airports Council California Beer & Beverage Distributors California Business Properties Association California Chamber of Commerce California Distributors Association California Railroads California Retailers Association California Trucking Association Carson Dominguez Employers Alliance **Construction Industry Air Quality Coalition Inland Action** Inland Empire Economic Partnership International Council of Shopping Centers Los Angeles Chamber of Commerce Los Angeles County Business Federation NAIOP California – Commercial Real Estate Development Association Pacific Merchant Shipping Association San Gabriel Valley Economic Partnership Truck and Engine Manufacturers Association Wilmington Chamber of Commerce

Date of Hearing: April 7, 2021

#### ASSEMBLY COMMITTEE ON ENVIRONMENTAL SAFETY AND TOXIC MATERIALS

Bill Quirk, Chair

AB 762 (Lee) – As Amended March 30, 2021

SUBJECT: Hazardous emissions and substances: schoolsites: private and charter schools

**SUMMARY**: Requires charter schools and private schools to follow the same siting requirements as public schools for evaluating a schoolsite for potential hazardous substances, hazardous emissions, or hazardous waste. Requires the evaluation, under the California Environmental Quality Act (CEQA), of a potential charter schoolsite to follow the same CEQA process as public schools.

#### **EXISTING LAW:**

- 1) Prohibits the governing board of a school district from approving a project involving the acquisition of a school site unless the school district, as the lead agency, determines that the property to be built upon is not a current or former hazardous waste site or a hazardous substances release site and the school district has consulted with state and local agencies and made a finding that the health risks or other pollution sources do not and will not constitute an actual or potential endangerment of public health to persons who would attend or be employed at the school. (Education Code (EDC) § 17213)
- 2) Requires the governing board of a school district, as a condition of receiving state funding, prior to the acquisition of a schoolsite to conduct a Phase I environmental assessment or a preliminary endangerment assessment of the proposed schoolsite. (EDC § 17213.1)
- 3) Creates the Hazardous Waste Control Law (HWCL), which authorizes the Department of Toxic Substances Control (DTSC) to regulate the management of hazardous wastes in California. (Health and Safety Code (HSC) § 25100 et. seq.)
- 4) Establishes the Carpenter-Presley-Tanner Hazardous Substance Account Act (HSAA) program to provide for response authority for releases of hazardous substances, including spills and hazardous waste disposal sites that pose a threat to public health or the environment. (HSC § 25300 et seq.)
- 5) Requires DTSC to publish and revise, at least annually, a listing of hazardous release sites selected for a response action under the HSAA. (HSC § 25356)
- 6) Creates CEQA which provides a process for evaluating the environmental effects of applicable projects undertaken or approved by public agencies. (Public Resources Code (PRC) § 21050)
- 7) Defines "lead agency" as the public agency that has the principal responsibility for carrying out or approving a project that may have a significant effect upon the environment. (PRC § 21067)
- 8) Prohibits an environmental impact report (EIR) from being certified or a negative declaration from being approved for a project involving the purchase of a schoolsite or the construction of a new elementary or secondary school by a school district unless certain conditions are met. (PRC § 21151.8)

FISCAL EFFECT: Unknown.

#### **COMMENTS**:

*Need for the bill:* According to the author, "Private and some charter schools are not required to meet the same siting requirements as public schools, before building a new school. As a result, a school could potentially be built at an unsafe location near sources of hazardous emissions, substances, or waste. Consequently, the public health and safety of the students, teachers, and school employees could be put at risk.

The bill would require private and charter schools to identify nearby sources of air pollution, consult with their local air districts, and meet siting requirements by evaluating the schoolsite for potential hazardous substances, hazardous emissions, or hazardous waste."

California Hazardous Waste Control Law (HWCL): The HWCL is the state's program that implements and enforces federal hazardous waste law in California. HWCL statute directs DTSC to oversee and implement the state's HWCL. Any person who stores, treats, or disposes of hazardous waste must obtain a permit from DTSC. The HWCL covers the entire management of hazardous waste, from the point the hazardous waste is generated, to management, transportation, and ultimately disposal into a state or federal authorized facility. Current law prohibits a public school from being built on a hazardous waste site permitted by DTSC. This bill would apply that prohibition to school sites for private and charter schools as well.

Carpenter-Presley-Tanner Hazardous Substances Account Act (HSAA): State law provides DTSC with general administrative responsibility for overseeing the state's responses to spills or releases of hazardous substances, and for overseeing hazardous waste disposal sites that pose a

threat to public health or the environment. The HSAA provides DTSC with the authority, procedures, and standards to investigate, remove, and remediate contamination at sites; to issue and enforce a removal or remedial action order to any responsible party; and, to impose administrative or civil penalties for noncompliance with an order. DTSC utilizes the HSAA for cleanup of contaminated sites and the HWCL for the regulation of hazardous waste sites. Current law prohibits a public school from being built on a hazardous waste site permitted by DTSC or a site with hazardous substances on a list compiled by DTSC. This bill would apply that prohibition to school sites for private and charter schools as well.

California Environmental Quality Act (CEQA): CEQA generally requires state and local government agencies to inform decision makers and the public about the potential environmental impacts of proposed projects, and to reduce those environmental impacts to the extent feasible. If a project subject to CEQA will not cause any adverse environmental impacts, a public agency may adopt a brief document known as a negative declaration. If the project may cause adverse environmental impacts, the public agency must prepare a more detailed study called an Environmental Impact Report (EIR). An EIR contains in-depth studies of potential impacts, measures to reduce or avoid those impacts, and an analysis of alternatives to the project. A key feature of the CEQA process is the opportunity for the public to review and provide input on both negative declarations and EIRs.

Evaluation of proposed schoolsites for potential hazardous substance contamination: All proposed school sites that receive state funding for acquisition or construction are required to go through a rigorous environmental review and cleanup process under DTSC's oversight. School districts conduct environmental assessments to provide basic information for determining if there has been a release of hazardous material at the sites, or if a naturally occurring hazardous material that presents a risk to human health or the environment may be present. Outreach activities integrated into the process allow a more active role for stakeholders in the selection process for school sites.

Siting of schools is a complicated process: Siting schools is not an easy process. Existing law and state regulations prohibit school districts seeking state bond funds from being located on land that was previously a hazardous waste disposal site, that contains pipelines that carry hazardous substances, or that is near a freeway and other busy traffic corridors and railyards that have the potential to expose students and school staff to hazardous air emissions. Existing law also requires school districts to comply with CEQA requirements, review by DTSC, and approval by the California Department of Education (CDE) to ensure the design plans meet the academic need of the school. School districts must also comply with the Field Act, which ensures that school buildings can withstand earthquakes. School districts must submit all school design plans to the Division of State Architect to ensure that the architectural design plans meet fire, life, and safety requirements, Field Act requirements, and access requirements under the Americans with Disability Act. Charter schools are not required to comply with school siting requirements unless they receive state school bond funds. Private schools are not subject to the requirements in the Education Code unless specified, typically related to health and safety issues.

Charter schools: Charter schools are authorized by school district boards and county boards of education. A charter school is generally exempt from most laws governing school districts, except where specifically noted in the law. Specific goals and operating procedures for the charter school are detailed in an agreement (or "charter") between the authorizing board and charter organizers. According to the CDE, in the 2018-19 academic year, there were 1,317 charter schools in California, with an enrollment of over 630,000 students. Some charter schools are new, while others are conversions from existing public schools. Charter schools are part of the state's public education system and are funded by public dollars. A charter school is usually created or organized by a group of teachers, parents, community leaders, a community-based organization, or an education management organization.

This bill: AB 762 amends existing law to require charter schools and private schools to perform the same evaluation for a proposed schoolsite as is required for public schools. It seems very reasonable to provide the students of charter schools and private schools with the same protections from hazardous chemicals at a potential schoolsite that is afforded to students who attend public schools. In addition, AB 762 is requiring the lead agency, under CEQA, over a charter school, to complete the same evaluations as is required for a lead agency of a public school. There are thousands of known contaminated sites in California, however, there are estimates of tens of thousands of unknown contaminated sites in the state. A site may have been an industrial site in the early 1900's and then been vacant for decades, and its potential of containing hazardous substances is unknown until there is an environmental assessment of the property. It is important that potential schoolsites, regardless of whether the school is a public school, private school, or charter school, be properly evaluated in order to protect the health and well-being of the future students who will attend that school.

Arguments in Support: According to the Bay Area Air Quality Management District, "In order to ensure the public health and safety of all students and school employees in California, the potential location for a new private school or charter school needs to be properly evaluated. AB 762 will achieve this by requiring that private schools and charter schools meet the same siting requirements as public schools."

Double-Referral: Should the committee approve this bill, it will be re-referred to the Assembly Education Committee for their consideration.

#### Related legislation:

- 1) AB 2882 (Chu, 2020). Would have required charter schools and private schools to follow the same siting requirements as public schools for evaluating a schoolsite for potential hazardous substances, hazardous emissions, or hazardous waste. Would have required the evaluation of a potential charter schoolsite under CEQA to follow the same process as public schools under CEQA. This bill was held in the Senate Environmental Quality Committee.
- 2) AB 2825 (Ruskin, 2006). Would have required a school district, in preparing the EIR on a proposed schoolsite, to identify any proposed facilities that emit hazardous air emissions or handle specified hazardous substances within a one-fourth mile of the proposed site. This bill was vetoed by Governor Schwarzenegger.

- 3) SB 1224 (Ortiz, 2004). Would have required school districts to contact DTSC if a potential health risk to students caused by a hazardous material is discovered. Would have allowed DTSC to oversee, review, and approve a site investigation and remediation for such a risk, and would have allowed deferred maintenance funding to be used for the investigation, mitigation, and removal of hazardous materials. This bill was held in the Senate Education Committee.
- 4) SB 352 (Escutia, Chapter 668, Statutes of 2003). Prohibits a local educational agency from approving the acquisition of a schoolsite within 500 feet of a busy roadway unless the air quality at the site does not pose a health risk to pupils or staff.

#### **REGISTERED SUPPORT / OPPOSITION:**

#### Support

Bay Area Air Quality Management District (SPONSOR) California Air Pollution Control Officers Association California Association of Private School Organizations San Diego; County of

#### **Opposition**

None on file.

Analysis Prepared by: Josh Tooker / E.S. & T.M. /



BAY AREA

Air Quality

MANAGEMENT

DISTRICT

**ALAMEDA COUNTY** 

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**CONTRA COSTA COUNTY** 

John Gioia David Hudson Karen Mitchoff (Vice Chair) Mark Ross

MARIN COUNTY Katie Rice

NAPA COUNTY Brad Wagenknecht

SAN FRANCISCO COUNTY

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SOLANO COUNTY Erin Hannigan Lori Wilson

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Lynda Hopkins

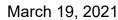
Jack P. Broadbent EXECUTIVE OFFICER/APCO

Connect with the Bay Area Air District:









The Honorable Bill Quirk Chair, Assembly Environmental Safety and Toxic Materials Committee 1020 N Street, Room 171 Sacramento, CA 95814

RE: AB 762 (Lee and C. Garcia) - Hazardous Emissions and Substances: Schoolsites: Private and Charter Schools

Dear Chair Quirk:

On behalf of the Bay Area Air Quality Management District (Bay Area AQMD), I wish to inform you of our sponsorship and support of Assembly Bill 762 (Lee and C. Garcia), which will ensure the public health and safety of all students and school employees in California by requiring that private schools and charter schools meet the same siting requirements as public schools.

Existing law requires public schools to follow certain requirements before approving and building a new school. These requirements include that the public school district determines that the proposed schoolsite is not hazardous and that the public school district consults with its local air district to identify sources of air pollution that may affect the health of the children and employees at the proposed school. Doing so will ensure awareness of any harmful pollution and provide an early opportunity to mitigate its effects before or as the school is constructed. Unfortunately, these requirements only apply to public schools and not to private schools and some charter schools. Consequently, this has resulted in instances where schools have been built in locations near sources of pollution, unbeknownst to the children, their parents, and school employees. One of those such instances occurred in Fall 2018, when a private preschool through eighth grade school was constructed next to the Tri-City Rock concrete batch facility in Fremont, CA without consulting the Bay Area AQMD, or properly notifying the students' parents.

In order to ensure the public health and safety of all students and school employees in California, the potential location for a new private school or charter school needs to be properly evaluated. AB 762 will achieve this by requiring that private schools and charter schools meet the same siting requirements as public schools.

The Bay Area AQMD is committed to reducing air pollution in California and ensuring that every one of the region's approximately 7.75 million residents can breathe clean, healthful air. We encourage you to support AB 762 when it comes before you for consideration. If you should have any questions, please do not hesitate to contact me at (415) 749-5052, or our Legislative Officer, Mr. Alan Abbs at (916) 769-7769.

Sincerely,

Jack P. Broadbent

**Executive Officer/APCO** 

Jam P Brodhus

JPB:AA

cc: The Honorable Alex Lee, Assemblymember, 25th District

The Honorable Cristina Garcia, Assemblymember, 58th District Members of the Assembly Environmental Safety and Toxic Materials

Committee



1107 Ninth Street, Suite 801 Sacramento, CA 95814 (916) 441-5700 (916) 441-5708 FAX www.capcoa.org

#### **PRESIDENT**

Gretchen Bennitt
Northern Sierra AQMD

#### **VICE PRESIDENT**

Aeron Arlin Genet Santa Barbara County APCD

## SECRETARY/CHIEF FINANCIAL OFFICER

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Robert Bamford
Northern Sonoma County APCD

Robert Reider San Diego County APCD

Samir Sheikh San Joaquin Valley APCD

#### **EXECUTIVE DIRECTOR**

Tung T. Le tung@capcoa.org March 30, 2021

The Honorable Bill Quirk, Chair Assembly Environmental Safety & Toxic Materials Committee 1020 N Street, Room 171 Sacramento. CA 95814

RE: AB 762 (Lee and C. Garcia) – Hazardous emissions and substances: school sites

Dear Chair Quirk:

On behalf of the California Air Pollution Control Officers Association (CAPCOA), the non-profit association of the air pollution control officers representing the 35 local air quality districts throughout California, I write to express our support of AB 762, which would ensure the public health and safety of all students and school employees in California.

Existing law requires public schools to meet certain requirements before approving and building a new school, such as consulting with their local air pollution control district or air quality management district to identify sources of air pollution. This consultation includes an analysis of toxic air contaminants that may affect the health of the children and employees of the proposed school. These requirements also include that the school district's governing board determines that the property is not a current or former hazardous waste or solid waste disposal site, a hazardous substance release site identified by the Department of Toxic Substances Control, or a site that contains one or more pipelines that carries hazardous substances. This ensures that the school district, its employees, and parents are aware of local sources of pollution and provides an early opportunity to mitigate its effects as the school is constructed.

Unfortunately, these requirements currently only apply to traditional public schools and not to private and some public charter schools, resulting in cases where schools have been built in locations near sources of pollution, unbeknownst to the children and their parents. We believe that regardless of whether students and school employees attend public or private institutions, it is imperative that their health and safety is protected to the maximum extent possible.

CAPCOA is dedicated to improving public health and providing clean air for all our residents and in order to ensure the public health and safety of all students and school employees in California, the potential location for a new private school or charter school needs to be properly evaluated. AB 762 will achieve this by requiring that private schools and charter schools meet the same siting requirements as traditional public schools. CAPCOA appreciates the opportunity to submit our comments on this important piece of legislation and urge you to support AB 762. Should you have any questions, please do not hesitate to contact me at (530) 274-9360, extension 502.

Sincerely,

Gretchen Bennitt

Gretcher Bennitt

President

CC: The Honorable Alex Lee, Assembly Member, 25th District The Honorable Cristina Garcia, Assembly Member, 58th District Members of Assembly Environmental Safety & Toxic Materials Committee Chair and Members of the Assembly Committee on Education



### California Association of Private School Organizations

#### MEMBERS

Archdiocese of Los Angeles Department of Catholic Schools

Archdiocese of San Francisco Department of Catholic Schools

> Association of Christian Schools International

Association of Waldorf Schools of North America – California Division

BJE - Builders of Jewish Education

California Association of Independent Schools

California Association of Private Special Education Schools

California Catholic Conference

Christian Schools International District VIII

> Diocese of Fresno Education Corporation

Diocese of Monterey

Diocese of Oakland Department of Catholic Schools

Diocese of Orange

Diocese of Sacramento

Diocese of San Bernardino

Diocese of San Diego

Diocese of San Jose

Diocese of Stockton

Episcopal Diocese of California

Episcopal Diocese of Los Angeles

Evangelical Lutheran Education

Lutheran Church – Missouri Synod California-Nevada-Hawaii District

Lutheran Church – Missouri Synod Pacific Southwest District

> Seventh-day Adventists Pacific Union Conference

> > Berit von Pohle President

> > Pamela Lyons Vice-President

Stephanie Rynas Secretary

Gil Graff Treasurer

Ron Reynolds Executive Director March 31, 2021

Assemblymember Bill Quirk, Ph.D.

Support AB 762 (Lee) As Amended (3/30/3031)

Chair
Assembly Environmental Safety and Toxic Materials Committee
State Capitol Room 2163
Sacramento, CA 95814

Dear Dr. Quirk,

I write on behalf of the California Association of Private School Organizations (CAPSO) to indicate the Association's support for AB 762 (Lee), as amended on March 30, 2021. CAPSO is a statewide consortium of private school service agencies and administrative units whose 24 member-organizations serve approximately 1,400 nonprofit private schools enrolling some 370,000 pupils in grades K-12, inclusive.

AB 762 proposes an additional requirement to which the governing authority of a private school considering the acquisition or purchase of a school site would be subject. This additional procedural safeguard is intended to help prevent the acquisition or purchase of property in locations that may pose health hazards to a private school's students, staff, parents and community. We regard the measure's proposed provisions as sensible, reasonable, and practical.

California's private schools are partners in the education of the public, and AB 762 is, ultimately, a public health measure. In light of its purpose and reasonableness, we are pleased to support the bill, and respectfully request its passage when heard before the Assembly Environmental Safety and Toxic Materials Committee.

Sincerely,

Dr. Ron Reynolds Executive Director

California Association of Private School Organizations

CC: Dr. Berit von Pohle, Richard Schnetzer



JGC Government Relations Sacramento Representatives County of San Diego 1100 K Street, Suite 100 Sacramento, CA 95814

(916) 441-0202 Fax (916) 441-1222

AGENDA 4L - ATTACHMENT lielsen Merksamer Parrinello Gross & Leoni 1119

> Sacramento Representatives County of San Diego 1415 L Street, Suite 1200 Sacramento, CA 95814

(916) 446-6752 Fax (916) 446-6106

April 1, 2021

Assemblymember Quirk, Chair Assembly Environmental Safety & Toxic Materials Committee State Capitol Sacramento, California 95814

> AB 762 (Lee) - Support Set for Hearing April 7th

Dear Assemblymember Quirk:

On behalf of the County of San Diego, we are pleased to support AB 762 (Lee), a measure relating to hazardous emissions and school sites.

Existing law requires public schools to follow certain requirements before approval of a project involving the acquisition or construction of a school site, including conducting an environmental review of the project under the California Environmental Quality Act (CEQA). Existing law also prohibits the governing board of a school district from approving a project unless specified conditions are met, such as the school district determines that the property to be purchased or built upon is not the site of a current or former hazardous waste site, has not identified specified facilities within 1/4 of one mile of the proposed school site that might reasonably be anticipated to emit or handle hazardous materials, substances, or waste, and the school district has consulted with their local air pollution control district or air quality management district.

AB 762 would require charter schools and private schools to follow the same requirements, as mentioned above, as public schools before the approval of a project can be given involving the acquisition or construction of a school site. By requiring that all schools meet the same safety standards, AB 762 would help ensure the public health and safety of all students and school employees.

For these reasons we are pleased to support AB 762. Thank you for your consideration of this important matter. Please feel free to contact me at 916.715.1406 if you have any questions regarding our support of AB 762.

Sincerely,

Jonathan Clay

Legislative Representative

AGENDA: 5

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Margaret Abe-Koga and Pauline Russo Cutter, and Members

of the Legislative Committee

From: Jack P. Broadbent

Executive Officer/APCO

Date: April 15, 2021

Re: Consideration of New Bills

## RECOMMENDED ACTION

The Legislative Committee (Committee) will discuss and review bills and take positions where appropriate.

Staff recommends a support position on the following bill:

• Assembly Bill (AB) 1346 (Berman) – Air pollution: small off-road engines.

## **BACKGROUND**

This is the first year of the two-year 2021-2022 Legislative Session. The attached bill matrix has been arranged by category.

## **DISCUSSION**

Staff will provide the Committee a summary and status of bills on the attached list and will recommend bills to support and oppose during the session. Staff will review other bills that may be of interest to the Committee. Specifically, staff will plan to discuss AB 1346 (Berman), AB 1547 (Reyes), AB 1001 (C. Garcia), AB 745 (Gipson), AB 794 (Carrillo), Senate Bill (SB) 67 (Becker), and SB 18 (Skinner).

## AB 1346 (Berman) – Air pollution: small off-road engines.

This bill would require the California Air Resources Board (CARB) to adopt cost-effective and technologically feasible regulations to prohibit engine exhaust and evaporative emissions from new small off-road engines by July 1, 2022. Those regulations would apply to engines produced on or after January 1, 2024, or as soon as CARB determines is feasible, whichever is later. The regulations will only apply to new sales. CARB currently envisions a phaseout of these engines by 2035 and is developing regulations consistent with that approach, meaning that AB 1346 would likely accelerate the current approach by CARB. Residential and commercial users are free to continue using gas-powered equipment purchased before the regulations take effect.

The bill would require the state board to identify and, to the extent feasible, make available funding for commercial rebate or similar incentive funding as part of any updates to existing applicable funding program guidelines to local air pollution control districts and air quality management districts to implement to support the transition to zero-emission small off-road equipment operations.

## AB 1547 (Reves) – Air pollution: warehouse facilities.

This bill would authorize CARB to regulate indirect sources, as defined. This bill would also require local governments, before approving a warehouse development project, to take certain actions to identify and address the potential environmental impacts of the project and to ensure public participation by residents affected by the project on the consideration of the project, as provided. By imposing additional duties on local governments, this bill would impose a statemandated local program.

## AB 1001 (C. Garcia) - Environmental permitting and air pollution.

This bill would require the California Environmental Protection Agency, on or before May 1, 2022, to publish, maintain, and update a list of overburdened communities, as defined. The bill would, on or after July 1, 2022, require a permitting agency to take certain actions for an application for a new environmental permit, as defined, or the renewal of an environmental permit for a facility located in an overburdened community. The bill would require a permit applicant to prepare an environmental justice impact statement, to conduct a public hearing in the overburdened community, and to transmit the environmental justice impact statement to the permitting agency. The bill would require the permitting agency to deny the application or to apply conditions concerning the construction and operation of the facility to protect public health if it finds that the approval of the application would, together with other environmental or public health stressors affecting the overburdened community, cause or contribute to adverse cumulative environmental or public health stressors in the overburdened community that are higher than those borne by other communities.

Existing law requires each air district that has a nonattainment area for one or more air pollutants to adopt an expedited schedule for the implementation of best available retrofit control technology (BARCT) by the earliest feasible date, but not later than December 31, 2023. Existing law provides that the adopted expedited schedule applies only to each industrial source that, as of January 1, 2017, was subject to a market-based compliance mechanism for the emissions of greenhouse gases adopted by the CARB, as provided.

This bill would additionally require those air districts to adopt an expedited schedule for the implementation of best available control technology (BACT). The bill would delete the provision applying the expedited schedule only to industrial sources that are subject to the market-based compliance mechanism. The bill would require the air districts to identify all emission units at an industrial source and to take certain actions regarding those emission units, as specified. The bill would require, by January 1, 2025, the air districts to adopt rules for the installation and operation of either BACT or BARCT at emission units by the earliest feasible date, but not later than December 31, 2026.

## AB 745 (Gipson) – Air pollution: Clean Cars 4 All program.

This bill would require the state board, as a part of the Clean Cars 4 All Program, to provide vouchers for the purchase of zero-emission vehicles to persons of low-income living in disadvantaged communities to replace those persons' vehicles that have failed a smog check inspection, as provided. The bill would establish the maximum amount of the voucher at \$13,000.

# AB 794 (Carrillo) – Air pollution: purchase of vehicles and vehicle technology: incentive programs: eligibility: labor and workforce standards.

Existing law establishes various incentive programs that are administered or funded by CARB to provide financial assistance for the purchase of vehicles and vehicle technology by individuals and fleet purchasers. This includes the Carl Moyer Program and AB 617 Incentive Program. This bill would establish specified labor and workforce standards that a manufacturer of vehicles or vehicle technology would be required to meet in order for the vehicles or vehicle technology to be eligible under the incentive programs. For this purpose, the bill would specify the percentage of incentives that a vehicle or vehicle technology would be eligible for, as provided. The bill would also establish specified labor and workforce standards that a fleet purchaser would be required to meet in order to be eligible to receive incentives under the incentive programs.

## SB 67 (Becker) - Clean energy: California 24/7 Clean Energy Standard Program.

This bill would revise California Renewables Portfolio Standard Program to establish a goal that 100% of electrical load be supplied by eligible clean energy resources, as defined. The bill would establish the California 24/7 Clean Energy Standard Program, which would require that 85% of retail sales annually and at least 60% of retail sales within certain subperiods by December 31, 2030, and 90% of retail sales annually and at least 75% of retail sales within certain subperiods by December 31, 2035, be supplied by eligible clean energy resources, as defined. The bill would require the California Energy Commission (CEC), in consultation with the California Public Utilities Commission (CPUC) and California balancing authorities, to establish compliance periods and subperiods that meet certain criteria. The bill would require the PUC to establish for each retail seller, and the Energy Commission for each local publicly owned electric utility, clean energy procurement requirements for each compliance period and subperiod, as provided. Because the bill would impose additional duties on local publicly owned electric utilities, this bill would impose a state-mandated local program.

## SB 18 (Skinner) – Green hydrogen.

This bill establishes a new definition for green hydrogen, requires the CARB to include a strategic plan for green hydrogen in the Climate Change Scoping Plan, requires the CPUC to consider green hydrogen in resource adequacy requirements, and it classifies green hydrogen as a zero-carbon resource for electric utility procurement plans. This bill also requires the CEC to submit a report to the Legislature on the uses of green hydrogen for transportation and energy decarbonization.

## BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by: Alan Abbs

Reviewed by: <u>Jack P. Broadbent</u>

Attachment 5A: **Current Bills of Interest Matrix** Attachment 5B: AB 1346 (Berman) – Bill Text Attachment 5C: AB 1547 (Reyes) – Bill Text AB 1001 (C. Garcia) - Bill Text Attachment 5D: Attachment 5E: AB 745 (Gipson) – Bill Text AB 794 (Carrillo) – Bill Text Attachment 5F: SB 67 (Becker)– Bill Text Attachment 5G: SB 18 (Skinner) – Bill Text Attachment 5H:

## AGENDA 5A - ATTACHMENT

Bill #	Author	Subject	Last Amended	Last Status - As of 4/15/2021	Location	Notes Pos	sition (	Priority (Low/Medium/High)	Category
<u>AB 11</u>	Ward	Climate change: regional climate change authorities.	1/21/2021	1/25/2021-Re-referred to Com. on NAT. RES.	1/11/2021-A. NAT. RES.			Low	Climate Change
<u>AB 39</u>	Chau	California-China Climate Institute.	3/25/2021	4/14/2021-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 0.) (April 14). Re-referred to Com. on APPR.	4/14/2021-A. APPR.			Low	Climate Change
AB 51	Quirk	Climate change: adaptation: regional climate adaptation planning groups: regional climate adaptation plans.		1/11/2021-Referred to Com. on NAT. RES.	1/11/2021-A. NAT. RES.			Low	Climate Change
AB 284	Rivas, Robert	California Global Warming Solutions Act of 2006: climate goal: natural and working lands.	4/14/2021	4/14/2021-From committee chair, with author's amendments: Amend, and re-refer to Com. on APPR. Read second time and amended.	3/24/2021-A. APPR.			Low	Climate Change
AB 897	Mullin	Office of Planning and Research: regional climate networks: climate adaptation action plans.	4/7/2021	4/14/2021-VOTE: Do pass as amended and be re- referred to the Committee on [Appropriations] (PASS)	4/14/2021-A. APPR.			Low	Climate Change
AB 943	Garcia, Eduardo	California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund: investment plan.	3/11/2021	3/15/2021-Re-referred to Com. on NAT. RES.	3/11/2021-A. NAT. RES.			Low	Climate Change
AB 1086	Aguiar-Curry	Organic waste: implementation strategy.	4/5/2021	4/14/2021-In committee: Set, first hearing. Referred to suspense file.	4/14/2021-A. APPR. SUSPENSE FILE			Low	Climate Change
AB 1395	Muratsuchi	Greenhouse gases: carbon neutrality.		3/11/2021-Referred to Com. on NAT. RES.	3/11/2021-A. NAT. RES.			Low	Climate Change
AB 1463	O'Donnell	California Global Warming Solutions Act of 2006: Low Carbon Fuel Standard regulations.		3/11/2021-Referred to Com. on NAT. RES.	3/11/2021-A. NAT. RES.			Low	Climate Change
AB 1523	Gallagher	Greenhouse gases.		3/11/2021-Referred to Com. on NAT. RES.	3/11/2021-A. NAT. RES.			Low	Climate Change
SB 27	Skinner	Carbon sequestration: state goals: natural and working lands: registry of projects.	3/1/2021	3/25/2021-Set for hearing April 27.	3/15/2021-S. N.R. & W.			Low	Climate Change
SB 30	Cortese	Building decarbonization.		1/28/2021-Referred to Com. on G.O.	1/28/2021-S. G.O.	Sup	pport	Medium	Climate Change
SB 31	Cortese	Building decarbonization.	3/5/2021	4/9/2021-Set for hearing April 19.	1/28/2021-S. E. U., & C.	Sup	pport	Medium	Climate Change
SB 68	Becker	Building decarbonization.	4/8/2021	4/8/2021-From committee with author's amendments. Read second time and amended. Re-referred to Com. on E., U. & C.	3/18/2021-S. E. U., & C.	Sup	pport	Low	Climate Change
SB 260	Wiener	Climate Corporate Accountability Act.	4/13/2021	4/14/2021-Set for hearing April 27.	4/12/2021-S. JUD.			Medium	Climate Change
SB 449	Stern	Climate-related financial risk.	4/13/2021	4/13/2021-From committee with author's amendments. Read second time and amended. Re-referred to Com. on B. & F.I.				Low	Climate Change
SB 456	Laird	Fire prevention: long-term forest management plan: reports.	3/8/2021	3/25/2021-Set for hearing April 27.	3/18/2021-S. N.R. & W.			Low	Climate Change
<u>SB 582</u>	Stern	Climate Emergency Mitigation, Safe Restoration, and Just Resilience Act of 2021.	4/5/2021	4/12/2021-From committee: Do pass and re-refer to Com. on N.R. & W. (Ayes 5. Noes 2.) (April 12). Re-referred to Com. on N.R. & W.	4/12/2021-S. N.R. & W.			Low	Climate Change
SB 596	Becker	Greenhouse gases: cement and concrete production.	3/4/2021	4/13/2021-Set for hearing April 29.	2/18/2021-S. E.Q.			Medium	Climate Change
SB 759	Hueso	Short-lived climate pollutants: methane: organic waste: landfills.		3/3/2021-Referred to Com. on RLS.	2/19/2021-S. RLS.	Spot bill.		Low	Climate Change
<u>AB 5</u>	Fong	Greenhouse Gas Reduction Fund: High-Speed Rail Authority: K-12 education: transfer.	3/17/2021	3/18/2021-Re-referred to Com. on TRANS.	1/11/2021-A. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 96	O'Donnell	California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program.	3/22/2021	4/8/2021-Coauthors revised.	1/11/2021-A. TRANS.			Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 111	Boerner Horvath	Transportation: zero-emission vehicles.	3/22/2021	3/23/2021-Re-referred to Com. on TRANS.	1/11/2021-A. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 113	Boerner Horvath	Income taxes: credits: electric vehicles.	4/7/2021	4/8/2021-Re-referred to Com. on H. & C.D.	3/25/2021-A. H. & C.D.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 117	Boerner Horvath	Air Quality Improvement Program: electric bicycles.	3/24/2021	4/6/2021-Coauthors revised. From committee: Do pass and re-refer to Com. on APPR. (Ayes 11. Noes 0.) (April 5). Re-referred to Com. on APPR.	4/5/2021-A. APPR.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 363	Medina	Carl Moyer Memorial Air Quality Standards Attainment Program.	4/12/2021	4/13/2021-Re-referred to Com. on TRANS.	2/12/2021-A. TRANS.	Op	pose	Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 365	O'Donnell	Sales and use taxes: exclusion: zero-emission and near-zero-emission drayage trucks.		2/12/2021-Referred to Com. on REV. & TAX.	2/12/2021-A. REV. & TAX			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 648	Fong	Greenhouse Gas Reduction Fund: healthy forest and fire prevention: appropriation.		2/25/2021-Referred to Com. on NAT. RES.	2/25/2021-A. NAT. RES.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 713	Garcia, Cristina	State Air Resources Board: greenhouse gas emissions scoping plan: comprehensive health analysis.	4/12/2021	4/13/2021-Re-referred to Com. on TRANS.	3/18/2021-A. TRANS.	Cap and Trade		Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 745	Gipson	Air pollution: Clean Cars 4 All program.	4/5/2021	4/6/2021-Re-referred to Com. on TRANS.	2/25/2021-A. TRANS.	Clean Cars for All		Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 776	Mathis	Methane: dairy digesters.		2/17/2021-From printer. May be heard in committee March 19.	2/16/2021-A. PRINT	Intent bill.		Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade

Bill#	Author	Subject	Last Amended	Last Status - As of 4/15/2021	Location	Notes	Position	Priority (Low/Medium/High)	Category
AB 794	Carrillo	Air pollution: purchase of vehicles and vehicle technology: incentive programs: eligibility: labor and workforce standards.	3/25/2021	3/26/2021-Re-referred to Com. on L. & E.	3/25/2021-A. L. & E.			Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 823	Gray	High-Speed Rail Authority: trains powered by fossil fuel combustion engines.		2/25/2021-Referred to Com. on TRANS.	2/25/2021-A. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 906	Carrillo	Zero-emission trucks: tax and fee exemptions.		3/22/2021-In committee: Hearing postponed by committee.	2/25/2021-A. REV. & TAX			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 965	Levine	Building standards: electric vehicle charging infrastructure.		3/4/2021-Referred to Com. on H. & C.D.	3/4/2021-A. H. & C.D.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 992	Cooley	California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program.	3/25/2021	4/6/2021-From committee: Do pass and re-refer to Com. on NAT. RES. with recommendation: To Consent Calendar. (Ayes 14. Noes 0.) (April 5). Re-referred to Com. on NAT. RES.	4/5/2021-A. NAT. RES.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1147	Friedman	Regional transportation plan: Active Transportation Program.	3/18/2021	4/14/2021-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 3.) (April 14). Re-referred to Com. on APPR.	4/14/2021-A. APPR.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1312	Rodriguez	Vehicular fuels: renewable and clean hydrogen: income tax: credit.		3/4/2021-Referred to Coms. on NAT. RES. and REV. & TAX.	3/4/2021-A. NAT. RES.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1346	Berman	Air pollution: small off-road engines.	3/25/2021	3/26/2021-Re-referred to Com. on NAT. RES.	3/25/2021-A. NAT. RES.			Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1389	Reyes	Alternative and Renewable Fuel and Vehicle Technology Program.	4/12/2021	4/13/2021-Re-referred to Com. on TRANS.	3/25/2021-A. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1500	Garcia, Eduardo	Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022.	4/14/2021	4/14/2021-Read second time and amended.	4/8/2021-A. NAT. RES.			Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1519	Gallagher	Forestry: fuels transportation program: biomass energy facility: grant program.	3/11/2021	3/15/2021-Re-referred to Com. on NAT. RES.	3/11/2021-A. NAT. RES.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 45	Portantino	Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022.	4/8/2021	4/8/2021-From committee with author's amendments. Read second time and amended. Re-referred to Com. on GOV. & F.	3/16/2021-S. GOV. & F.			Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 66	Allen	California Council on the Future of Transportation: advisory committee: autonomous vehicle technology.	4/14/2021	4/14/2021-From committee with author's amendments. Read second time and amended. Re-referred to Com. on TRANS.	2/25/2021-S. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 227	Jones	Off-highway vehicles.	4/5/2021	4/13/2021-From committee: Do pass and re-refer to Com. on N.R. & W. (Ayes 12. Noes 2.) (April 13). Re-referred to Com. on N.R. & W.	4/13/2021-S. N.R. & W.			Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 261	Allen	Regional transportation plans: sustainable communities strategies.		3/16/2021-From committee: Do pass and re-refer to Com. on TRANS. (Ayes 5. Noes 2.) (March 15). Re-referred to Com. on TRANS.	3/15/2021-S. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 339	Wiener	Vehicles: road usage charge pilot program.	4/5/2021	4/13/2021-From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 4.) (April 13). Re-referred to Com. on APPR.	4/13/2021-S. APPR.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 372	Leyva	Medium- and heavy-duty fleet purchasing assistance program: zero- emission vehicles.	4/13/2021	4/13/2021-Read second time and amended. Re-referred to Com. on TRANS.	4/12/2021-S. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 495	Dahle	California Global Warming Solutions Act of 2006: scoping plan: Greenhouse Gas Reduction Fund.	3/5/2021	4/12/2021-April 12 set for first hearing canceled at the request of author.	2/17/2021-S. E.Q.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 500	Min	Autonomous vehicles: zero emissions.	4/5/2021	4/14/2021-From committee: Do pass as amended and re-refer to Com. on APPR. (Ayes 12. Noes 2.) (April 13).	4/13/2021-S. APPR.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 506	Jones	California Environmental Quality Act: Greenhouse Gas Reduction Fund monies: greenhouse gas emissions: vegetation management projects.		3/12/2021-March 16 set for first hearing canceled at the request of author.	2/25/2021-S. N.R. & W.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 527	Melendez	Greenhouse Gas Reduction Fund: high-speed rail: Salton Sea restoration.		4/7/2021-April 12 set for first hearing canceled at the request of author.	2/25/2021-S. E.Q.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 542	Limón	Vehicle license fees for zero-emission vehicles: sales and use taxes on medium- or heavy-duty zero-emission trucks.	3/25/2021	4/13/2021-VOTE: Do pass as amended, but first amend, and re-refer to the Committee on [Governance and Finance] (PASS)	4/13/2021-S. GOV. & F.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 551	Stern	California Electric Vehicle Authority.	4/7/2021	4/7/2021-Read second time and amended. Re-referred to Com. on TRANS.	4/6/2021-S. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 589	Hueso	Air pollution: alternative vehicles and vehicle infrastructure.	3/25/2021	4/13/2021-From committee: Do pass and re-refer to Com. on TRANS. (Ayes 14. Noes 0.) (April 12). Re-referred to Com. on TRANS.	4/12/2021-S. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 643	Archuleta	Fuel cell electric vehicle fueling infrastructure and fuel production: working group: statewide assessment.	4/13/2021	4/13/2021-Read second time and amended. Re-referred to Com. on TRANS.	4/12/2021-S. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 671	Gonzalez	Transportation: Clean Freight Corridor Efficiency Assessment.	4/6/2021	4/13/2021-From committee: Do pass and re-refer to Com. on E.Q. (Ayes 15. Noes 0.) (April 13). Re-referred to Com. on E.Q.	4/13/2021-S. E.Q.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 726	Gonzalez	Alternative fuel and vehicle technologies: transportation sustainability strategy.	4/13/2021	4/13/2021-Read second time and amended. Re-referred to Com. on TRANS.	4/12/2021-S. TRANS.			Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 771	Becker	Sales and Use Tax Law: zero emissions vehicle exemption.		3/3/2021-Referred to Com. on GOV. & F.	3/3/2021-S. GOV. & F.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade

Bill#	Author	Subject	Last Amended	Last Status - As of 4/15/2021	Location	Notes Position	Priority (Low/Medium/High)	Category
SB 798	Wieckowski	Trade Corridor Enhancement Account.		3/3/2021-Referred to Com. on RLS.	2/19/2021-S. RLS.	Spot bill.	Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 220	Voepel	Smog check: exemption.	4/13/2021	4/14/2021-Re-referred to Com. on TRANS.	1/28/2021-A. TRANS.	Oppose	Medium	General-Air District
AB 426	Bauer-Kahan	Toxic air contaminants.	3/17/2021	4/14/2021-In committee: Set, first hearing. Hearing canceled at the request of author.	2/12/2021-A. NAT. RES.	Air District- Sponsored	High	General-Air District
AB 762	Lee	Hazardous emissions and substances: schoolsites: private and charter schools.	3/30/2021	4/7/2021-Coauthors revised. From committee: Do pass and re-refer to Com. on ED. (Ayes 6. Noes 0.) (April 7). Re-referred to Com. on ED.	4/7/2021-A. ED.	Air District- Sponsored	High	General-Air District
AB 766	Gabriel	Climate change: corporate disclosures.	3/18/2021	3/22/2021-Re-referred to Com. on NAT. RES.	3/18/2021-A. NAT. RES.		Medium	General-Air District
AB 905	Quirk	Mobile fueling on-demand tank vehicles: performance standards.	4/5/2021	4/12/2021-In committee: Set, first hearing. Hearing canceled at the request of author.	2/25/2021-A. TRANS.	Oppose	Medium	General-Air District
AB 1296	Kamlager	South Coast Air Quality Management District: district board: membership.		3/4/2021-Referred to Com. on NAT. RES.	3/4/2021-A. NAT. RES.		Low	General-Air District
<u>AB 9</u>	Wood	Fire safety: wildfires: fire adapted communities.	4/5/2021	4/14/2021-VOTE: Do pass as amended and be re- referred to the Committee on [Local Government] (PASS)	4/14/2021-A. L. GOV.		Medium	Wildfire/Smoke/PSPS
<u>AB 52</u>	Frazier	California Global Warming Solutions Act of 2006: scoping plan updates: wildfires.		1/11/2021-Referred to Com. on NAT. RES.	1/11/2021-A. NAT. RES.		Low	Wildfire/Smoke/PSPS
AB 73	Rivas, Robert	Employment safety: agricultural workers: wildfire smoke.	4/12/2021	4/13/2021-Re-referred to Com. on APPR.	4/8/2021-A. APPR.		Low	Wildfire/Smoke/PSPS
AB 297	Gallagher	Fire prevention.		2/12/2021-Referred to Coms. on NAT. RES. and REV. & TAX.	2/12/2021-A. NAT. RES.		Low	Wildfire/Smoke/PSPS
AB 575	Fong	Civil liability: prescribed burning activities: gross negligence.		3/26/2021-In committee: Set, first hearing. Hearing canceled at the request of author.	2/18/2021-A. JUD.		Low	Wildfire/Smoke/PSPS
AB 619	Calderon	Lung health.	4/14/2021	4/14/2021-From committee chair, with author's amendments: Amend, and re-refer to Com. on E.M. Read second time and amended.	4/6/2021- A. EMERGENCY MANAGEMENT		Low	Wildfire/Smoke/PSPS
<u>AB 642</u>	Friedman	Wildfires.		3/25/2021-From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 0.) (March 24). Re-referred to Com. on APPR.	3/24/2021-A. APPR.		Low	Wildfire/Smoke/PSPS
<u>AB 792</u>	Flora	Forestry: prescribed burning agreements.		2/25/2021-Referred to Com. on NAT. RES.	2/25/2021-A. NAT. RES.		Low	Wildfire/Smoke/PSPS
AB 800	Gabriel	Wildfires: local general plans: safety elements: fire hazard severity zones.	3/18/2021	3/22/2021-Re-referred to Com. on NAT. RES.	3/18/2021-A. NAT. RES.		Low	Wildfire/Smoke/PSPS
AB 1100	Aguiar-Curry	Communications service: emergencies and disasters: reports.		3/4/2021-Referred to Coms. on C. & C. and E.M.	3/4/2021-A. C. & C.		Low	Wildfire/Smoke/PSPS
SB 52	Dodd	State of emergency: local emergency: planned power outage.	4/12/2021	4/13/2021-Read second time. Ordered to third reading.	4/13/2021-S. THIRD READING		Low	Wildfire/Smoke/PSPS
SB 63	Stern	Fire prevention: vegetation management: public education: grants: defensible space: fire hazard severity zones: forest management.		3/26/2021-Set for hearing April 29.	3/16/2021-S. HOUSING		Low	Wildfire/Smoke/PSPS
SB 332	Dodd	Civil liability: prescribed burning operations: gross negligence.		2/22/2021-Art. IV. Sec. 8(a) of the Constitution dispensed with. (Ayes 32. Noes 4.) Joint Rule 55 suspended. (Ayes 32. Noes 4.)	2/17/2021-S. JUD.		Low	Wildfire/Smoke/PSPS
AB 214	Ting	Budget Act of 2021.		1/28/2021-Referred to Com. on BUDGET.	1/28/2021-A. BUDGET		High	Other
AB 339	Lee	State and local government: open meetings.		1/29/2021-From printer. May be heard in committee February 28.	1/28/2021-A. PRINT		Low	Other
AB 844	Grayson	Green Empowerment Zone for the Northern Waterfront area of the Counties of Contra Costa and Solano.	3/18/2021	3/22/2021-Re-referred to Com. on J.,E.D., & E.	3/22/2021-A. J., E.D. & E.		Low	Other
AB 983	Garcia, Eduardo	Public contracts: construction projects: community workforce agreements: battery manufacturing and lithium-based technology.	4/12/2021	4/13/2021-Re-referred to Com. on L. & E.	3/4/2021-A. L. & E.		Low	Other
AB 1005	Muratsuchi	Scientific Review Panel on Toxic Air Contaminants.		2/19/2021-From printer. May be heard in committee March 21.	2/18/2021-A. PRINT	Spot bill.	Low	Other
AB 1205	Frazier	State Air Resources Board: elections.	3/18/2021	3/22/2021-Re-referred to Com. on NAT. RES.	3/18/2021-A. NAT. RES.		Low	Other
AB 1240	Ting	Indoor air pollution.		3/4/2021-Referred to Com. on NAT. RES.	3/4/2021-A. NAT. RES.		Medium	Other
AB 1270	Rivas, Luz	Natural gas plants: methane monitoring systems and reporting.	3/18/2021	3/22/2021-Re-referred to Com. on NAT. RES.	3/18/2021-A. NAT. RES.		Low	Other
AB 1365	Bonta	Public contracts: clean concrete.	3/25/2021	4/14/2021-VOTE: Do pass and be re-referred to the Committee on [Natural Resources] (PASS)	4/14/2021-A. NAT. RES.		Low	Other
AB 1397	Garcia, Eduardo	Public contracts: California Lithium Economy Act.		3/11/2021-Referred to Coms. on A. & A.R. and NAT. RES.	3/11/2021-A. A. & A.R.		Low	Other
<u>SB 7</u>	Atkins	Environmental quality: Jobs and Economic Improvement Through Environmental Leadership Act of 2021.	2/18/2021	4/8/2021-Referred to Com. on NAT. RES.	4/8/2021-A. NAT. RES.		Low	Other

Bill #	Author	Subject	Last Amended	Last Status - As of 4/15/2021	Location	Notes	Position	Priority (Low/Medium/High)	Category
SB 112	Skinner	Budget Act of 2021.		1/11/2021-From printer. Read first time. Referred to Com. on B. & F.R.	1/11/2021-S. BUDGET & F R			High	Other
SB 467	Wiener	Oil and gas: hydraulic fracturing, acid well stimulation treatments, steam flooding, water flooding, or cyclic steaming: prohibition: job relocation.	3/22/2021	4/12/2021 April 12 set for first bearing Failed passage	2/25/2021-S. N.R. & W.			Low	Other
SB 475	Cortese	Transportation planning: sustainable communities strategies.	3/10/2021	4/8/2021-Set for hearing April 26.	3/18/2021-S. E.Q.			Low	Other
SB 560	Rubio	Climate Pollution Reduction in Homes Initiative: grants.		4/14/2021-April 19 hearing postponed by committee.	3/3/2021-S. E. U., & C.			Medium	Other
AB 585	Rivas, Luz	Climate change: Extreme Heat and Community Resilience Program.	3/17/2021	4/14/2021-In committee: Set, first hearing. Referred to suspense file.	4/14/2021-A. APPR. SUSPENSE FILE			Low	Environmental Justice
AB 680	Burke	Greenhouse Gas Reduction Fund: California Just Transition Act.		4/8/2021-From committee: Do pass and re-refer to Com. on NAT. RES. (Ayes 5. Noes 1.) (April 8). Re-referred to Com. on NAT. RES.	4/8/2021-A. NAT. RES.			Medium	Environmental Justice
AB 976	Rivas, Luz	Resilient Economies and Community Health Pilot Program.			4/14/2021-A. APPR. SUSPENSE FILE			Low	Environmental Justice
AB 1001	Garcia, Cristina	Environmental permitting and air pollution.	3/15/2021	3/16/2021-Re-referred to Com. on NAT. RES.	3/4/2021-A. NAT. RES.			Medium	Environmental Justice
AB 1069	Lackey	Zero-emission passenger vehicles: underrepresented communities.		3/4/2021-Referred to Com. on TRANS.	3/4/2021-A. TRANS.			Low	Environmental Justice
AB 1087	Chiu	Environmental Justice Community Resilience Hubs Program.	4/14/2021	4/14/2021-Read second time and amended.	4/7/2021-A. NAT. RES.			Low	Environmental Justice
AB 1099	Rivas, Robert	Environmental equity: principles: bond and fund expenditures.	3/25/2021	3/26/2021-Re-referred to Com. on NAT. RES.	3/25/2021-A. NAT. RES.			Low	Environmental Justice
AB 1218	McCarty	Motor vehicle greenhouse gas emissions standards: civil penalty: Equitable Access to Zero-Emissions Vehicles Fund.	4/12/2021	4/13/2021-Re-referred to Com. on TRANS.	3/4/2021-A. TRANS.			Low	Environmental Justice
AB 1453	Muratsuchi	Environmental justice: Just Transition Advisory Commission: Just Transition Plan.		4/8/2021-From committee: Do pass and re-refer to Com. on NAT. RES. (Ayes 5. Noes 0.) (April 8). Re- referred to Com. on NAT. RES.	4/8/2021-A. NAT. RES.			Low	Environmental Justice
SB 342	Gonzalez	South Coast Air Quality Management District: board membership.	3/10/2021	4/12/2021-From committee: Do pass and re-refer to Com. on GOV. & F. (Ayes 5. Noes 0.) (April 12). Re-referred to Com. on GOV. & F.	4/12/2021-S. GOV. & F.			Low	Environmental Justice
SB 499	Leyva	General plan: land use element: uses adversely impacting health outcomes.		3/25/2021-April 8 set for first hearing canceled at the request of author.	2/25/2021-S. GOV. & F.			Low	Environmental Justice
SB 751	Gonzalez	Environmental justice.		3/3/2021-Referred to Com. on RLS.	2/19/2021-S. RLS.	Intent bill.		Low	Environmental Justice
AB 33	Ting	Energy Conservation Assistance Act of 1979: energy storage systems and transportation electrification infrastructure.	3/16/2021	3/17/2021-Re-referred to Com. on U. & E.	1/11/2021-A. U. & E.			Low	Energy
<u>AB 64</u>	Quirk	Electricity: long-term backup electricity supply strategy.	3/23/2021	3/24/2021-Re-referred to Com. on U. & E. In committee: Set, first hearing. Hearing canceled at the request of author.	1/11/2021-A. U. & E.			Low	Energy
AB 1161	Garcia, Eduardo	Electricity: eligible renewable energy and zero-carbon resources: state agencies: procurement.	4/13/2021	4/14/2021-Re-referred to Com. on U. & E.	3/4/2021-A. U. & E.			Low	Energy
AB 1261	Burke	State Air Resources Board: greenhouse gas emissions: incentive programs.	3/18/2021	4/14/2021-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 11. Noes 0.) (April 14). Re-referred to Com. on APPR.	4/14/2021-A. APPR.			Low	Energy
AB 1317	Berman	Clean energy.		2/22/2021-Read first time.	2/19/2021-A. PRINT			Low	Energy
AB 1325	Burke	Microgrids: Clean Community Microgrid Incentive Program.		3/4/2021-Referred to Com. on U. & E.	3/4/2021-A. U. & E.			Low	Energy
AB 1559	O'Donnell	Energy: Innovative Renewable Energy for Buildings Act of 2021.	3/18/2021	3/22/2021-Re-referred to Com. on NAT. RES.	3/18/2021-A. NAT. RES.			Low	Energy
SB 18	Skinner	Green hydrogen.	3/23/2021	4/13/2021-Set for hearing April 29.	3/15/2021-S. E.Q.			Low	Energy
<u>SB 32</u>	Cortese	Energy: general plan: building decarbonization requirements.	4/8/2021	4/8/2021-From committee with author's amendments. Read second time and amended. Re-referred to Com. on GOV. & F.	1/28/2021-S. GOV. & F.		Support	Medium	Energy
SB 36	Skinner	Energy efficiency.		1/28/2021-Referred to Com. on RLS.	12/7/2020-S. RLS.	Spot bill.		Low	Energy
SB 67	Becker	Clean energy: California 24/7 Clean Energy Standard Program.	3/3/2021	3/26/2021-Set for hearing April 26.	3/11/2021-S. E. U., & C.			Low	Energy
<u>SB 99</u>	Dodd	Community Energy Resilience Act of 2021.	4/12/2021	4/12/2021-From committee with author's amendments. Read second time and amended. Re-referred to Com. on E., U. & C. (Amended 4/12/2021, Published 4/13/2021)	1/28/2021-S. E. U., & C.			Low	Energy
SB 345	Becker	Energy programs and projects: nonenergy benefits.	3/23/2021	4/5/2021-April 5 hearing: Placed on APPR suspense file.	4/5/2021-S. APPR. SUSPENSE FILE			Low	Energy

Bill #	Author	Subject	Last Amended	Last Status - As of 4/15/2021	Location	Notes	Position	Priority (Low/Medium/High)	Category
<u>SB 513</u>	Hertzberg	Eligible fuel cell electrical generating facilities.		2/25/2021-Referred to Com. on RLS.	2/17/2021-S. RLS.			Low	Energy
SB 662	Archuleta	Energy: transportation sector: hydrogen.	3/25/2021	4/12/2021-VOTE: Do pass as amended, but first amend, and re-refer to the Committee on [Environmental Quality] (PASS)	4/12/2021-S. E.Q.			Low	Energy
AB 28	Chau	Service stations: definition: alternative fuels. Hate crimes.	3/30/2021	3/30/2021-From committee chair, with author's amendments: Amend, and re-refer to Com. on TRANS. Read second time and amended.	1/11/2021-A. TRANS.	No Longer Tracking: Amended/Removed		Low	<del>Energy</del>
AB 467	Grayson	Smog check: exemption: historic vehicles.		2/18/2021-Referred to Com. on TRANS.	2/18/2021-A. TRANS.	2-Year Bill	Oppose	Medium	General-Air District
AB 649	Bennett	CalRecycle Greenhouse Gas Reduction Revolving Loan Program.  Department of Resources Recycling and Recovery: Office of Environmental Justice and Tribal Relations.	3/11/2021	3/15/2021-Re-referred to Com. on NAT. RES.	3/11/2021-A. NAT. RES.	No Longer Tracking: Amended/Removed		Low	GGRF, Incentive Programs, Mobile- Source, Cap and Trade
AB 833	Quirk-Silva	State government: grants: administrative costs.		2/25/2021-Referred to Com. on A. & A.R.	2/25/2021-A. A. & A.R.	2-Year Bill		Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1469	Santiago	Energy: energy efficiency programs.  Solid waste: plastic products: labeling: compostability and biodegradability.	3/18/2021	3/22/2021-Re-referred to Com. on NAT. RES.	3/18/2021-A. NAT. RES.	No Longer Tracking: Amended/Removed		Low	Energy
AB 1512	Bauer-Kahan	Forest practices: burning of brush covered lands. Off-highway vehicular recreation: Carnegie State Vehicular Recreation Area: Alameda-Tesla Expansion Area.	3/25/2021	3/25/2021-Referred to Com. on W.,P., & W. From committee chair, with author's amendments: Amend, and re-refer to Com. on W.,P., & W. Read second time and amended.	3/25/2021-A. W.,P. & W.	No Longer Tracking: Amended/Removed		Low	Wildfire/Smoke/PSPS
AB 1547	Reyes	Air pollution: warehouse facilities.	3/25/2021	3/26/2021-Re-referred to Com. on NAT. RES.	3/25/2021-A. NAT. RES.	2-Year Bill		Medium	General-Air District
Total Active Bills	121						Low: Medium: High:	95 22 4	

## AMENDED IN ASSEMBLY MARCH 25, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

## ASSEMBLY BILL

No. 1346

Introduced by Assembly Member Berman Members Berman and Lorena Gonzalez

(Coauthors: Assembly Members Bauer-Kahan, Carrillo, Gabriel, Cristina Garcia, Eduardo Garcia, Low, Mullin, Reyes, Robert Rivas, and Ting)

February 19, 2021

An act to add Section 14299.5 to the Elections Code, relating to elections. An act to add Section 43018.11 to the Health and Safety Code, relating to air pollution.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1346, as amended, Berman. Elections: ballots. Air pollution: small off-road engines.

Existing law imposes various limitations on the emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law assigns the responsibility for controlling vehicular sources of air pollution to the State Air Resources Board.

This bill would require the state board, by July 1, 2022, consistent with federal law, to adopt cost-effective and technologically feasible regulations to prohibit engine exhaust and evaporative emissions from new small off-road engines, as defined by the state board. The bill would require the state board to identify and, to the extent feasible, make available funding for commercial rebate or similar incentive funding as part of any updates to existing applicable funding program guidelines to local air pollution control districts and air quality management

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districts to implement to support the transition to zero-emission small off-road equipment operations.

Existing law requires an elections official to deliver to a precinct additional ballots if the precinct board is unable to furnish a ballot to a qualified voter because there is an insufficient number of ballots. Existing law requires the precinct board to provide each voter with the option of easting a vote immediately using an alternative procedure, as specified. Existing law requires, in the case of an election for a state or federal office, for each polling place using a direct recording electronic voting system, the elections official to also provide paper ballots equivalent to specified percentages of voters depending on the type of election and to establish procedures for the use of the paper ballots in the event the direct recording electronic voting system becomes nonfunctional.

This bill would require an elections official to establish an alternative procedure for the use of paper ballots in the event that a ballot marking system, a ballot on demand system, or, except as specified, a voting system becomes nonfunctional. The bill would require the elections official to submit the alternative procedure to the Secretary of State for approval. By increasing the duties of local elections officials, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

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

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

- 1 SECTION 1. (a) The Legislature finds and declares all of the 2 following:
- 3 (1) Small off-road engines (SORE), which are used primarily
- 4 in lawn and garden equipment, emit high levels of air pollutants,
- 5 including oxides of nitrogen (NOx), reactive organic gases (ROG),
- 6 and particulate matter (PM). NOx and ROG together contribute
- 7 to formation of ozone, a criteria pollutant with a national ambient

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air quality standard set by the United States Environmental Protection Agency (U.S. EPA) and a California ambient air quality standard and that has adverse impacts on health. Currently, California exceeds U.S. EPA and state standards for ozone in many areas, including the South Coast Air Basin, the San Francisco Bay area, and the County of Sacramento. NOx also contributes to formation of PM, which, along with directly emitted PM, has direct negative health impacts. PM also has an air quality

standard set by the U.S. EPA and the state. Many areas in California also currently fail to meet PM standards, including the South Coast Air Basin and the San Joaquin Valley Air Basin.

- (2) In 2020, California daily NOx and ROG emissions from SORE were higher than emissions from light-duty passenger cars. SORE emitted an average of 16.8 tons per day of NOx and 125 tons per day of ROG. Without further regulatory action, those emission levels are expected to increase with increasing numbers of SORE in California. Regulations of emissions from SORE have not been as stringent as regulations of other engines, and one hour of operation of a commercial leaf blower can emit as much ROG plus NOx as driving 1,100 miles in a new passenger vehicle.
- (3) Currently, there are zero-emission equivalents to all SORE equipment regulated by the State Air Resources Board. The battery technology required for commercial-grade zero-emission equipment is available and many users, both commercial and residential, have already begun to transition to zero-emission equipment.
- (4) The Governor's Executive Order No. N-79-20 of September 23, 2020, directs the state board to implement strategies to achieve 100 percent zero emissions from off-road equipment in California by 2035, where feasible and cost-effective. The state will not achieve that goal without further regulation of SORE, including a mandate to transition all sales of new equipment to zero-emission equipment.
- (b) It is the intent of the Legislature to encourage the state board to act expeditiously to protect public health from the harmful effects of emissions of small off-road engines.
- 37 SEC. 2. Section 43018.11 is added to the Health and Safety 38 Code, to read:
- 39 43018.11. (a) By July 1, 2022, the state board shall, consistent 40 with federal law, adopt cost-effective and technologically feasible

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regulations to prohibit engine exhaust and evaporative emissions from new small off-road engines, as defined by the state board. 3

Those regulations shall apply to engines produced on or after

- 4 January 1, 2024, or as soon as the state board determines is 5 feasible, whichever is later.
  - (b) Consistent with the regulations adopted pursuant to this section and relevant state law, the state board shall identify, and, to the extent feasible, make available, funding for commercial rebates or similar incentive funding as part of any updates to existing, applicable funding program guidelines for districts to implement to support the transition to zero-emission small off-road equipment operations.

SECTION 1. Section 14299.5 is added to the Elections Code, to read:

- 14299.5. (a) An elections official shall establish an alternative procedure for the use of paper ballots in the event that a ballot marking system, a ballot on demand system, or, except for a direct recording electronic voting system governed by Section 14300, a voting system becomes nonfunctional.
- (b) The alternative procedure required by this section shall be subject to approval by the Secretary of State. The elections official shall submit the alternative procedure to the Secretary of State for approval by a date to be determined by the Secretary of State.
- SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

## AMENDED IN ASSEMBLY MARCH 25, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

## **ASSEMBLY BILL**

No. 1547

## **Introduced by Assembly Member Reyes**

February 19, 2021

An act to add Chapter 2.8 (commencing with Section 65098) to Division 1 of Title 7 of the Government Code, and to amend Section 39602.5 of the Health and Safety Code, relating to air pollution.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1547, as amended, Reyes. Air pollution: warehouse facilities.

Existing law regulates the emissions of air pollution. Existing law designates air pollution control districts and air quality management districts as having the primary responsibility for the control of air pollution from all sources other than vehicular sources, subject to the powers and duties of the State Air Resources Board. Existing law designates the state board as having the primary responsibility for the control of air pollution from vehicular sources.

This bill would authorize the State Air Resources Board to regulate indirect sources, as defined.

Existing law, the Planning and Zoning Law, sets forth various requirements relating to the review of development project permit applications and the issuance of development permits for particular specified classes of development projects. Existing law, the California Environmental Quality Act (CEQA), requires a lead agency to prepare, or cause to be prepared by contract, and certify the completion of, an environmental impact report on a project, as defined, that it proposes to carry out or approve that may have a significant effect on the

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environment, or to adopt a negative declaration if it finds that the project will not have that effect.

This bill would require local governments, before approving a warehouse development project, to take certain actions to identify and address the potential environmental impacts of the project and to ensure public participation by residents affected by the project on the consideration of the project, as provided. By imposing additional duties on local governments, this bill would impose a state-mandated local program.

The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would state the intent of the Legislature to enact subsequent legislation relating to air pollution at warehouse facilities.

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

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

- 1 SECTION 1. (a) The Legislature finds and declares all of the 2 following:
  - (1) Logistics includes the process of planning, implementing, and controlling procedures for the efficient and effective transportation and storage of goods.
  - (2) For communities already struggling with some of the worst air quality in the nation, the expansion of the logistics industry presents a serious air quality and environmental justice challenge.
  - (3) Environmental pollution and emissions of greenhouse gases have a harmful impact on human health and ecosystem quality.
  - (4) For example, in the last decade, more than 150 million square feet of industrial space, the vast majority of it warehouses, has been built in the Inland Empire.
- 14 (5) The Counties of San Bernardino and Riverside are at the top of the most ozone-polluted counties.

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(6) The use of diesel trucks in the logistics industry, especially those that come and go from warehouses, are adding to what has become an intractable problem.

- (7) The trucks and trains that carry freight to be warehoused and trucks idling engines at or near warehouse sites pollute by emitting small toxic particles.
  - (A) These particles are of varying sizes and toxicity.

- (B) Particulate emissions from diesel vehicles and equipment contribute to health problems that include cardiovascular problems, cancer, asthma, decreased lung function and capacity, reproductive health problems, and premature death.
- (8) Warehousing facilities threaten the health of residents living and working near busy roads and logistics facilities.
- (9) Beyond health threats from the transportation of freight, warehouses are also associated with negative impacts on residents' quality of life.
- (10) Warehouse centers also deprive local communities of land that could be used for future green space, schools and public buildings, and new residential, retail, and commercial centers.
- (11) While trucks may represent only a small share of the traffic in urban areas, they generate more than one-half of overall emissions for specific contaminants.
- (12) One of the approaches to contend with these issues is to promote the use of new technologies and alternative fuel pathways.
- (b) It is the intent of the Legislature to encourage the continued development and deployment of zero-emission medium- and heavy-duty vehicles in the goods movement sector.
- SEC. 2. Chapter 2.8 (commencing with Section 65098) is added to Division 1 of Title 7 of the Government Code, to read:

#### Chapter 2.8. Warehouse Facilities

65098. (a) For purposes of this section, the following definitions apply:

- (1) "Public agency" means a city, county, and city and county, and subdivisions of those entities, including any agencies of the city, county, or city and county.
- (2) "Threshold language" means a language for the geographical area in which a warehouse development project is located as identified by the State Department of Health Care

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1 Services in its most recent determination required pursuant to 2 subdivision (b) of Section 14029.91 of the Welfare and Institution 3 Code.

- (b) Before approving a warehouse development project, a public agency shall do all of the following:
- (1) Ensure that the design of the warehouse development project provides for at least a 3,000-yard buffer zone between the boundary of the project site and sensitive land use.
- (2) Conduct a cumulative analysis of the air quality impacts of the warehouse development project, taking into consideration air quality impacts from other nearby sources of pollution and air quality impacts of reasonably foreseeable future projects.
- (3) Require all onsite equipment used at the warehouse to be powered by electricity.
- (4) Require all offroad construction equipment used for the warehouse development project to meet the Tier 4 emission standards set forth in Article 4 (commencing with Section 2420) of Chapter 9 of Division 3 of Title 13 of the California Code of Regulations.
- (5) Require loading and unloading docks and trailer spaces for cold storage warehouses to provide electrical connections to provide electrical power to trucks.
- (6) Require the project applicant to hold a series of community meetings with affected residents to obtain community inputs and incorporate consideration of those community inputs into the project design.
- (7) Require the project applicant to post a prominent notice on the project site that contains a brief description of the warehouse development project and directions on obtaining information posted pursuant to paragraph (1) of subdivision (c).
- (c) Upon receipt of an application for a warehouse development project, a public agency shall do all of the following:
- (1) Post information on its internet website that is easily accessible and easily understandable by the public regarding both of the following:
- (A) The project, including a complete and accurate project description, maps, and drawings of the project design.
- (B) The process by which interested members of the public can provide comments and input regarding the project.

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(2) Mail or deliver a notice with a brief description of the warehouse development project and directions on obtaining information posted pursuant to paragraph (1) to both of the following:

- (A) All owners and occupants of properties located within 3,000 yards of the project site.
  - (B) All schools located within two miles of the project site.
- (3) Provide the information and notices required pursuant to this subdivision in English and all threshold languages.
- (d) (1) (A) The lead agency shall conduct at least one scoping meeting at a location within one mile of the project site.
- (B) If, after making a good faith effort, the lead agency is unable to secure a location for the scoping meeting within one mile of the project site, the lead agency may hold the meeting at another location that meets both of the following requirements:
- (i) The meeting location is readily accessible to residents of disadvantaged communities located within one-half mile of the project site.
- (ii) The meeting location is located within one-half mile of a transit stop, if feasible.
- (2) If the scoping meeting is held on a weekday, the scoping meeting shall be held between the hours of 5 p.m. and 8 p.m.
- (3) At the scoping meeting, the lead agency shall do both of the following:
- (A) Provide a description of the project and any information known about the project's potential environmental impacts.
- (B) Take public comments regarding potential environmental impacts of the project, including any social and economic impacts related to a direct or indirect physical change caused by the project, project alternatives, and mitigation measures that would avoid or reduce any potentially significant environmental impacts.
- (e) In a meeting in which a warehouse development project is being considered, the public agency, upon request, shall provide translation services in a requested threshold language.
- SEC. 3. Section 39602.5 of the Health and Safety Code is amended to read:
- 39602.5. (a) The state board shall adopt rules and regulations pursuant to Section 43013 that, in conjunction with other measures adopted by the state board, the districts, and the United States Environmental Protection Agency, will achieve ambient air quality

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standards required by the federal Clean Air Act (42 U.S.C. Sec. 7401 et seq.) in all areas of the state by the applicable attainment date, and to maintain these standards thereafter. The state board shall adopt these measures if they are necessary, technologically feasible, and cost effective, consistent with Section 43013.

- (b) If necessary to carry out its duties under this section, the state board shall adopt and enforce rules and regulations that anticipate the development of new technologies or the improvement of existing technologies. The rules and regulations shall require standards that the state board finds and determines can likely be achieved by the compliance date set forth in the rule.
- (c) The state board may adopt and enforce rules and regulations applicable to indirect sources, as defined in Section 7410 of Title 42 of the United States Code.
- SEC. 4. The Legislature finds and declares that the regulation of warehouse development projects to identify and address the potential environmental impacts and ensure public participation by residents affected by projects is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, Section 2 of this act adding Chapter 2.8 (commencing with Section 65098) to Division 1 of Title 7 of the Government Code applies to all cities, including charter cities.
- SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.
- SECTION 1. It is the intent of the Legislature to enact subsequent legislation relating to air pollution at warehouse facilities.

## AMENDED IN ASSEMBLY MARCH 15, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

## ASSEMBLY BILL

No. 1001

## **Introduced by Assembly Member Cristina Garcia**

February 18, 2021

An act to amend Section 71021 of the Public Resources Code, relating to the environment. An act to amend Sections 40920.6 and 40920.8 of the Health and Safety Code, and to add Section 71119 to the Public Resources Code, relating to the environment.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1001, as amended, Cristina Garcia. Environmental-permitting. permitting and air pollution.

Existing law regulates facilities with operations that would or may cause the release of pollution to the environment. Existing law requires operators of those facilities to obtain a permit or other authorization from various public agencies for the operation of those facilities.

This bill would require the California Environmental Protection Agency, on or before May 1, 2022, to publish, maintain, and update a list of overburdened communities, as defined. The bill would, on or after July 1, 2022, require a permitting agency to take certain actions for an application for a new environmental permit, as defined, or the renewal of an environmental permit for a facility located in an overburdened community. The bill would require a permit applicant to prepare an environmental justice impact statement, to conduct a public hearing in the overburdened community, and to transmit the environmental justice impact statement to the permitting agency. The bill would require the permitting agency to deny the application or to apply conditions concerning the construction and operation of the

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facility to protect public health if it finds that the approval of the application would, together with other environmental or public health stressors affecting the overburdened community, cause or contribute to adverse cumulative environmental or public health stressors in the overburdened community that are higher than those borne by other communities. The bill would require permitting agencies to electronically publish certain information on their internet websites. Because the bill would impose additional duties on local agencies that are permitting agencies, this bill would impose a state-mandated local program.

Existing law requires each air pollution control district and each air quality management district (air district) that has a nonattainment area for one or more air pollutants to adopt an expedited schedule for the implementation of best available retrofit control technology (BARCT) by the earliest feasible date, but not later than December 31, 2023. Existing law provides that the adopted expedited schedule applies only to each industrial source that, as of January 1, 2017, was subject to a market-based compliance mechanism for the emissions of greenhouse gases adopted by the State Air Resources Board, as provided.

This bill would additionally require those air districts to adopt an expedited schedule for the implementation of best available control technology (BACT). The bill would delete the provision applying the expedited schedule only to industrial sources that are subject to the market-based compliance mechanism. The bill would require the air districts to identify all emission units at an industrial source and to take certain actions regarding those emission units, as specified. The bill would require, by January 1, 2025, the air districts to adopt rules for the installation and operation of either BACT or BARCT at emission units by the earliest feasible date, but not later than December 31, 2026. Because this bill would impose additional duties on air districts, this bill would impose a state-mandated local program.

Existing law requires the state board to establish and maintain a statewide clearinghouse that identifies BACT and BARCT.

This bill would authorize the state board to create determinations for technologies that have been achieved in practice for sources or source categories.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

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This bill would provide that no reimbursement is required by this act for a specified reason.

Existing law requires the Secretary for Environmental Protection to establish an administrative process that may be used, at the request of a permit applicant for a project that requires multiple environmental permits, for the designation of a consolidated permit agency to issue a consolidate permit for the project. Existing law requires the secretary, within 30 days of the date that the request is received, to either designate a consolidated permit agency for the project or refer the designation to the California Environmental Policy Council.

This bill would shorten the time period in which the secretary is to respond to 20 days.

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

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

- 1 SECTION 1. The Legislature finds and declares all of the 2 following:
  - (a) All California residents, regardless of income, race, ethnicity, color, or national origin, have a right to live, work, and recreate in a clean and healthy environment.
  - (b) Historically, California's low-income communities and communities of color have been subject to a disproportionately high number of environmental and public health stressors, including pollution from numerous industrial, commercial, and governmental facilities located in those communities.
  - (c) As a result, residents in the state's overburdened communities have suffered from increased adverse health effects including, but not limited to, asthma, cancer, elevated blood lead levels, cardiovascular disease, and developmental disorders.
  - (d) Children are especially vulnerable to the adverse health effects caused by exposure to pollution, and those health effects may severely limit a child's potential for future success.
  - (e) The adverse effects caused by pollution impede the growth, stability, and long-term well-being of individuals and families living in overburdened communities.
  - (f) The legacy of siting sources of pollution in overburdened communities continues to pose a threat to the health, well-being, and economic success of the state's most vulnerable residents.

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(g) It is past time for the state to correct this historical injustice.

- (h) No community should bear a disproportionate share of the adverse environmental and public health consequences that accompany the state's economic growth.
- (i) The state's overburdened communities must have a meaningful opportunity to participate in any decision to allow in those communities certain types of facilities which, by the nature of their activity, have the potential to increase environmental and public health stressors.
- (j) It is in the public interest for the state, where appropriate, to limit the future placement and expansion of those facilities in overburdened communities.
- SEC. 2. Section 40920.6 of the Health and Safety Code is amended to read:
- 40920.6. (a) Prior to-Before adopting rules or regulations to meet the requirement for best available retrofit control technology pursuant to Sections 40918, 40919, 40920, and 40920.5, or for a feasible measure pursuant to Section 40914, districts shall, in addition to other requirements of this division, do all of the following:
- (1) Identify one or more potential control options which achieves the emission reduction objectives for the regulation.
- (2) Review the information developed to assess the cost-effectiveness of the potential control option. For purposes of this paragraph, "cost-effectiveness" means the cost, in dollars, of the potential control option divided by emission reduction potential, in tons, of the potential control option.
- (3) Calculate the incremental cost-effectiveness for the potential control options identified in paragraph (1). To determine the incremental cost-effectiveness under this paragraph, the district shall calculate the difference in the dollar costs divided by the difference in the emission reduction potentials between each progressively more stringent potential control option as compared to the next less expensive control option.
- (4) Consider, and review in a public meeting, all of the following:
- (A) The effectiveness of the proposed control option in meeting the requirements of this chapter and the requirements adopted by the state board pursuant to subdivision (b) of Section 39610.

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(B) The cost-effectiveness of each potential control option as assessed pursuant to paragraph (2).

- (C) The incremental cost-effectiveness between the potential control options as calculated pursuant to paragraph (3).
- (5) Make findings at the public hearing at which the regulation is adopted stating the reasons for the district's adoption of the proposed control option or options.
- (b) A district may establish its own best available retrofit control technology requirement based upon consideration of the factors specified in subdivision (a) and Section 40406 if the requirement complies with subdivision (d) of Section 40001 and is consistent with this chapter, other state law, and federal law, including, but not limited to, the applicable state implementation plan.
- (c) (1) On or before January 1, 2019, each Each district that is a nonattainment area for one or more air pollutants shall adopt an expedited schedule for the implementation of best available control technology (BACT) or best available retrofit control technology (BARCT), by the earliest feasible date, but in any event not later than December 31, 2023. date and in compliance with paragraph (3) of subdivision (g).
- (2) The schedule shall apply to each industrial source that, as of January 1, 2017, was subject to a market-based compliance mechanism adopted by the state board pursuant to subdivision (c) of Section 38562.

(3)

- (2) The schedule shall give highest priority to those permitted units that have not modified emissions-related permit conditions for the greatest period of time. The schedule shall not apply to an emissions unit that has implemented *BACT* or BARCT due to a permit revision or a new permit issuance since 2007.
- (d) Prior to Before adopting the schedule pursuant to paragraph (1) of subdivision (c), a district shall hold a public meeting and take into account:
- (1) The local public health and clean air benefits to the surrounding community.
  - (2) The cost-effectiveness of each control option.
- (3) The air quality and attainment benefits of each control option.
- 39 (e) A district shall allow the retirement of marketable emission 40 reduction credits under a program which complies with all of the

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requirements of Section 39616, or emission reduction credits which meet all of the requirements of state and federal law, including, but not limited to, the requirements that those emission reduction credits be permanent, enforceable, quantifiable, and surplus, in lieu of any requirement for best available retrofit control technology, if the credit also complies with all district rules and regulations affecting those credits.

- (f) After a district has established the cost-effectiveness, in a dollar amount, for any rule or regulation adopted pursuant to this section or Section 40406, 40703, 40914, 40918, 40919, 40920, 40920.6, or 40922, the district, consistent with subdivision (d) of Section 40001, shall allow alternative means of producing equivalent emission reductions at an equal or lesser dollar amount per ton reduced, including the use of emission reduction credits, for any stationary source that has a demonstrated compliance cost exceeding that established dollar amount.
- (g) To further implement the schedule adopted pursuant to subdivision (c), each district subject to subdivision (c) shall take the following actions:
- (1) Identify all emissions units at an industrial source subject to paragraph (1) of subdivision (c) that emit a pollutant for which the region is in nonattainment to determine whether those emissions units are individually permitted at BACT or BARCT stringency levels that are applicable as of the time of the review and do the following:
- (A) Continue the implementation of the schedule adopted pursuant to subdivision (c) if the district determines that the emissions unit is subject to a rule that the district included on the schedule for updating pursuant to subdivision (c).
- (B) Add the rule to the schedule for updating to ensure that the applicable BACT or BARCT rule applies to the emission unit if the district determines that the emissions unit is subject to a rule implementing BACT or BARCT that is not on the district's adopted schedule pursuant to subdivision (c) and the rule has not been updated or revised since 2007.
- (C) Add the emissions unit to the schedule adopted pursuant to subdivision (c) and adopt a rule to control the nonattainment pollutant by implementing BACT or BARCT if the district determines that the emission unit is not subject to a rule implementing BACT or BARCT.

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(2) For all reviews of what constitutes BACT or BARCT for an emissions unit under this subdivision and subdivision (c), the district shall base its consideration of cost effectiveness of the control option for the emissions unit and air quality benefits for the surrounding community, and shall make determinations consistent with information in the clearinghouse established pursuant to Section 40920.8 and any technical assessments issued by the state board.

- (3) The district shall adopt each rule implementing BARCT pursuant to subdivision (c) and this subdivision by January 1, 2025, for installation and operation of BACT or BARCT at each emissions unit by the earliest feasible date, but not later than December 31, 2026.
- SEC. 3. Section 40920.8 of the Health and Safety Code is amended to read:
- 40920.8. (a) (1) The state board shall establish and maintain a statewide clearinghouse that identifies the best available control technology and best available retrofit control technology for criteria air pollutants, and related technologies for the control of toxic air contaminants.
- (2) (A) The state board may create determinations for technologies that have been achieved in practice, and may provide technical assessments of control options, including the availability of alternative technologies, for sources or source categories.
- (B) The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) does not apply to the development of technical assessments pursuant to subparagraph (A).
- (b) When updating best available control technology determinations, best available retrofit control technology rules, and related determinations for the control of toxic air contaminants in permits, schedules, and rules, a district shall use the information in the statewide clearinghouse established and maintained by the state—board. board and any technical assessments that are developed pursuant to paragraph (2) of subdivision (a).
- developed pursuant to paragraph (2) of subdivision (a).
   SEC. 4. Section 71119 is added to the Public Resources Code,
   to read:
- 38 71119. (a) For purposes of this section, the following 39 definitions apply:

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(1) "Environmental or public health stressors" means sources 1 2 of environmental pollution, including, but not limited to, 3 concentrated areas of air pollution, mobile sources of air pollution, 4 contaminated sites, transfer stations or other solid waste facilities, recycling facilities, scrap yards, and point sources of water 5 pollution, including, but not limited to, water pollution from 7 facilities or combined sewer overflows, or conditions that may cause potential public health impacts, including, but not limited to, asthma, cancer, elevated blood lead levels, cardiovascular disease, and developmental problems in an overburdened 10 11 community. 12

- (2) (A) "Environmental permit" means an authorization or approval, or the renewal of an authorization or approval, that is any of the following:
- (i) A hazardous waste facility permit issued pursuant to Chapter 6.5 (commencing with Section 25001) of Division 20 of the Health and Safety Code.
- (ii) An air permit issued pursuant to Chapter 4 (commencing with Section 42300) of Part 4 of Division 26 of the Health and Safety Code.
- (iii) A medical waste treatment facility permit issued pursuant to Chapter 7 (commencing with Section 118130) of Part 14 of Division 104 of the Health and Safety Code.
- (iv) A well permit issued pursuant to Division 3 (commencing with Section 3000).
- (v) A solid waste facility permit issued pursuant to Part 4 (commencing with Section 43000) of Division 30.
- (vi) A waste discharge requirement issued pursuant to the Porter-Cologne Water Quality Control Act (Division 7 (commencing with Section 13000) of the Water Code).
- 31 (B) "Environmental permit" does not include any of the 32 following:
- 33 (i) An authorization or approval necessary to perform a 34 remediation.
- 35 (ii) An authorization or approval required for a minor 36 modification of a facility's authorization or approval described 37 in subparagraph (A) for activities or improvements that do not 38 increase the release of a pollutant or contaminant.

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(iii) An authorization or approval that is a renewal of a facility's authorization or approval described in subparagraph (A) that does not increase the release of a pollutant or contaminant.

- (3) (A) "Facility" means a facility this is required to obtain an environmental permit.
- (B) "Facility" does not include a facility that accepts regulated medical waste for disposal, including a medical waste incinerator, that is attendant to a hospital or university and is intended to process self-generated regulated medical waste.
- (4) "Low-income household" has the same meaning as set forth in Section 39713 of the Health and Safety Code.
- (5) "Overburdened community" means a community identified as a disadvantaged community pursuant to Section 39711 of the Health and Safety Code.
  - (6) "Permitting agency" means any of the following:
  - (A) The Department of Toxic Substances Control.
  - (B) An air quality management or air pollution control district.
- 18 (C) The State Department of Public Health.

- (D) The Geologic Energy Management Division in the Department of Conservation.
  - (E) The Department of Resources Recovery and Recycling.
  - (F) A regional water quality control board.
- (b) On or before May 1, 2022, the California Environmental Protection Agency shall publish and maintain on its internet website a list of overburdened communities in the state. The California Environmental Protection Agency shall update annually the list of overburdened communities. The California Environmental Protection Agency shall notify a local municipal or county government if any part of the municipality or county has been designated as an overburdened community pursuant to this subdivision.
- (c) On and after July 1, 2022, for an application for an environmental permit for a facility located in an overburdened community, a permitting agency shall publish a draft environmental permit for public notice, review, and comment for at least 60 calendar days before issuance. A permitting agency shall respond, in writing, to all significant comments raised during the public participation process, including written comments submitted during the public comment period and any comments raised during any public hearing on the environmental permit before finalization of

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the environmental permit. A permitting agency shall electronically
publish the public comments for the draft permit and the permitting
agency's responses to significant public comments before the
finalization of the permit. This requirement applies in addition to
any public notices required by law.

- (d) (1) On and after July 1, 2022, a permitting agency shall not consider complete for review an application for an environmental permit for a new facility or for an existing facility, if the facility is located, or proposed to be located, in whole or in part, in an overburdened community, unless the permit applicant does all of the following:
- (A) Prepares an environmental justice impact statement that assesses the potential environmental and public health stressors associated with the proposed new or existing facility, as applicable, including any adverse environmental or public health stressors that cannot be avoided if the environmental permit is granted, and the environmental or public health stressors already borne by the overburdened community as a result of existing conditions located in or affecting the overburdened community.
- (B) Transmits the environmental justice impact statement at least 60 days in advance of the public hearing required pursuant to subparagraph (C) to the permitting agency and to the governing body and the clerk of the municipality in which the overburdened community is located. Upon receipt, the permitting agency shall publish the environmental justice impact statement on its internet website.
- (C) (i) Organizes and conducts a public hearing in the overburdened community. The permit applicant shall publish a notice of the public hearing in at least two newspapers circulating within the overburdened community, including in local non-English language newspapers for populations comprising at least 15 percent of the overburdened community, if applicable, not less than 60 days before the public hearing. The permit applicant shall provide a copy of the notice to the permitting agency, and the permitting agency shall publish the notice on its internet website. The notice of the public hearing shall provide the date, time, and location of the public hearing, a description of the proposed new or expanded facility or existing facility, as applicable, a map indicating the location of the facility, a brief summary of the environmental justice impact statement, information on how an

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interested person may review a copy of the complete environmental 1 2 justice impact statement, an address for the submission of written 3 comments to the permit applicant, and any other information 4 deemed appropriate by the permitting agency. At least 60 days 5 before the public hearing, the permit applicant shall send a copy 6 of the notice to the permitting agency and to the governing body 7 and the clerk of the municipality in which the overburdened 8 community is located. The permit applicant shall invite the municipality to participate in the public hearing. At the public hearing, the permit applicant shall provide clear, accurate, and 10 complete information about the proposed new or existing facility, 11 12 as applicable, and the potential environmental and public health 13 stressors associated with the facility. The permit applicant shall 14 accept written and oral comments from any interested party, and 15 shall provide an opportunity for meaningful public participation at the public hearing. The permit applicant shall transcribe the 16 17 public hearing and, no later than 10 days after the public hearing, 18 submit the transcript along with any written comments received 19 to the permitting agency. Following the public hearing, the permitting agency shall consider the testimony presented and any 20 21 written comments received, and shall evaluate the issuance of, or 22 conditions to, the environmental permit, as necessary, to avoid or 23 reduce the adverse environmental or public health stressors 24 affecting the overburdened community. 25

(ii) Clause (i) is satisfied if a public hearing required by other law regarding the permit application is conducted, and the notice of the public hearing is given, in a manner that meets the requirements of clause (i).

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- (2) If a permit applicant is applying for more than one environmental permit for a proposed new or existing facility, the permit applicant shall only be required to comply with this subdivision once, unless a permitting agency, in its discretion, determines that more than one public hearing is necessary due to the complexity of the permit applications necessary for the proposed new or existing facility. Nothing in this section shall be construed to limit the authority of the permitting agency to hold or require additional public hearings, as may be required by any other law.
- (e) Notwithstanding any other law, the permitting agency shall not issue a decision on an application for an environmental permit

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for a new facility or for the expansion of an existing facility, or on an application for the renewal of a facility's environmental permit, if the facility is located, or proposed to be located, in whole or in part in an overburdened community until at least 45 days after the public hearing held pursuant to subparagraph (C) of paragraph (1) of subdivision (d).

- (f) Notwithstanding any other law, after review of the environmental justice impact statement prepared pursuant to paragraph (1) of subdivision (d) and any other relevant information, including testimony and written comments received at the public hearing, the permitting agency shall deny an environmental permit for a new facility or for the expansion of, or renewal of an environmental permit for, an existing facility, or shall apply conditions concerning the construction and operation of the facility to protect public health, upon a finding that approval of the environmental permit or renewal, as proposed, would, together with other environmental or public health stressors affecting the overburdened community, cause or contribute to adverse cumulative environmental or public health stressors in the overburdened community that are higher than those borne by other communities within the state, county, or other geographic unit of analysis as determined by the permitting agency pursuant to rule, regulation, or guidance adopted pursuant to this section.
- (g) Nothing in this section shall be construed to limit the right of a permit applicant to continue facility operations during the process of permit renewal to the extent that right is provided by applicable law.
- (h) In addition to any other fee authorized by law, rule, or regulation, the permitting agency shall assess each permit applicant a reasonable fee to cover the permitting agency's costs associated with the implementation of this section, including costs to provide technical assistance to permit applicants and overburdened communities as needed to comply with this section.
- (i) (1) A permitting agency shall adopt rules and regulations to implement the provisions of this section.
- (2) The permitting agency may issue and publish, on its internet website, technical guidance for compliance with this section.
- (j) On or before January 1, 2024, a permitting agency shall electronically publish, on its internet website, all authorizations or approvals described in subparagraph (A) of paragraph (2) of

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subdivision (a), immediately upon issuance, in a searchable database accessible to the public. The authorizations or approvals issued before January 1, 2022, shall be added to the database by December 31, 2024.

- (k) A permitting agency shall promptly make information related to environmental permits and permitting decisions available to the California Environmental Protection Agency upon request.
- (l) A permitting agency shall electronically publish all final enforcement settlement agreements on its internet website immediately upon finalization of the settlements agreements.
- SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

SECTION 1. Section 71021 of the Public Resources Code is amended to read:

- 71021. (a) A permit applicant for a project may request the secretary to designate a consolidated permit agency to administer the processing and issuance of a consolidated permit for the project pursuant to this division. The secretary, in accordance with the guidelines and procedures adopted pursuant to Section 71020, shall, within 20 days of the date that the request is received, either designate a consolidated permit agency for the project or refer the designation to the council.
- (b) A permit applicant who requests the designation of a consolidated permit agency shall provide the secretary with a description of the project, a preliminary list of the environmental permits that the project may require, the identity of any public agency that has been designated the lead agency for the project pursuant to Chapter 4.5 (commencing with Section 65920) of Division 1 of Title 7 of the Government Code or Division 13 (commencing with Section 21000), and the identity of the participating permit agencies. The secretary may request any information from the permit applicant that is necessary to make the designation under subdivision (a), and may convene a scoping meeting of the likely consolidated permit agency and participating permit agencies in order to make that designation.

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(c) The consolidated permit agency shall serve as the main point of contact for the permit applicant with regard to the processing of the consolidated permit for the project and shall manage the procedural aspects of that processing consistent with laws governing the consolidated permit agency and participating permit agencies, and with the procedures agreed to by those agencies in accordance with Section 71022. In carrying out these responsibilities, the consolidated permit agency shall ensure that the permit applicant has all the information needed to apply for all the component environmental permits that are incorporated in the consolidated permit for the project, coordinate the review of those environmental permits by the respective participating permit agencies, ensure that timely environmental permit decisions are made by the participating permit agencies, and assist in resolving any conflict or inconsistency among the environmental permit requirements and conditions that are to be imposed by the participating permit agencies with regard to the project.

(d) This division shall not be construed to limit or abridge the powers and duties granted to a participating permit agency pursuant to the law that authorizes or requires the agency to issue an environmental permit for a project. Each participating permit agency shall retain its authority to make all decisions on all nonprocedural matters with regard to the respective component environmental permit that is within its scope of its responsibility, including, but not limited to, the determination of environmental permit approval or approval with conditions, or environmental permit denial. The consolidated permit agency shall not substitute its judgment for that of a participating permit agency on any of those nonprocedural matters.

# AMENDED IN ASSEMBLY APRIL 5, 2021 AMENDED IN ASSEMBLY MARCH 25, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

## ASSEMBLY BILL

No. 745

## **Introduced by Assembly Member Gipson**

February 16, 2021

An act to amend Section 44124.5 of the Health and Safety Code, relating to air pollution.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 745, as amended, Gipson. Air pollution: Clean Cars 4 All program.

Existing law establishes a motor vehicle inspection and maintenance program, commonly known as the smog check program, that is administered by the Department of Consumer Affairs. The smog check program requires inspection of motor vehicles upon initial registration, biennially upon renewal of registration, upon transfer of ownership, and in certain other circumstances. Existing law exempts motor vehicles that meet certain requirements from being inspected biennially upon renewal of registration.

Existing law establishes the Clean Cars 4 All Program, which is administered by the State Air Resources Board, to focus on achieving reductions in the emissions of greenhouse gases, improvements in air quality, and benefits to low-income state residents through the replacement of high-polluter motor vehicles with cleaner and more efficient motor vehicles or a mobility option.

This bill would require the state board, as a part of the Clean Cars 4 All Program, to provide vouchers for the purchase of zero-emission

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vehicles to persons of low-or moderate income, as defined, income living in disadvantaged communities to replace those persons' vehicles that have failed a smog check inspection. inspection, as provided. The bill would establish the maximum amount of the voucher at \$13,000.

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

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

SECTION 1. Section 44124.5 of the Health and Safety Code is amended to read:

44124.5. (a) The Clean Cars 4 All Program is hereby established and is to be administered by the state board to focus on achieving reductions in the emissions of greenhouse gases, improvements in air quality, and benefits to low-income state residents through the replacement of high-polluter motor vehicles with cleaner and more efficient motor vehicles or a mobility option.

- (b) Beginning in the 2018–19 fiscal year, and every fiscal year thereafter, the state board shall set specific, measurable goals for the replacement of passenger vehicles and light- and medium-duty trucks that are high polluters.
- (c) The state board shall take steps to meet the goals set forth pursuant to subdivision (b). The steps shall include, but need not be limited to, updating the guidelines for Clean Cars 4 All no later than January 1, 2019.
- (d) The regulation implementing this section shall ensure all of the following:
- (1) Where applicable, there is improved coordination, integration, and partnerships with other programs that target disadvantaged communities and receive moneys from the Greenhouse Gas Reduction Fund, created pursuant to Section 16428.8 of the Government Code.
- (2) The replacement or a mobility option is consistent with paragraph (6) of subdivision (d) of Section 44125.
- (3) Provisions enhance the prescreening of applicants to Clean Cars 4 All, if determined by the state board to be appropriate.
- (e) (1) As-In participating districts, as a part of the Clean Cars 4 All Program, the state board shall provide vouchers to persons of low-or moderate income, as defined in Section 50093, income living in disadvantaged communities, as identified pursuant to

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Section 39711, for the purchase of zero-emission vehicles to replace those persons' vehicles that *meet both of the following:* 

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- (A) The vehicles to be replaced have failed a smog check inspection.
- (B) The repair cost of each vehicle to be replaced in order to pass the smog check inspection is greater than the maximum amount of assistance provided by the bureau's Consumer Assistance Program.
- (2) The maximum amount of a voucher available under paragraph (1) shall be thirteen thousand dollars (\$13,000).

## AMENDED IN ASSEMBLY MARCH 25, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

### ASSEMBLY BILL

No. 794

## **Introduced by Assembly Member Carrillo**

February 16, 2021

An act to amend Section 16428.9 of the Government Code, and to amend Sections 39614, 39712, 43015, 44274, and 44282 of, to add Sections 39501, 39602.6, and 44295.5 to, and to add Chapter 3.6 (commencing with Section 39680) to Part 2 of Division 26 of, the Health and Safety Code, relating to air pollution.

### LEGISLATIVE COUNSEL'S DIGEST

AB 794, as amended, Carrillo. Air pollution: financial incentive programs. purchase of vehicles and vehicle technology: incentive programs: eligibility: labor and workforce standards.

Existing law establishes various *incentive* programs that are administered *or funded* by the State Air Resources Board to provide financial assistance for the purchase of zero-emission vehicles. vehicles and vehicle technology by individuals and fleet purchasers.

This bill would state the intent of the Legislature to enact subsequent legislation to provide the requisite authority to the state board to promulgate rules designed to maximize economic benefits of its grant, loan, and incentive programs.

This bill would establish specified labor and workforce standards that a manufacturer of vehicles or vehicle technology would be required to meet in order for the vehicles or vehicle technology to be eligible under the incentive programs. For this purpose, the bill would specify the percentage of incentives that a vehicle or vehicle technology would be eligible for, as provided. The bill would also establish specified labor

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and workforce standards that a fleet purchaser would be required to meet in order to be eligible to receive incentives under the incentive programs.

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

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

- 1 SECTION 1. Section 16428.9 of the Government Code is 2 amended to read:
  - 16428.9. (a) Prior to Before expending any moneys appropriated to it by the Legislature from the fund, a state agency shall prepare a record consisting of all of the following:
  - (1) A description of each expenditure proposed to be made by the state agency pursuant to the appropriation.
  - (2) A description of how a proposed expenditure will further the regulatory purposes of Division 25.5 (commencing with Section 38500) of the Health and Safety Code, including, but not limited to, the limit established under Part 3 (commencing with Section 38550) and other applicable requirements of law.
  - (3) A description of how a proposed expenditure will contribute to achieving and maintaining greenhouse gas emission reductions pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code.
  - (4) A description of how the state agency considered the applicability and feasibility of other nongreenhouse gas reduction objectives of Division 25.5 (commencing with Section 38500) of the Health and Safety Code.
  - (5) A description of how the state agency will document the result achieved from the expenditure to comply with Division 25.5 (commencing with Section 35800) of the Health and Safety Code.
  - (6) A description of how grant, loan, voucher, or other incentive programs for purchase of vehicles or vehicle technology that receive moneys from the fund are implementing the labor and workforce standards required by Chapter 3.6 (commencing with Section 39680) of Part 2 of Division 26 of the Health and Safety Code, as applicable.
  - (b) The State Air Resources Board shall develop guidance on reporting and quantification methods for all state agencies that receive appropriations from the fund to ensure the requirements

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of this section are met. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 does not apply to the procedures developed pursuant to this subdivision.

- (c) Nothing in this section alters, amends, or otherwise modifies in any manner Division 25.5 (commencing with Section 35800) of the Health and Safety Code, including the authority of the State Air Resources Board to adopt and implement a fee pursuant to that division.
- (d) If any expenditure of moneys from the fund for any measure or project is determined by a court to be inconsistent with law, the funding for the remaining measures or projects shall be severable and shall not be affected.
- SEC. 2. Section 39501 is added to the Health and Safety Code, to read:
- 39501. It is the intent of the Legislature that the state board maximize economic cobenefits by conditioning eligibility to participate in grant, loan, voucher, or other incentive programs to purchase vehicles or vehicle technology on compliance with the labor and workforce standards required by Chapter 3.6 (commencing with Section 39680).
- SEC. 3. Section 39602.6 is added to the Health and Safety Code, to read:
- 39602.6. The state board shall condition eligibility to participate in grant, loan, voucher, or other incentive programs to purchase vehicles or vehicle technology on compliance with the labor and workforce standards required by Chapter 3.6 (commencing with Section 39680), as applicable.
- SEC. 4. Section 39614 of the Health and Safety Code is amended to read:
- 39614. (a) For purposes of this section, the following definitions apply:
- (1) "2.0L partial consent decree" means the October 25, 2016, Amended Partial Consent Decree among the State Air Resources Board, Volkswagen AG et al., and the United States Department of Justice in the United States of America v. Volkswagen AG et al., Case No. 16-cv-295 (N.D. Cal.).
- 37 (2) "Investment plans" mean the plans required to be submitted 38 to the state board for approval pursuant to Appendix C of the 2.0L 39 partial consent decree.

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1 (3) "Lead agency" means the state agency appointed by the 2 Governor to implement Appendix D of the 2.0L partial consent decree.

- (4) "State board" means the State Air Resources Board.
- (5) "Volkswagen" means the defendants in the United States of America v. Volkswagen AG et al., Case No. 16-cv-295 (N.D. Cal.).
- (b) (1) The state board shall strive to ensure that investments made pursuant to Appendix C of the 2.0L partial consent decree are aligned with the state's priorities and provide for public transparency before approval.
- (2) The lead agency shall strive to ensure that the expenditures made pursuant to Appendix D of the 2.0L partial consent decree are aligned with the state's priorities and provide for public transparency before approval.
- (3) If an investment plan for grants, loans, vouchers, or other incentives is proposed after January 1, 2023, the plan shall condition funds on the labor and workforce standards required by Chapter 3.6 (commencing with Section 39680), as applicable.
- (c) (1) On and after the effective date of this section, the state board, in approving each of the investment plans proposed by Volkswagen, shall strive to ensure, to the maximum extent allowable under the 2.0L partial consent decree, both of the following:
- (A) At least 35 percent of funds for the investment plan benefit low-income or disadvantaged communities disproportionately affected by air pollution.
- (B) The periodic submission of progress reports to the state board on the implementation of the investment plan from Volkswagen or its subsidiary.
- (2) The state board shall approve each investment plan at a public hearing.
- (3) The state board shall post each proposed investment plan for public comment.
- (4) Notwithstanding Section 10231.5 of the Government Code and pursuant to Section 9795 of the Government Code, the state board shall report annually to the Legislature on the progress of the implementation of the investment plan.
- (d) (1) The lead agency shall strive to ensure, to the maximum extent allowable under the 2.0L partial consent decree, that 35

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percent of the moneys received pursuant to Appendix D of the 2.0L partial consent decree benefit low-income or disadvantaged communities disproportionately affected by air pollution.

- (2) Notwithstanding Section 10231.5 of the Government Code and pursuant to Section 9795 of the Government Code, the lead agency shall report annually to the Legislature on the proposed and actual expenditures of the moneys received pursuant to Appendix D of the 2.0L partial consent decree.
- SEC. 5. Chapter 3.6 (commencing with Section 39680) is added to Part 2 of Division 26 of the Health and Safety Code, to read:

### Chapter 3.6. Labor and Workforce Standards

## Article 1. General Provisions and Definitions

39680. (a) The Legislature finds and declares all of the following:

- (1) (A) California has established itself as a leader in national and international energy conservation and environmental stewardship.
- (B) The California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500)) charges the state board as the lead agency to monitor and regulate sources of emissions of greenhouse gases. That act has set a goal of reducing greenhouse gas emissions to 40 percent below the 1990 level by 2030. That act also authorizes the state board to develop market-based mechanisms, including the cap-and-trade system, which generates revenue for the Greenhouse Gas Reduction Fund, and other transactional mechanisms.
- (C) The state board, when expending moneys from the Greenhouse Gas Reduction Fund, is required to maximize economic and environmental cobenefits, including job-related cobenefits, as California builds a low-carbon economy.
- (D) However, the charge to seek job-related benefits is not required within any timeframe, nor is there any legislative guidance with respect to specific standards or implementation mechanisms.
- (E) While the charge to develop job-related cobenefits is explicit for the Greenhouse Gas Reduction Fund, it is implied rather than explicit for other clean air funds that the state board administers.

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1 (2) To clarify the need for job-related cobenefits, Chapter 135 2 of the Statutes of 2017 required the California Workforce 3 Development Board, in consultation with the state board, to submit 4 a report to the Legislature. The California Workforce Development 5 Board commissioned the Center for Labor Research and Education at the University of California, Berkeley, to prepare the report. 6 7 Published in June 2020, the report is entitled, Putting California 8 on the High Road: A Jobs and Climate Action Plan for 2030 (2020 9 Action Plan).

- (3) A study by the University of California shows that fleet purchasers have a significant disparity of compliance with clean vehicle regulations. While 83 percent of large firms that employ drivers comply, only 61 percent of contractors comply. Noncompliant trucks operated by contractors represent 44 percent of all noncompliant trucks, a significantly greater share than their share of all operating trucks. The study finds that many of the noncompliant contractors are actually misclassified employees who do not have the financial resources to comply with clean-vehicle regulations. Many companies take advantage of the fleet purchaser incentives but then pass on the cost of vehicles. maintenance, and upkeep to misclassified drivers who do not have the funds or ability to maintain those vehicles at a level that maximizes their environmental benefits. For example, in drayage, an investigation by USA Today found that "port trucking companies in Southern California have spent the past decade forcing drivers to finance their own trucks by taking on debt they could not afford." Drivers at dozens of companies "were handed a lease-to-own contract by their employer and given a choice: Sign immediately or be fired." Such sublease arrangements directly impede the state's ability to advance its environmental stewardship. Many contractors have later filed for bankruptcy, nullifying the benefit from the state's climate investments.
- (4) The 2020 Action Plan creates a "high road framework"
   based on demand-side strategies and supply-side strategies. The
   Action Plan does all of the following:
   (A) Stresses that "[d]emand-side strategies affect the demand
  - (A) Stresses that "[d]emand-side strategies affect the demand for labor, including the kinds of jobs that are generated, the skills that are needed, the wages and benefits employers provide, and who employers hire."

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(B) Emphasizes the importance of market participation through incentive programs: "[a]gencies responsible for implementing climate investments and other measures play a key role here because they direct public investment and influence private investments in lower carbon economic activity."

- (C) Proposes workforce standards that in general terms do all of the following:
  - (i) Create high-quality jobs.

- (ii) Prepare workers with the skills needed to adapt to and master new zero- and low-emission technologies.
- (iii) Broaden career opportunities for workers from disadvantaged communities.
  - (iv) Support workers whose jobs may be at risk.
- (D) Identifies industry sectors that pose challenges to attaining clean air objectives and opportunities to incentivize development of high-road jobs and working conditions. Among these are vehicle manufacturing and trucking, both of which the plan faults as high-risk subsectors for labor abuses, such as misclassification, unpaid wages, and denial of unemployment benefits, workers' compensation, or disability benefits.
- (b) In enacting this chapter, it is the intent of the Legislature to do all of the following:
- (1) Implement the 2020 Action Plan's high-road recommendations that would apply to crucial windows for high-road job development and working conditions. For vehicle manufacturing, the window is the span of several years immediately before receiving the incentive when the vehicle is designed and manufactured. For the trucking industry, the window is a longer span of years immediately after a fleet purchaser receives the incentive when the vehicle is placed in service.
- (2) Use market participation to increase demand for clean air vehicles through incentive programs to attain equity goals for jobs in disadvantaged communities and reward companies that respect worker rights. In so doing, the Legislature will require the state board to develop labor and workforce standards to determine eligibility for programs that provide clean air incentives for manufacturers of vehicles and technology and fleet purchasers that operate drayage and short-haul trucking in California.
- (3) Maximize the environmental benefits of its investments by ensuring that recipients of fleet purchaser subsidies operate the

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equipment in compliance with all state laws rather than taking advantage of state incentives and then selling or otherwise transferring the equipment in question.

- (4) Clarify that the state board's authority to maximize job-related cobenefits applies to all of the incentive funds and programs that it administers.
- (5) Collaborate with the Labor and Workforce Development Agency, including the California Workforce Development Board and the Labor Commissioner, to develop guidelines and implement contract remedies for labor and workforce standards that include repayment of incentive funds and public disclosure of labor and workforce data.
- (6) Expand upon the state board's current approach of using multiyear incentive contracts to clearly set the conditions for attaining the state's clean air objectives with workforce cobenefits. Relevant conditions already in place for heavy-duty trucks include compliance with state law and contract terms for multiyear ownership and control of the equipment.
- 39681. This chapter establishes labor and workforce standards as a cobenefit of incentive programs for the purchase of vehicles or vehicle technology that are based on clean air standards. To be eligible for an incentive program, a participant shall first meet the clean air standard, and then they may qualify for all or a percentage of that full incentive by meeting the labor and workforce standards under this chapter.
- 39682. For purposes of this chapter, the following definitions apply:
- (a) "Clean air standards" include the standards that the state board sets to reduce air pollution or reduce emissions of greenhouse gases pursuant to this division or Division 25.5 (commencing with Section 38500).
- (b) "Incentive" includes a grant, loan, voucher, or other incentive, regardless of the source of revenue that funds the incentive, for the purchase of motor vehicles or vehicle technology.
- (c) "Short-haul trucking service" means movement of goods by truck within an 150-air-mile radius of the normal working reporting location while in service within the state.
- 39683. (a) The state board, in consultation with the Labor and Workforce Development Agency, including the California Workforce Development Board and the Labor Commissioner, shall

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condition eligibility to participate in incentive programs for vehicle or vehicle technology purchasing on compliance with the labor and workforce standards described in this chapter.

- (b) (1) The state board, in collaboration with the Labor and Workforce Development Agency, including the California Workforce Development Board and the Labor Commissioner, shall develop operational guidelines for applying the standards in this chapter to incentive programs subject to this chapter. In these guidelines, the state board may interpret the scope of applicability, terms of labor and workforce standards, and implementation, consistent with this chapter.
- (2) The state board may solicit recommendations regarding implementation and delegate any duties in this chapter to the Labor and Workforce Development Agency.
- 39683.5. (a) The state board shall provide an opportunity for public input before finalizing the operational guidelines developed pursuant to this chapter.
- (b) Chapter 3.5 (commencing with Section 11340) of the Part 1 of Division 3 of Title 2 of the Government Code does not apply to the adoption of the operational guidelines.
- (c) The state board shall adopt the operational guidelines on or before April 1, 2022, after consultation pursuant to subdivision (b) of Section 39683 and after receiving public input pursuant to subdivision (a).
- (d) (1) On or before July 1, 2022, the state board shall determine whether there are any constraints to applying the requirements of Article 2 (commencing with Section 39690) and Article 3 (commencing with Section 39695) to each incentive program that is subject to this chapter.
- (2) In determining whether there are any constraints to implementation, the state board may consider consistency with the statutory goals of the incentive program to reduce air pollution or emissions of greenhouse gases and state board's capacity to enforce the applicable labor and workforce standards.
- (3) (A) Except as provided in subparagraph (B), this chapter applies to an incentive program on or before July 1, 2022.
- (B) If the state board determines that there are constraints preventing the application of the requirements of Article 2 (commencing with Section 39690) and Article 3 (commencing with Section 39695) to an incentive program, the state board shall notify

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1 the Legislature, on or before July 1, 2022, with a written report,

- 2 submitted in accordance with Section 9795 of the Government
- 3 Code, of findings and constraints, and possible remedies that would
- 4 eliminate the constraints in question. To the extent the state board
- 5 can implement the remedy, the state board shall do so as soon as
- 6 possible. To the extent that the state board cannot implement the
- 7 necessary remedy that would allow for the implementation of this
- 8 chapter to an incentive program, the state board shall include this
- 9 fact in its report to the Legislature. The state board may defer the
- 10 application of this chapter to the incentive program, not to exceed 11 one year from the time of notification to the Legislature.

39684. This chapter applies to all incentive programs for the purchase of vehicles or vehicle technology that receive funding from, or are administered by, the state board, including, but not limited to, all of the following:

- (a) An incentive program funded by a fund, including, but not limited to, all of the following funds:
  - (1) The Greenhouse Gas Reduction Fund.
- (2) The Air Quality Improvement Fund.
- 20 (3) The Carl Moyer Memorial Air Standards Attainment Trust 21 Fund.
  - (4) The Air Pollution Control Fund.
  - (b) An incentive program funded wholly or partially by the state board, including, but not limited to, all of the following:
- 25 (1) The Truck Loan Assistance Program under subdivision (c) 26 of Section 44274.
  - (2) A local or regional incentive program.
- 28 (3) A public-private partnership.
- 29 (c) An incentive program funded by a settlement fund under the 30 state board's jurisdiction, including, but not limited to, both of the 31 following:
- (1) The partial consent decree in United States of America v.
   Volkswagen AG et al., under Section 39614.
- 34 (2) The consent decree in United States of America v. Daimler
- 35 AG and Mercedes-Benz USA, LLC,, Case No. 1:20-vc-2564 (N.D.
- 36 Cal.) and the partial consent decree in People of the State of
- 37 California v. Daimler AG and Mercedes-Benz USA, LLC,. Case
- 38 No. 1:20-cv-2565 (N.D. Cal.).
- 39 39685. This chapter establishes baseline standards, job quality
- 40 standards, and a structure for full or partial eligibility to

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participate in incentive programs for the purchase of vehicles or vehicle technology. This chapter applies the standards to the following program participants:

(a) Manufacturers of vehicles and technology.

- (b) Fleet purchasers of vehicles and vehicle technology for drayage and short-haul trucking services within the state. The standards do not apply to other fleet purchases for operations outside of this scope.
- 39686. The state board or an agency administering an incentive program subject to this chapter, in collaboration with the Labor Commissioner, shall enforce the standards set forth in Article 2 (commencing with Section 39690) and Article 3 (commencing with Section 39695).
- 39687. (a) The Labor Commissioner, at the request of the agency administering an incentive program or the state board, may investigate an allegation regarding a violation of the standards set forth in Article 2 (commencing with Section 39690) or Article 3 (commencing with Section 39695).
- (b) Unless contrary to Section 19542 of the Revenue and Taxation Code, and notwithstanding any other law or effort to maintain their secrecy, the data and certifications disclosed by a manufacturer pursuant to Article 2 (commencing with Section 39690) or a fleet purchaser pursuant to Article 3 (commencing with Section 39695) are public records that may be disclosed to the public and are not trade secrets.
- (c) The state board shall develop an internet website that displays public information from manufacturers or fleet purchasers participating in incentive programs that are subject to this chapter regarding their disclosures and certifications of compliance with the labor and workforce standards.
- 39687.5. (a) (1) In addition to requiring accurate certification of compliance and disclosure of data, the state board or the agency administering an incentive program shall require that manufacturers of a vehicle or vehicle technology eligible for an incentive sign a contract conditioning the eligibility on compliance with this chapter.
- (2) In addition to requiring accurate certification of compliance and disclosure of data, the state board or the agency administering an incentive program shall require that fleet purchasers receiving

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1 an incentive sign contracts conditioning any incentive received on
2 compliance with this chapter.

- (b) The contract entered into pursuant to subdivision (a) shall state a timeframe for compliance with standards under this chapter, as follows:
- (1) For manufacturers, the timeframe includes the application process and the three-year period before a vehicle is eligible to receive the incentive.
- (2) For fleet purchasers, the timeframe includes the application process and a multiyear period after receiving the incentive of at least 10 years.

39688. A manufacturer of a vehicle or vehicle technology that is eligible to participate in, or a fleet purchaser receiving an incentive from, an incentive program subject to this chapter shall apply the labor and workforce standards set forth in Article 2 (commencing with Section 39695), as applicable, in its contracts with subcontractors and suppliers.

39688.5. (a) If an agency administering an incentive program, the state board, or the Labor Commissioner finds that a manufacturer of vehicles or vehicle technology that is eligible for an incentive is in violation of the standards set forth in Article 2 (commencing with Section 39690), the vehicles or vehicle technology of that manufacturer shall not be eligible for an incentive under the incentive program and the manufacturer shall be liable for the repayment of an amount that is equal to the total aggregate amount of all incentives provided for the purchase of the vehicle or vehicle technology of that manufacturer under the incentive programs subject to this chapter.

- (b) If an agency administering an incentive program, the state board, or the Labor Commissioner finds that a fleet purchaser receiving an incentive is in violation of the standards set forth in Article 3 (commencing with Section 39695), or that the fleet purchaser failed to make correct and accurate disclosures required under Section 39698, the fleet purchaser shall be liable for the repayment of an amount that is equal to the total aggregate amount of incentives received by the fleet purchaser during the preceding 10 years.
- 39 (c) The contract remedies specified in this section shall also 40 bind the manufacturer's or the fleet purchaser's successors or

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assignees. The Labor Commissioner, the state board, or the agency administering the incentive program may require that a successor or assignee to repay any incentives received by manufacturers or fleet purchasers.

39689. The provisions of this chapter are severable. If any provision of this chapter or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

# Article 2. Vehicle Manufacturing Labor and Workforce Standards

- 39690. (a) This article establishes labor and workforce standards for manufacturers to meet to qualify their vehicle or vehicle technology, excluding public transit buses, for incentive programs subject to this chapter.
- (b) A vehicle or vehicle technology is eligible for an incentive if the manufacturer demonstrates to the agency administering the incentive program and the state board that it is in compliance with the labor and workforce standards set forth in Sections 39691 and 39692 for the prior three-year period.
- 39691. For a vehicle or vehicle technology to be eligible for a baseline incentive amount under Section 39693 or 39694, a manufacturer shall meet all of the following requirements:
- (a) (1) Comply with the labor laws of the state where the vehicle or vehicle technology is manufactured.
- (2) A manufacturer shall have a three-year history of compliance with state labor laws, including, but not limited to, classification of employees, wages and hours, unemployment compensation, and occupational safety and health.
- (3) A manufacturer shall certify to the agency administering the incentive program compliance for the past three years with state labor laws that apply to the point of manufacturing of vehicles that qualify for an incentive.
  - (b) (1) Respect internationally recognized labor rights.
- (2) A manufacturer shall comply with internationally recognized labor rights in its supply chain of imported components. These rights include, but are not limited to, the prohibitions on forced labor, child labor, and discrimination with respect to work, and the freedom of association and right to organize.

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1 (3) A manufacturer shall certify to the agency administering 2 the incentive program and the state board compliance with 3 internationally recognized labor rights. The state board may 4 provide standards for this certification based on the California Sweatfree Policy, Section 6108 of the Public Contract Code, the 5 core conventions of the International Labour Organization, Social 6 7 Accountability 8000 standards, or comparable certification 8 standards.

(c) Achieve both of the following:

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- (1) Assemble 100 percent of the vehicle, at the final assembly point, in the United States.
- (2) Produce battery and nonbattery domestic content as provided in Section 39693 for light-duty vehicles or Section 39694 for medium- or heavy-duty vehicles.
- (d) Disclose data that supports the certification of compliance with this section and Section 39692.
- 39692. For a vehicle or vehicle technology to be eligible for the amount under subdivision (b) of Section 39693 or Section 39694, a manufacturer shall do all of the following:
- (a) Demonstrate to the agency administering the incentive program and the state board its commitment to hiring disadvantaged workers by doing both of the following:
- (1) Demonstrate that it has commitments through a community partnership to recruit, hire, and train all of the following:
- (A) Individuals with employment barriers that limit their ability to gain employment, including, but not limited to, unemployment, lack of work experience, lack of English language skills, technical skills or educational attainment, criminal justice history, disability status, foster care history, vulnerability to discrimination, or other barriers. The state board may further define the scope of employment barriers with reference to eligibility factors for unemployment insurance in California or other states.
- (B) Workers who have been displaced, on and after January 1, 2020, from the fossil fuel industry for nondisciplinary reasons after more than six months of service.
- (2) Disclose to the agency administering the incentive program 36 and the state board both of the following:
- (A) A community benefit or workforce agreement that commits 38 to hiring and training workers, to the extent it is available.

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(B) Data showing that the manufacturer has hired disadvantaged workers, including those recruited through a community partnership.

- (b) Demonstrate to the agency administering the incentive program and the state board participation in job training programs by doing both of the following:
- (1) Produce vehicle or vehicle technology using apprentices who are certified by a state or federal program, in conjunction with a contractually mandated training program or a plan provided to the state to train production workers, in the skills and technical knowledge needed to manufacture the vehicle and related technologies.
- (2) Certify or disclose data to the agency administering the incentive program and the state board that demonstrates its use of certified apprentices, contractually mandated training, or a plan to train production workers.
- (c) (1) Demonstrate to the agency administering the incentive program and the state board that it pays workers in a facility where the vehicle or vehicle technology is assembled the following:
- (A) For all workers, at least 120 percent of the California minimum wage.
- (B) For production workers, the prevailing wage for specific occupational titles. The state board may provide guidance on the prevailing wage based on data for average wages reported for production employees in the motor vehicle industry by the United States Bureau of Labor Statistics Occupational Employment Statistics.
- (2) The manufacturer shall disclose to the agency administering the incentive program and the state board the wage average and range that it pays for specific occupational titles in facilities that assemble vehicles or vehicle technologies.
- (d) (1) Preserve employee access to dispute settlement options available under the laws of the state where the vehicle or vehicle technology is assembled.
- (2) The manufacturer shall disclose to the agency administering the incentive program and the state board the incentive program policies or contract terms that preserve dispute options, including access to public agencies and courts, and availability of judicial remedies.

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 (e) Demonstrate to the agency administering the incentive program and the state board its commitment to using full-time employees by disclosing both of the following:

- (1) A community benefit or workforce agreement that sets full-time employment as a goal.
- (2) The number and percentage of its employees who are full time and part time, permanent and temporary, and direct hire and contractor employees.
- 39693. Incentives provided to light-duty vehicle or vehicle technology shall be as follows:
- (a) (1) For a manufacturer that demonstrates compliance with Section 39691, a light-duty vehicle or vehicle technology shall be eligible for incentives as follows:
- (A) For a vehicle with nonbattery components that are produced in the United States and the nonbattery components represent up to 50 percent of the value of the vehicle, the vehicle is eligible for up to 25 percent of the incentive provided under the incentive program.
- (B) For a vehicle with nonbattery components that are produced in the United States and the nonbattery components represent between 50 and 75 percent of the value of the vehicle, the vehicle is eligible for up to 42.5 percent of the incentive provided under the incentive program.
- (C) For a vehicle with nonbattery components that are produced in the United States and the nonbattery components represent between 75 and 100 percent of the value of the vehicle, the vehicle is eligible for up to 60 percent of the incentive provided under the incentive program.
- (2) On and after January 1, 2025, for a vehicle or vehicle technology to be eligible for the incentive under paragraph (1), all batteries and fuel cells for the vehicle or vehicle technology shall be produced in the United States.
- (b) For a manufacturer that demonstrates compliance with Sections 39691 and 39692, a light-duty vehicle or vehicle technology shall be eligible for an additional 40 percent of the incentive provided under the incentive program.
- 39694. A medium- or heavy-duty vehicle or vehicle technology shall be eligible for incentives if the manufacturer complies with Sections 39691 and 39692. The incentive provided shall be based on the model year of the vehicle or vehicle technology and the

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percentage of nonbattery components produced in the United States as follows:

- (a) (1) For model year 2023 vehicles with nonbattery components that are produced in the United States and the nonbattery components represent less than 60 percent of the value of the vehicle, 75 percent of the incentive shall be provided.
- (2) For model year 2023 vehicles with nonbattery components that are produced in the United States and the nonbattery components represent 60 percent or more of the value of the vehicle, 100 percent of the incentive shall be provided.
- (b) Model year 2024 vehicles with nonbattery components that are produced in the United States and the nonbattery components represent at least 65 percent of the value of the vehicle shall be eligible under the incentive program.
- (c) Model year 2025 vehicles with nonbattery components that are produced in the United States and the nonbattery components represent at least 70 percent of the value of the vehicle shall be eligible under the incentive program.
- (d) Model year 2026 vehicles with nonbattery components that are produced in the United States and the nonbattery components represent at least 75 percent of the value of the vehicle shall be eligible under the incentive program.
- (e) Model year 2027 and later model year vehicles with nonbattery components that are produced in the United States and the nonbattery components represent at least 80 percent of the value of the vehicle shall be eligible under the incentive program.

### Article 3. Fleet Purchaser Labor and Workforce Standards

39695. For purposes of this chapter, the following definitions apply:

- (a) "Applicable laws" mean California labor, employment, payroll tax, and health and safety laws and regulations, including, but not limited to, classification of employees, wages and hours, unemployment compensation, and occupational health and safety.
- (b) "Fleet operations" includes, but is not limited to, port drayage service and short-haul transport of goods. The state board may adopt guidance to interpret the scope of these operations to conform with law.

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39696. (a) A fleet purchaser of vehicles or vehicle technologies is eligible to participate in an incentive program subject to this chapter if it is in compliance with all applicable laws at the time of applying for the incentive.

- (b) A fleet purchaser is not eligible to participate in an incentive program subject to this chapter if there are final unsatisfied or unabated judgments, rulings, citations, decisions, orders, or awards finding that the fleet purchaser has violated applicable law with regards to its fleet operations.
- (c) A fleet purchaser that is on the list maintained by the Division of Labor Standards Enforcement under Section 2810.4 of the Labor Code is not eligible to participate in an incentive program subject to this chapter.
- (d) The state board may accept information from a person regarding a fleet purchaser's compliance with applicable laws.
- (e) The state board shall affirmatively collaborate with the Department of Industrial Relations or the Labor Commissioner to identify fleet purchasers that are not in compliance with applicable laws.
- (f) A fleet purchaser is eligible to participate in an incentive program only if it preserves for its employees access to dispute settlement options under state law, including access to state agencies and the courts, and judicial remedies.
- 39697. (a) A fleet purchaser that receives incentives for the purchase of vehicles or vehicle technologies shall use the vehicle or vehicle technology purchased with the incentives for its own operation under its own operating authority and shall not sublease or otherwise transfer the interest in the vehicle or vehicle technology within 10 years of the purchase.
- (b) A fleet purchaser shall retain direct control over the manner and means for performance of any individual or entity using or driving the vehicle or vehicle technology.
- 39698. (a) (1) Upon application for an incentive, a fleet purchaser shall certify compliance with Section 39695 and make the disclosure required under this section.
- (2) (A) A fleet purchaser that receives an incentive as a grant, loan, or other form of agreement shall, on a yearly basis, for the life of the grant, loan, or agreement, or for 10 years after the receipt of the incentive, whichever is longer, certify compliance with Section 39695 and make the disclosure required pursuant to

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this section to the agency administering the incentive program and to the state board.

- (B) A fleet purchaser that receives an incentive as a one-time rebate or voucher, on a yearly basis, for period of 10 years after the receipt of the incentive, shall certify compliance with Section 39695 and make the disclosure required pursuant to this section to the agency administering the incentive program and the state board.
- (b) A fleet purchaser applying for an incentive, upon application, shall disclose to the agency administering the incentive program and to the state board all of the following:
- (1) A copy of any judgments, rulings, citations, decisions, orders, or awards finding that the fleet purchaser or any parent company or subsidiary or other commonly controlled entity has violated any applicable law that remains unsatisfied or unabated as of the date of application, even if they are being appealed.
- (2) A copy of any judgments, rulings, citations, decisions, orders, or award findings, after the date of application, that the fleet purchaser or any parent company or subsidiary or other commonly controlled entity has violated any labor, employment, or health and safety law or regulation.
- (3) A list of all operating authorities under which the vehicle or vehicle technology purchased will be or was operated.
- (c) A fleet purchaser that receives incentives as a grant, loan, or other form of agreement shall, on a yearly basis, for the life of the grant, loan, or agreement, disclose to the agency administering the incentive program and the state board, all of the following:
  - (1) Information required pursuant to this chapter.
- (2) A list of all of the individuals who have operated that vehicle or vehicle technology.
- (3) A certification that the fleet purchaser maintained control of the individuals operating the vehicle or vehicle technology, and maintained control of the vehicle or vehicle technology.
- (4) A certification that the fleet purchaser has completed all required maintenance and upkeep on the vehicle or vehicle technology purchased with the incentive.
- (d) A fleet purchaser shall disclose to the agency administering the incentive program and the state board policies and contract terms that preserve for its employees access to dispute settlement options under state law.

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1 SEC. 6. Section 39712 of the Health and Safety Code is 2 amended to read:

- 39712. (a) (1) It is the intent of the Legislature that moneys shall be appropriated from the fund only in a manner consistent with the requirements of this chapter and Article 9.7 (commencing with Section 16428.8) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code.
- (2) The state shall not approve allocations for a measure or program using moneys appropriated from the fund except after determining, based on the available evidence, that the use of those moneys furthers the regulatory purposes of Division 25.5 (commencing with Section 38500) and is consistent with law. If any expenditure of moneys from the fund for any measure or project is determined by a court to be inconsistent with law, the allocations for the remaining measures or projects shall be severable and shall not be affected.
- (3) An eligible expenditure of moneys appropriated to the Department of Community Services and Development may occur over multiple fiscal years and the department may make multiyear funding commitments over a period of more than one fiscal year.
- (b) Moneys shall be used to facilitate the achievement of reductions of greenhouse gas emissions in this state consistent with Division 25.5 (commencing with Section 38500) and, where applicable and to the extent feasible:
- (1) Maximize economic, environmental, and public health benefits to the state.
- (2) Foster job creation by promoting in-state greenhouse gas emissions reduction projects carried out by California workers and businesses.
  - (3) Complement efforts to improve air quality.
- (4) Direct investment toward the most disadvantaged communities and households in the state.
- (5) Provide opportunities for businesses, public agencies, Native American tribes in the state, nonprofits, and other community institutions to participate in and benefit from statewide efforts to reduce greenhouse gas emissions.
- (6) Lessen the impacts and effects of climate change on the state's communities, economy, and environment.
- (c) Moneys appropriated from the fund may be allocated, consistent with subdivision (a), for the purpose of reducing

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greenhouse gas emissions in this state through investments that may include, but are not limited to, any of the following:

- (1) Funding to reduce greenhouse gas emissions through energy efficiency, clean and renewable energy generation, distributed renewable energy generation, transmission and storage, and other related actions, including, but not limited to, at public universities, state and local public buildings, and industrial and manufacturing facilities.
- (2) Funding to reduce greenhouse gas emissions through the development of state-of-the-art systems to move goods and freight, advanced technology vehicles and vehicle infrastructure, advanced biofuels, and low-carbon and efficient public transportation.
- (3) Funding to reduce greenhouse gas emissions associated with water use and supply, land and natural resource conservation and management, forestry, and sustainable agriculture.
- (4) Funding to reduce greenhouse gas emissions through strategic planning and development of sustainable infrastructure projects, including, but not limited to, transportation and housing.
- (5) Funding to reduce greenhouse gas emissions through increased in-state diversion of municipal solid waste from disposal through waste reduction, diversion, and reuse.
- (6) Funding to reduce greenhouse gas emissions through investments in programs implemented by local and regional agencies, local and regional collaboratives, Native American tribes in the state, and nonprofit organizations coordinating with local governments.
- (7) Funding research, development, and deployment of innovative technologies, measures, and practices related to programs and projects funded pursuant to this chapter.
- (d) Moneys directed to grant, loan, voucher, or other incentive programs shall be conditioned on the requirements of Chapter 3.6 (commencing with Section 39680), as applicable.
- SEC. 7. Section 43015 of the Health and Safety Code is amended to read:
- 43015. (a) The Air Pollution Control Fund is continued in existence in the State Treasury. Upon appropriation by the Legislature, the money in the fund shall be available to the state board to carry out its duties and functions.
- 39 (b) Projects using grants, loans, vouchers, or other incentives 40 funded in part or whole by the Air Pollution Control Fund shall

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be conditioned on the requirements of Chapter 3.6 (commencing
with Section 39680) of Part 2, as applicable. The state board may
include in an existing report its description of how projects funded
by the Air Pollution Control Fund are implementing the labor and
workforce standards described in Chapter 3.6 (commencing with
Section 39680) of Part 2, as applicable.

SEC. 8. Section 44274 of the Health and Safety Code is amended to read:

- 44274. (a) The Air Quality Improvement Program is hereby created. The program shall be administered by the state board, in consultation with the districts. The state board shall develop guidelines to implement the program. Prior to the adoption of the guidelines, the state board shall hold at least one public hearing. In addition, the state board shall hold at least three public workshops with at least one workshop in northern California, one in the central valley, and one in southern California. The purpose of the program shall be to fund, upon appropriation by the Legislature, air quality improvement projects relating to fuel and vehicle technologies. The primary purpose of the program shall be to fund projects to reduce criteria air pollutants, improve air quality, and provide funding for research to determine and improve the air quality impacts of alternative transportation fuels and vehicles, vessels, and equipment technologies.
- (b) The state board shall provide preference in awarding funding to those projects with higher benefit-cost scores that maximize the purposes and goals of the Air Quality Improvement Program. The state board also may give additional preference based on the following criteria, as applicable, in funding awards to projects:
- (1) Proposed or potential reduction of criteria or toxic air pollutants.
  - (2) Contribution to regional air quality improvement.
- (3) Ability to promote the use of clean alternative fuels and vehicle technologies as determined by the state board, in coordination with the commission.
- (4) Ability to achieve climate change benefits in addition to criteria pollutant or air toxic emissions reductions.
- (5) Ability to support market transformation of California's vehicle or equipment fleet to utilize low carbon or zero-emission technologies.
  - (6) Ability to leverage private capital investments.

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(c) The program shall be limited to competitive grants, revolving loans, loan guarantees, loans, and other appropriate funding measures that further the purposes of the program. Projects to be funded shall include only the following:

- (1) Onroad and off-road equipment projects that are cost effective.
- (2) Projects that provide mitigation for off-road gasoline exhaust and evaporative emissions.
- (3) Projects that provide research to determine the air quality impacts of alternative fuels and projects that study the life-cycle impacts of alternative fuels and conventional fuels, the emissions of biofuel and advanced reformulated gasoline blends, and air pollution improvements and control technologies for use with alternative fuels and vehicles.
- (4) Projects that augment the University of California's agricultural experiment station and cooperative extension programs for research to increase sustainable biofuels production and improve the collection of biomass feedstock.
- (5) Incentives for small off-road equipment replacement to encourage consumers to replace internal combustion engine lawn and garden equipment.
- (6) Incentives for medium- and heavy-duty vehicles and equipment mitigation, including all of the following:
  - (A) Lower emission schoolbus programs.
- (B) Electric, hybrid, and plug-in hybrid onroad and off-road medium- and heavy-duty equipment.
- (C) Regional air quality improvement and attainment programs implemented by the state or districts in the most impacted regions of the state.
- (7) Workforce training initiatives related to advanced energy technology designed to reduce air pollution, including state-of-the-art equipment and goods, and new processes and systems. Workforce training initiatives funded shall be broad-based partnerships that leverage other public and private job training programs and resources. These partnerships may include, though are not limited to, employers, labor unions, labor-management partnerships, community organizations, workforce investment boards, postsecondary education providers including community colleges, and economic development agencies.

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(8) Incentives to identify and reduce emissions from high-emitting light-duty vehicles.

- (d) (1) Beginning January 1, 2011, the state board shall submit to the Legislature a biennial report to evaluate the implementation of the Air Quality Improvement Program established pursuant to this chapter.
  - (2) The report shall include all of the following:
- (A) A list of projects funded by the Air Quality Improvement Account.
- (B) The expected benefits of the projects in promoting clean, alternative fuels and vehicle technologies.
- (C) Improvement in air quality and public health, greenhouse gas emissions reductions, and the progress made toward achieving these benefits.
- (D) The impact of the projects in making progress toward attainment of state and federal air quality standards.
  - (E) Recommendations for future actions.
- (3) The state board may include the information required to be reported pursuant to paragraph (1) in an existing report to the Legislature as the state board deems appropriate. The state board may also include in an existing report the description of how grant, loan, voucher, or other incentive projects that receive moneys from the Air Quality Improvement Fund are implementing the labor and workforce standards required by Chapter 3.6 (commencing with Section 39680) of Part 2, as applicable.
- (e) Projects using grants, loans, vouchers, or other incentives funded in part or whole by the Air Quality Improvement Fund shall be conditioned on the requirements of Chapter 3.6 (commencing with Section 39680) of Part 2, as applicable.
- SEC. 9. Section 44282 of the Health and Safety Code, as amended by Section 9 of Chapter 610 of the Statutes of 2015, is amended to read:
- 44282. The following criteria apply to all projects to be funded through the program except for projects funded through the infrastructure demonstration program and infrastructure projects, pursuant to subdivision (c) of Section 44281 and Section 44284:
- (a) The state board may establish project criteria, including minimum project life for source categories, in the guidelines described in Section 44287. For previously unregulated source

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categories, project criteria shall consider the timing of newly established regulatory requirements.

- (b) To be eligible, projects shall meet the cost-effectiveness per ton of covered emissions reduced requirements of Section 44283.
- (c) To be eligible, retrofits, repowers, and installation of add-on equipment for covered vehicles shall be performed, or new covered vehicles delivered to the end user, or covered vehicles scrapped on or after the date the program is implemented.
- (d) Retrofit technologies, new engines, and new vehicles shall be certified for sale or under experimental permit for operation in California.
- (e) Repower projects that replace older, uncontrolled engines with new, emissions-certified engines or that replace emissions-certified engines with new engines certified to a more stringent NO<sub>x</sub> emissions standard are approvable subject to the other applicable selection criteria. The state board shall determine appropriate baseline emission levels for the uncontrolled engines being replaced.
- (f) For heavy-duty-vehicle projects, retrofit and add-on equipment projects shall document a  $NO_x$  or PM emission reduction of at least 25 percent and no increase in other covered emissions compared to the applicable baseline emissions accepted by the state board for that engine year and application. The state board shall determine appropriate baseline emission levels. Acceptable documentation shall be defined by the state board. After study of available emission reduction technologies and after public notice and comment, the state board may revise the minimum percentage emission reduction criterion for retrofits and add-on equipment provided for in this section to improve the ability of the program to achieve its goals.
- (g) (1) For heavy-duty-vehicle projects involving the purchase of new very low or zero-emission vehicles, engines shall be certified to an optional low  $NO_x$  emissions standard established by the state board, except as provided for in paragraph (2).
- (2) For heavy-duty-vehicle projects involving the purchase of new very low or zero-emission covered vehicles for which no optional low  $NO_x$  emission standards are available, documentation shall be provided showing that the low or zero-emission engine emits not more than 70 percent of the  $NO_x$  or  $NO_x$  plus hydrocarbon emissions of a new engine certified to the applicable

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baseline NO<sub>x</sub> or NO<sub>x</sub> plus hydrocarbon emission standard for that
 engine and meets applicable particulate standards. The state board
 shall specify the documentation required. If no baseline emission
 standard exists for new vehicles in a particular category, the state
 board shall determine an appropriate baseline emission level for
 comparison.

- (h) For projects other than heavy-duty-vehicle projects, the state board shall determine appropriate criteria under the provisions of Section 44287.
- (i) Projects using grants, loans, vouchers, or other incentives pursuant to this chapter shall condition eligibility on the requirements of Chapter 3.6 (commencing with Section 39680) of Part 2, as applicable.

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- (j) This section shall remain in effect only until January 1, 2024, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2024, deletes or extends that date.
- SEC. 10. Section 44282 of the Health and Safety Code, as amended by Section 22 of Chapter 401 of the Statutes of 2013, is amended to read:
- 44282. The following criteria apply to all projects to be funded through the program except for projects funded through the infrastructure demonstration program:
- (a) Except for projects involving marine vessels, 75 percent or more of vehicle miles traveled or hours of operation shall be projected to be in California for at least five years following the grant award. Projects involving marine vessels and engines shall be limited to those that spend enough time operating in California air basins over the lifetime of the project to meet the cost-effectiveness criteria based on NO<sub>x</sub> reductions in California, as provided in Section 44283.
- (b) To be eligible, projects shall meet cost-effectiveness per ton of NO<sub>x</sub> reduced requirements of Section 44283.
- (c) To be eligible, retrofits, repowers, and installation of add-on equipment for covered vehicles shall be performed, or new covered vehicles delivered to the end user, on or after the date the program is implemented.
- (d) Retrofit technologies, new engines, and new vehicles shall be certified for sale or under experimental permit for operation in California.

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(e) Repower projects that replace older, uncontrolled engines emissions-certified engines or emissions-certified engines with new engines certified to a more stringent NO<sub>x</sub> emissions standard are approvable subject to the other applicable selection criteria. The state board shall determine appropriate baseline emission levels for the uncontrolled engines being replaced.

- (f) Retrofit and add-on equipment projects shall document a NO<sub>x</sub> emission reduction of at least 25 percent and no increase in particulate emissions compared to the applicable baseline emissions accepted by the state board for that engine year and application. The state board shall determine appropriate baseline emission levels. Acceptable documentation shall be defined by the state board. After study of available emission reduction technologies and after public notice and comment, the state board may revise the minimum percentage NO<sub>x</sub> reduction criterion for retrofits and add-on equipment provided for in this section to improve the ability of the program to achieve its goals.
- (g) (1) For projects involving the purchase of new very low or zero-emission vehicles, engines shall be certified to an optional low NO<sub>x</sub> emissions standard established by the state board, except as provided for in paragraph (2).
- (2) For projects involving the purchase of new very low or zero-emission covered vehicles for which no optional low NO<sub>x</sub> emission standards are available, documentation shall be provided showing that the low or zero-emission engine emits not more than 70 percent of the NO<sub>x</sub> or NO<sub>x</sub> plus hydrocarbon emissions of a new engine certified to the applicable baseline NO<sub>x</sub> or NO<sub>x</sub> plus hydrocarbon emission standard for that engine and meets applicable particulate standards. The state board shall specify the documentation required. If no baseline emission standard exists for new vehicles in a particular category, the state board shall determine an appropriate baseline emission level for comparison.
- (h) Projects using grants, loans, vouchers, or other incentives pursuant to this chapter shall condition eligibility on the requirements of Chapter 3.6 (commencing with Section 39680) of
- 37 Part 2, as applicable.
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(i) This section shall become operative on January 1, 2024.

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1 SEC. 11. Section 44295.5 is added to the Health and Safety 2 Code, to read: 3 44295.5. Beginning January 1, 2023, any program funded by

44295.5. Beginning January 1, 2023, any program funded by the Carl Moyer Memorial Air Quality Standards Attainment Program that provides grants, loans, vouchers, or other incentives shall comply with the reporting requirements in Chapter 3.6 (commencing with Section 39680) of Part 2. The state board may include in an existing report its description of how Carl Moyer programs are implementing the labor and workforce standards required by Chapter 3.6 (commencing with Section 39680) of Part 2, as applicable.

SECTION 1. It is the intent of the Legislature to enact subsequent legislation to provide the requisite authority to the State Air Resources Board to promulgate rules designed to maximize economic benefits of its grant, loan, and incentive programs.

## AMENDED IN SENATE MARCH 3, 2021

# **SENATE BILL**

No. 67

### **Introduced by Senator Becker**

December 7, 2020

An act relating to energy. An act to amend Section 25746 of the Public Resources Code, and to amend Sections 399.11, 399.12, 399.13, 399.21, 399.25, 399.26, 399.30, 399.31, 399.33, 454.52, and 454.53 of, to amend the heading of Article 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1 of Division 1 of, and to add Section 399.15.1 to, the Public Utilities Code, relating to energy.

### LEGISLATIVE COUNSEL'S DIGEST

SB 67, as amended, Becker. Clean Energy: California 24/7 Clean Energy Standard Program.

Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations. The California Renewables Portfolio Standard Program requires the PUC to establish a renewables portfolio standard requiring all retail sellers, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources, as defined, so that the total kilowatthours of those products sold to their retail end-use customers achieves 25% of retail sales by December 31, 2016, 33% by December 31, 2020, 44% by December 31, 2024, 52% by December 31, 2027, and 60% by December 31, 2030. The program requires the PUC to establish appropriate 3-year compliance periods for all subsequent years that require retail sellers to procure not less than 60% of retail sales of electricity products from eligible renewable energy resources. The program additionally requires each local publicly owned electric utility, as defined, to procure a minimum quantity of electricity

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products from eligible renewable energy resources to achieve the procurement requirements established by the program. The program requires the State Energy Resources Conservation and Development Commission (*Energy Commission*) to establish appropriate multiyear compliance periods for all subsequent years that require the local publicly owned electric utility to procure not less than 60% of retail sales of electricity products from eligible renewable energy resources.

Existing law establishes as policy of the state that eligible renewable energy resources and zero-carbon resources supply 100% of retail sales of electricity to California end-use customers and 100% of electricity procured to serve all state agencies by December 31, 2045.

This bill would state the intent of the Legislature to enact subsequent legislation to accelerate the state's progress toward having 100% of electricity provided by renewable or other zero-carbon sources on a 24-hour, 7-day basis.

This bill would revise that policy to establish a goal that 100% of electrical load be supplied by eligible clean energy resources, as defined. The bill would establish the California 24/7 Clean Energy Standard Program, which would require that 85% of retail sales annually and at least 60% of retail sales within certain subperiods by December 31, 2030, and 90% of retail sales annually and at least 75% of retail sales within certain subperiods by December 31, 2035, be supplied by eligible clean energy resources, as defined. The bill would require the Energy Commission, in consultation with the PUC and California balancing authorities, to establish compliance periods and subperiods that meet certain criteria. The bill would require the PUC to establish for each retail seller, and the Energy Commission for each local publicly owned electric utility, clean energy procurement requirements for each compliance period and subperiod, as provided. Because the bill would impose additional duties on local publicly owned electric utilities, this bill would impose a state-mandated local program.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill would be a part of the act and because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.

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Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for specified reasons.

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

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

1 SECTION 1. Section 25746 of the Public Resources Code is 2 amended to read:

25746. If the commission provides funding for a regional accounting system to verify compliance with the renewables portfolio standard *and clean energy standard* by retail sellers, pursuant to subdivision (b) of Section 399.25 of the Public Utilities Code, the commission shall recover all costs from user fees.

SEC. 2. The heading of Article 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code is amended to read:

Article 16. California Renewables Portfolio Standard Program and California 24/7 Clean Energy Standard Program

- SEC. 3. Section 399.11 of the Public Utilities Code is amended to read:
- 399.11. The Legislature finds and declares all of the following:
- (a) In order to (1) To attain a target of generating 20 percent of total retail sales of electricity in California from eligible renewable energy resources by December 31, 2013, 33 percent by December 31, 2020, 50 percent by December 31, 2026, and 60 percent by December 31, 2030, it is the intent of the Legislature that the commission and the Energy Commission implement the California Renewables Portfolio Standard Program described in this article.
- (2) To attain a target of having 100 percent of electrical loads in the state be supplied by eligible clean energy resources by December 31, 2045, with interim targets of 85 percent of retail sales annually and at least 60 percent of retail sales within the net peak subperiod, by December 31, 2030, and 90 percent of retail sales annually and at least 75 percent of retail sales within the net peak subperiod by December 31, 2035, it is the intent of the

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Legislature that the commission and the Energy Commission
 implement the California 24/7 Clean Energy Standard Program
 described in this article.

- (b) Achieving the renewables portfolio standard *and clean energy standard* through the procurement of various electricity products from eligible renewable energy resources is intended to provide unique benefits to California, including all of the following, each of which independently justifies the program: these programs:
  - (1) Displacing fossil fuel consumption within the state.
- (2) Adding new electrical generating facilities in the transmission network within the WECC service area.
- (3) Reducing air pollution, particularly criteria pollutant emissions and toxic air contaminants, in the state.
- (4) Meeting the state's climate change goals by reducing emissions of greenhouse gases associated with electrical generation.
  - (5) Promoting stable retail rates for electric service.
- (6) Meeting the state's need for a diversified and balanced energy generation portfolio.
- (7) Assisting with meeting the state's resource adequacy requirements.
- (8) Contributing to the safe and reliable operation of the electrical grid, including providing predictable electrical supply, voltage support, lower line losses, and congestion relief.
- (9) Implementing the state's transmission and land use planning activities related to development of eligible renewable energy resources.
- (c) The California Renewables Portfolio Standard Program is intended to complement the Renewable Energy Resources Program administered by the Energy Commission and established pursuant to Chapter 8.6 (commencing with Section 25740) of Division 15 of the Public Resources Code.
- (d) New and modified electric transmission facilities may be necessary to facilitate the state achieving its renewables portfolio standard *and clean energy standard* targets.
- (e) (1) Supplying electricity to California end-use customers that is generated by eligible renewable *clean* energy resources is necessary to improve California's air quality and public health, particularly in disadvantaged communities identified pursuant to Section 39711 of the Health and Safety Code, and the commission shall ensure rates are just and reasonable, and are not significantly

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affected by the procurement requirements of this article. This electricity may be generated anywhere in the interconnected grid that includes many states, and areas of both Canada and Mexico.

- (2) This article requires generating resources located outside of California that are able to supply that electricity to California end-use customers to be treated identically to generating resources located within the state, without discrimination.
- (3) California electrical—corporations have already executed, and the commission has approved, corporations, local publicly owned electric utilities, community choice aggregators, and electric service providers have already executed power purchase agreements with eligible renewable energy—resources resources, eligible clean energy resources, and clean energy storage resources located outside of California that will supply electricity to California end-use customers. These resources will fully count toward meeting the renewables portfolio standard and clean energy standard procurement requirements.
- SEC. 4. Section 399.12 of the Public Utilities Code is amended to read:
- 399.12. For purposes of this article, the following terms have the following meanings: definitions apply:
- (a) "Conduit hydroelectric facility" means a facility for the generation of electricity that uses only the hydroelectric potential of an existing pipe, ditch, flume, siphon, tunnel, canal, or other manmade conduit that is operated to distribute water for a beneficial use.

<del>(b)</del>

(a) "Balancing authority" means the responsible entity that integrates resource plans ahead of time, maintains load-interchange generation balance within a balancing authority area, and supports interconnection frequency in real time.

<del>(c)</del>

(b) "Balancing authority area" means the collection of generation, transmission, and loads within the metered boundaries of the area within which the balancing authority maintains the electrical load-resource balance.

<del>(d)</del>

(c) "California balancing authority" is a balancing authority with control over a balancing authority area primarily located in this state and operating for retail sellers and local publicly owned

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electric utilities subject to the requirements of this article and includes the Independent System Operator (ISO) and a local publicly owned electric utility operating a transmission grid that is not under the operational control of the ISO. A California balancing authority is responsible for the operation of the transmission grid within its metered boundaries which is not limited by the political boundaries of the State of California.

- (d) (1) "Clean energy credit" means a certificate of proof associated with the production of electricity from an eligible clean energy resource, issued through the accounting system established by the Energy Commission pursuant to Section 399.25, that one unit of electricity was generated and delivered to a California balancing authority by an eligible clean energy resource.
- (2) "Clean energy credit" includes all environmental attributes associated with the production of electricity from the eligible clean energy resource, except for an emissions reduction credit issued pursuant to Section 40709 of the Health and Safety Code and any credits or payments associated with the reduction of solid waste and treatment benefits created by the utilization of biomass or biogas fuels.
- (e) "Clean energy standard" means the specified percentage of electricity from eligible clean energy resources that a retail seller or a local publicly owned electric utility is required to procure pursuant to this article.
- (f) "Conduit hydroelectric facility" means a facility for the generation of electricity that uses only the hydroelectric potential of an existing pipe, ditch, flume, siphon, tunnel, canal, or other manmade conduit that is operated to distribute water for a beneficial use.
- (g) "Eligible clean energy generation resource" means a facility that qualifies as an eligible renewable energy resource or a facility that satisfies all of the following:
  - (1) The facility is one of the following:
- (A) (i) The facility uses hydroelectric generation that is not an eligible renewable energy resource or the facility generates electricity using nuclear fission or nuclear fusion.
- 37 (ii) A hydroelectric generation facility or nuclear generating 38 facility existing as of January 1, 2021, shall demonstrate either of 39 the following:

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(I) It was owned in whole or in part by the electrical corporation or the local publicly owned electric utility as of January 1, 2021. For facilities that were not wholly owned, only the portion of electrical energy corresponding to the percentage ownership by the electrical corporation or the local publicly owned utility as of January 1, 2021, may be counted as eligible clean energy.

- (II) It provided electricity under the retail seller's or the local publicly owned electric utility's ownership agreement or contract as of January 1, 2021, with the Western Area Power Administration or the federal government as part of the federal Central Valley Project. For these facilities, only the quantity of electrical energy provided under these ownership agreements or contracts may be counted as eligible clean energy, including an extension or renewal of an agreement between a retail seller or local publicly owned electrical utility and the Western Area Power Administration or the federal government as part of the federal Central Valley Project that renews or extends the existing agreement as of January 1, 2021, for an equal amount or share of electrical energy.
- (B) The facility generates electricity exclusively using hydrogen that meets all of the following:
- (i) It is produced by an electrolytic or other process using only electricity products generated in the same hour by another eligible clean energy resource that satisfy the requirements of paragraph (1) of subdivision (b) of Section 399.16. All clean energy credits associated with electricity procured to produce the hydrogen must be retired.
  - (ii) It is not produced from fossil fuel feedstock sources.
- (iii) No greenhouse gases are emitted as a result of producing the hydrogen.
- (C) The facility uses any other method of generating electricity that does not emit greenhouse gases as part of electricity production and the creation of any fuel or feedstock used by the facility.
- (2) The facility satisfies paragraphs (2), (3), and (4) of subdivision (a) of Section 25741 of the Public Resources Code.
- (3) The electricity product provided by the facility meets the requirements of paragraph (1) of subdivision (b) of Section 399.16.
- (h) "Eligible clean energy storage resource" means a facility consisting of an energy storage system, as defined in subdivision (a) of Section 2835, and meets all of the following:

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1 (1) The facility is metered separately from any generation 2 facility.

- (2) The facility consumes only electricity procured from an eligible clean energy generation resource for its stored energy, does not consume system power, and does not emit any greenhouse gases as part of storing energy or exporting electricity from that stored energy.
- (3) All clean energy credits associated with the electricity procured for the facility must satisfy the requirements of paragraph (1) of subdivision (b) of Section 399.16 and be retired.
  - (4) The facility satisfies one of the following requirements:
- (A) The facility is located in the state or near the border of the state with the first point of connection to the transmission network of a balancing authority area primarily located within the state.
- (B) The facility has its first point of interconnection to the transmission network outside the state, within the WECC service area, and satisfies both of the following requirements:
- (i) It will not cause or contribute to any violation of a California environmental quality standard or requirement.
- (ii) It participates in the accounting system to verify compliance with the clean energy standard once established by the commission pursuant to subdivision (b) of Section 399.25 of the Public Utilities Code.
- (5) If the facility is outside the United States, it is developed and operated in a manner that is as protective of the environment as a similar facility located in the state.
- (i) "Eligible clean energy resource" means an eligible clean energy generation resource or an eligible clean energy storage resource.
- (j) "Eligible energy resource" means collectively an eligible renewable energy resource or an eligible clean energy resource.

<del>(e)</del>

- (k) "Eligible renewable energy resource" means an electrical generating facility that meets the definition of a "renewable electrical generation facility" in Section 25741 of the Public Resources Code, subject to the following:
- (1) (A) An existing small hydroelectric generation facility of 30 megawatts or less shall be eligible only if a retail seller or local publicly owned electric utility procured the electricity from the facility as of December 31, 2005. A new hydroelectric facility that

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commences generation of electricity after December 31, 2005, is not an eligible renewable energy resource if it will cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow.

- (B) Notwithstanding subparagraph (A), a conduit hydroelectric facility of 30 megawatts or less that commenced operation before January 1, 2006, is an eligible renewable energy resource. A conduit hydroelectric facility of 30 megawatts or less that commences operation after December 31, 2005, is an eligible renewable energy resource so long as it does not cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow.
- (C) A facility approved by the governing board of a local publicly owned electric utility prior to June 1, 2010, for procurement to satisfy renewable energy procurement obligations adopted pursuant to former Section 387, shall be certified as an eligible renewable energy resource by the Energy Commission pursuant to this article, if the facility is a "renewable electrical generation facility" as defined in Section 25741 of the Public Resources Code.
- (D) (i) A small hydroelectric generation unit with a nameplate capacity not exceeding 40 megawatts that is operated as part of a water supply or conveyance system is an eligible renewable energy resource only for the retail seller or local publicly owned electric utility that procured the electricity from the unit as of December 31, 2005. No unit shall be eligible pursuant to this subparagraph if an application for certification is submitted to the Energy Commission after January 1, 2013. Only one retail seller or local publicly owned electric utility shall be deemed to have procured electricity from a given unit as of December 31, 2005.
- (ii) Notwithstanding clause (i), a local publicly owned electric utility that meets the criteria of subdivision (j) of Section 399.30 may sell to another local publicly owned electric utility electricity from small hydroelectric generation units that qualify as eligible renewable energy resources under clause (i), and that electricity may be used by the local publicly owned electric utility that purchased the electricity to meet its renewables portfolio standard procurement requirements. The total of all those sales from the utility shall be no greater than 100,000 megawatthours of electricity.

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(iii) The amendments made to this subdivision by the act adding this subparagraph are intended to clarify existing law and apply from December 10, 2011.

- (2) (A) A facility engaged in the combustion of municipal solid waste shall not be considered an eligible renewable energy resource.
- (B) Subparagraph (A) does not apply to generation before January 1, 2017, from a facility located in Stanislaus County that was operational prior to September 26, 1996.
- (l) "Energy credit" means the renewable energy credit or clean energy credit associated with electricity production by an eligible energy resource.

<del>(f)</del>

(m) "Procure" means to acquire through ownership or contract.

15 <del>(g</del>

(n) "Procurement entity" means any person or corporation authorized by the commission to enter into contracts to procure eligible renewable energy resources on behalf of customers of a retail seller pursuant to subdivision (f) of Section 399.13.

<del>(h)</del>

- (o) (1) "Renewable energy credit" means a certificate of proof associated with the generation of electricity from an eligible renewable energy resource, issued through the accounting system established by the Energy Commission pursuant to Section 399.25, that one unit of electricity was generated and delivered by an eligible renewable energy resource.
- (2) "Renewable energy credit" includes all renewable and environmental attributes associated with the production of electricity from the eligible renewable energy resource, except for an emissions reduction credit issued pursuant to Section 40709 of the Health and Safety Code and any credits or payments associated with the reduction of solid waste and treatment benefits created by the utilization of biomass or biogas fuels.
- (3) (A) Electricity generated by an eligible renewable energy resource attributable to the use of nonrenewable fuels, beyond a de minimis quantity used to generate electricity in the same process through which the facility converts renewable fuel to electricity, shall not result in the creation of a renewable energy credit. The Energy Commission shall set the de minimis quantity of nonrenewable fuels for each renewable energy technology at a

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level of no more than 2 percent of the total quantity of fuel used by the technology to generate electricity. The Energy Commission may adjust the de minimis quantity for an individual facility, up to a maximum of 5 percent, if it finds that all of the following conditions are met:

- (i) The facility demonstrates that the higher quantity of nonrenewable fuel will lead to an increase in generation from the eligible renewable energy facility that is significantly greater than generation from the nonrenewable fuel alone.
- (ii) The facility demonstrates that the higher quantity of nonrenewable fuels will reduce the variability of its electrical output in a manner that results in net environmental benefits to the state
- (iii) The higher quantity of nonrenewable fuel is limited to either natural gas or hydrogen derived by reformation of a fossil fuel.
- (B) Electricity generated by a small hydroelectric generation facility shall not result in the creation of a renewable energy credit unless the facility meets the requirements of subparagraph (A) or (D) of paragraph (1) of subdivision (e).
- (C) Electricity generated by a conduit hydroelectric generation facility shall not result in the creation of a renewable energy credit unless the facility meets the requirements of subparagraph (B) of paragraph (1) of subdivision (e).
- (D) Electricity generated by a facility engaged in the combustion of municipal solid waste shall not result in the creation of a renewable energy credit. This subparagraph does not apply to renewable energy credits that were generated before January 1, 2017, by a facility engaged in the combustion of municipal solid waste located in Stanislaus County that was operational prior to September 26, 1996, and sold pursuant to contacts entered into before January 1, 2017.

<del>(i)</del>

(p) "Renewables portfolio standard" means the specified percentage of electricity generated by eligible renewable energy resources that a retail seller or a local publicly owned electric utility is required to procure pursuant to this article.

<del>(i)</del>

(q) "Retail seller" means an entity engaged in the retail sale of electricity to end-use customers located within the state, including any of the following:

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(1) An electrical corporation, as defined in Section 218.

- (2) A community choice aggregator. A community choice aggregator shall participate in the renewables portfolio standard program and clean energy standard programs subject to the same terms and conditions applicable to an electrical corporation.
- (3) An electric service provider, as defined in Section 218.3. The electric service provider shall be subject to the same terms and conditions applicable to an electrical corporation pursuant to this article. This paragraph does not impair a contract entered into between an electric service provider and a retail customer prior to the suspension of direct access by the commission pursuant to Section 80110 of the Water Code.
  - (4) "Retail seller" does not include any of the following:
- (A) A corporation or person employing cogeneration technology or producing electricity consistent with subdivision (b) of Section 218.
- (B) The Department of Water Resources acting in its capacity pursuant to Division 27 (commencing with Section 80000) of the Water Code.
  - (C) A local publicly owned electric utility.
- 21 <del>(k)</del>

- (r) "WECC" means the Western Electricity Coordinating Council of the North American Electric Reliability Corporation, or a successor to the corporation.
- 25 SEC. 5. Section 399.13 of the Public Utilities Code is amended 26 to read:
  - 399.13. (a) (1) The commission shall direct each electrical corporation to annually prepare a renewable an energy procurement plan that includes the elements specified in paragraph (6), to satisfy its obligations under the renewables portfolio standard and the clean energy standard. To the extent feasible, this procurement plan shall be proposed, reviewed, and adopted by the commission as part of, and pursuant to, a general procurement plan process. The commission shall require each electrical corporation to review and update its renewable energy procurement plan as it determines to be necessary. The commission shall require all other retail sellers to prepare and submit-renewable energy procurement plans that address the requirements identified in paragraph (6).
  - (2) Every electrical corporation that owns electrical transmission facilities shall annually prepare, as part of the Federal Energy

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Regulatory Commission Order 890 process, and submit to the commission, a report identifying any electrical transmission facility, upgrade, or enhancement that is reasonably necessary to achieve the renewables portfolio standard and clean energy standard procurement requirements of this article. Each report shall look forward at least five years and, to ensure that adequate investments are made in a timely manner, shall include a preliminary schedule when an application for a certificate of public convenience and necessity will be made, pursuant to Chapter 5 (commencing with Section 1001), for any electrical transmission facility identified as being reasonably necessary to achieve the renewable energy resources procurement requirements of this article. Each electrical corporation that owns electrical transmission facilities shall ensure that project-specific interconnection studies are completed in a timely manner.

(3) The commission shall direct each retail seller to prepare and submit an annual compliance report that includes all of the following:

- (A) The current status and progress made during the prior year toward procurement of eligible renewable energy resources—as a percentage of retail sales, and eligible clean energy resources as required by Sections 399.15 and 399.15.1, including, if applicable, the status of any necessary siting and permitting approvals from federal, state, and local agencies for those eligible renewable energy resources procured by the retail seller, and the current status of compliance with the portfolio content requirements of subdivision (c) of Section 399.16, including procurement of eligible renewable energy resources located outside the state and within the WECC and unbundled renewable energy credits.
- (B) If the retail seller is an electrical corporation, the current status and progress made during the prior year toward construction of, and upgrades to, transmission and distribution facilities and other electrical system components it owns to interconnect eligible renewable energy resources and to supply the electricity generated by those resources to load, including the status of planning, siting, and permitting transmission facilities by federal, state, and local agencies.
- (C) Recommendations to remove impediments to making progress toward achieving the renewable energy resources procurement requirements established pursuant to this article.

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 (4) The commission shall review each annual compliance report filed by a retail seller. The commission shall notify a retail seller if the commission has determined, based upon its review, that the retail seller may be at risk of not satisfying the renewable energy procurement requirements for the then-current or—a future compliance period periods of the renewable portfolio standard or clean energy standard and shall provide recommendations in that circumstance regarding satisfying those requirements.

- (5) The commission shall adopt, by rulemaking, all of the following:
- (A) A process that provides criteria for the rank ordering and selection of least-cost and best-fit eligible renewable energy resources to comply with the California Renewables Portfolio Standard Program obligations on a total cost and best-fit basis. This process shall take into account all of the following:
- (i) Estimates of indirect costs associated with needed transmission investments.
- (ii) The cost impact of procuring the eligible renewable energy resources on the electrical corporation's electricity portfolio.
- (iii) The viability of the project to construct and reliably operate the eligible renewable energy resource, including the developer's experience, the feasibility of the technology used to generate electricity, and the risk that the facility will not be built, or that construction will be delayed, with the result that electricity will not be supplied as required by the contract.
- (iv) Workforce recruitment, training, and retention efforts, including the employment growth associated with the construction and operation of eligible renewable energy resources and goals for recruitment and training of women, minorities, and disabled veterans.
- (v) (I) Estimates of electrical corporation expenses resulting from integrating and operating eligible renewable energy resources, including, but not limited to, any additional wholesale energy and capacity costs associated with integrating each eligible renewable resource.
- (II) No later than December 31, 2015, the commission shall approve a methodology for determining the integration costs described in subclause (I).
- (vi) Consideration of any statewide greenhouse gas emissions limit established pursuant to the California Global Warming

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Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code).

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- (vii) Consideration of capacity and system reliability of the eligible renewable energy resource to ensure grid reliability.
- (B) Rules permitting retail sellers to accumulate, beginning January 1, 2011, excess procurement in one compliance period to be applied to any subsequent compliance period. The rules shall apply equally to all retail sellers. In determining the quantity of excess procurement for the applicable compliance period, the commission shall retain the rules adopted by the commission and in effect as of January 1, 2015, for the compliance period specified in subparagraphs (A) to (C), inclusive, of paragraph (1) of subdivision (b) of Section 399.15. For any subsequent compliance period, the rules shall allow the following:
- (i) For electricity products meeting the portfolio content requirements of paragraph (1) of subdivision (b) of Section 399.16, contracts of any duration may count as excess procurement.
- (ii) Electricity products meeting the portfolio content requirements of paragraph (2) or (3) of subdivision (b) of Section 399.16 shall not be counted as excess procurement. Contracts of any duration for electricity products meeting the portfolio content requirements of paragraph (2) or (3) of subdivision (b) of Section 399.16 that are credited towards a compliance period shall not be deducted from a retail seller's procurement for purposes of calculating excess procurement.
- (iii) If a retail seller notifies the commission that it will comply with the provisions of subdivision (b) for the compliance period beginning January 1, 2017, the provisions of clauses (i) and (ii) shall take effect for that retail seller for that compliance period.
- (iv) For the purpose of excess procurement of eligible clean energy resources relative to the procurement requirements for a compliance period or subperiod, the following additional conditions apply:
- (I) Procurement of quantities greater than actual retail sales in a specific hour shall not be counted as excess procurement.
- (II) Excess procurement may be applied only to the corresponding compliance subperiod in the following calendar year that includes the same day of the year and hour of the day during which the excess procurement occurred. Excess procurement for one compliance subperiod shall not be used to

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meet the procurement requirements of a different subperiod within the same compliance period.

- (C) Standard terms and conditions to be used by all electrical corporations in contracting for eligible renewable energy resources, including performance requirements for renewable generators. A contract for the purchase of electricity generated by an eligible renewable energy resource, at a minimum, shall include the renewable energy credits and clean energy credits associated with all electricity generation specified under the contract. The standard terms and conditions shall include the requirement that, no later than six months after the commission's approval of an electricity purchase agreement entered into pursuant to this article, the following information about the agreement shall be disclosed by the commission: party names, resource type, project location, and project capacity.
- (D) An appropriate minimum margin of procurement above the minimum procurement level necessary to comply with the renewables portfolio standard and the clean energy standard to mitigate the risk that renewable projects planned or under contract are delayed or canceled. This paragraph does not preclude an electrical corporation from voluntarily proposing a margin of procurement above the appropriate minimum margin established by the commission.
- (6) Consistent with the goal of increasing California's reliance on eligible—renewable energy resources, the—renewable energy procurement plan shall include all of the following:
- (A) An assessment of annual or multiyear portfolio supplies and demand to determine the optimal mix of *demand-side* resources and eligible—renewable energy resources with deliverability characteristics that may include peaking, dispatchable, baseload, firm, and as-available capacity.
- (B) Potential compliance delays related to the conditions described in paragraph (5) of subdivision (b) of Section 399.15.
- (C) A bid solicitation setting forth the need for *demand-side* resources or for eligible renewable energy resources of each deliverability characteristic, required online dates, and locational preferences, if any.
- (D) A status update on the development schedule of all *demand-side resources and* eligible-renewable energy resources currently under contract.

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(E) Consideration of mechanisms for price adjustments associated with the costs of key components for eligible renewable energy resource projects with online dates more than 24 months after the date of contract execution.

- (F) An assessment of the risk that an eligible renewable energy resource will not be built, or that construction will be delayed, with the result that electricity will not be delivered as required by the contract.
- (7) In soliciting and procuring eligible renewable energy resources, each electrical corporation shall offer contracts of no less than 10 years duration, unless the commission approves of a contract of shorter duration.
- (8) (A) In soliciting and procuring eligible—renewable energy resources for California-based projects, each electrical corporation shall give preference to—renewable energy projects that provide environmental and economic benefits to communities afflicted with poverty or high unemployment, or that suffer from high emission levels of toxic air contaminants, criteria air pollutants, and greenhouse gases.
- (B) Subparagraph (A) applies to all procurement of eligible renewable energy resources for California-based projects, whether the procurement occurs through all-source requests for offers, eligible renewable resources only requests for offers, or other procurement mechanisms. This subparagraph is declaratory of existing law.
- (9) In soliciting and procuring eligible—renewable energy resources, each retail seller shall consider the best-fit attributes of resource types that ensure a balanced resource mix to maintain the reliability of the electrical grid.
- (b) (1) A retail seller may enter into a combination of long- and short-term contracts for electricity and associated renewable energy credits and clean energy credits. Beginning January 1, 2021, at least 65 percent of the procurement a retail seller counts toward the renewables portfolio standard requirement of each compliance period shall be from its contracts of 10 years or more in duration or in its ownership or ownership agreements for eligible renewable energy resources. Beginning January 1, 2024, at least 65 percent of the procurement a retail seller counts toward the clean energy standard requirement of each annual compliance period and subperiod shall be from its contracts of 10 years or more in

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duration or in its ownership or ownership agreements for eligible
 energy resources.
 (2) In demonstrating compliance with paragraph (1), a retail

- (2) In demonstrating compliance with paragraph (1), a retail seller may rely on contracts of 10 years or more in duration or ownership agreements entered into before January 1, 2019, directly by its direct access, as described in Section 365.1, nonprofit educational institution end-use customer for eligible renewable energy resources located in front of the customer meter to satisfy the portion of the compliance requirement attributable to the retail sales to that end-use customer. A retail seller shall furnish to the commission documentation deemed necessary by the commission to verify compliance with this paragraph.
- (c) The commission shall review and accept, modify, or reject each electrical corporation's—renewable energy resource procurement plan prior to the commencement of renewable energy procurement pursuant to this article by an electrical corporation. The commission shall assess adherence to the approved renewable energy resource procurement plans in determining compliance with the obligations of this article.
- (d) Unless previously preapproved by the commission, an electrical corporation shall submit a contract for the generation of an eligible renewable energy resource to the commission for review and approval consistent with an approved renewable energy resource procurement plan. If the commission determines that the bid prices are elevated due to a lack of effective competition among the bidders, the commission shall direct the electrical corporation to renegotiate the contracts or conduct a new solicitation.
- (e) If an electrical corporation fails to comply with a commission order adopting a renewable *an* energy resource procurement plan, the commission shall exercise its authority to require compliance.
- (f) (1) The commission may authorize a procurement entity to enter into contracts on behalf of customers of a retail seller for electricity products from eligible renewable energy resources to satisfy the retail seller's renewables portfolio standard *or clean energy standard* procurement requirements. The commission shall not require any person or corporation to act as a procurement entity or require any party to purchase eligible renewable energy resources from a procurement entity.
- (2) Subject to review and approval by the commission, the procurement entity shall be permitted to recover reasonable

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administrative and procurement costs through the retail rates of end-use customers that are served by the procurement entity and are directly benefiting from the procurement of eligible renewable energy resources.

- (g) Procurement and administrative costs associated with contracts entered into by an electrical corporation for eligible renewable energy resources pursuant to this article and approved by the commission are reasonable and prudent and shall be recoverable in rates.
- (h) Construction, alteration, demolition, installation, and repair work on an eligible renewable energy resource that receives production incentives pursuant to Section 25742 of the Public Resources Code, including work performed to qualify, receive, or maintain production incentives, are "public works" for the purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.
- SEC. 6. Section 399.15.1 is added to the Public Utilities Code, to read:
- 399.15.1. (a) The Energy Commission, in consultation with the commission, the Independent System Operator, and other California balancing authorities, shall establish compliance periods and subperiods that meet the following criteria:
- (1) A compliance period shall consist of a single calendar year and shall contain one or more compliance subperiods.
- (2) (A) The Energy Commission shall establish one initial compliance subperiod, referred to as the net peak compliance subperiod, consisting of a subset of hours covering peak demand adjusted to account for the contribution of variable eligible clean energy resources.
- (B) The Energy Commission shall determine the specific hours of each day, which may vary by season, and the beginning and end dates for each season, that are included within the net peak compliance subperiod, and any other subperiod established, based on patterns of electricity demand during each subperiod to group together time periods with similar load and clean energy availability profiles. This determination may be different for utility service areas located in different regions of the state.
- (C) After establishing the initial compliance subperiod, but no earlier than for the compliance period consisting of the year beginning January 1, 2028, the Energy Commission may change

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the number of compliance subperiods and the specific hours and days included within each subperiod as warranted by patterns of electricity demand and availability of eligible clean energy resources. All compliance subperiods shall be established for the purpose of identifying periods in which the supply of eligible clean energy resources as a share of total electrical load is projected to be significantly below the average for the full compliance period.

- (3) The first compliance period and compliance subperiods as provided in paragraph (2) shall begin on January 1, 2024, and continue for each year thereafter.
- (b) (1) The Energy Commission shall perform analysis to support the establishment of a current baseline for each retail seller and local publicly owned electric utility.
- (2) The current baseline shall reflect the percentage of clean energy resources used as a percentage of each retail seller's and local publicly owned electric utility's total retail sales and the aggregate percentage of clean energy resources across all retail sellers and local publicly owned electric utilities during the net peak compliance subperiod and during calendar year 2021, as if this section had been in effect at that time.
- (3) The Energy Commission may include other relevant years in its development of the current baseline.
- (4) The commission shall establish for each retail seller, and the Energy Commission shall establish for each local publicly owned electric utility, its period and net peak subperiod current baseline.
- (c) No later than April 1, 2023, the commission shall establish for each retail seller and the Energy Commission shall establish for each local publicly owned electric utility the clean energy standard procurement requirements for each compliance period and subperiod as follows:
- (1) The current baseline established for each retail seller and local publicly owned electric utility pursuant to subdivision (b) shall be the clean energy standard procurement requirements for each compliance period and subperiod for the year beginning January 1, 2024, for that retail seller or local publicly owned electric utility.
- (2) The clean energy standard procurement requirement for each retail seller and local publicly owned electric utility for the compliance period and subperiod for each year from 2025 through

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2029 shall be established based on a straight-line increase from its 2024 procurement requirement to the 2030 clean energy standard procurement requirements in paragraph (3).

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- (3) For the compliance period consisting of the year beginning January 1, 2030, the clean energy standard procurement requirement shall be 85 percent of retail sales for the annual period and 60 percent of retail sales for the net peak subperiod.
- (4) The clean energy standard procurement requirement for the compliance period and subperiod for each year from 2031 through 2034 shall be established based on a straight-line increase from the 2030 clean energy standard procurement requirements in paragraph (3) to the 2035 clean energy standard procurement requirements in paragraph (5).
- (5) For the compliance period consisting of the year beginning January 1, 2035, the clean energy standard procurement requirement shall be 90 percent of retail sales for the annual period and 75 percent of retail sales for the net peak subperiod.
- (6) For the compliance period consisting of the year 2045 and all subsequent compliance periods, the clean energy standard procurement requirement for every compliance period and subperiod shall be 100 percent of electrical load.
- (7) For any new compliance subperiods established by the Energy Commission pursuant to subdivision (a), the commission may establish for each retail seller and the Energy Commission may establish for each local publicly owned electric utility the clean energy standard procurement requirements that require sufficient progress from the then-current levels of eligible clean energy resources during the compliance subperiods toward the requirement in paragraph (6).
- (8) Procurement in excess of the actual retail sales for a retail seller or local publicly owned utility in any hour shall not be credited toward any compliance period or subperiod.
- (d) No later than January 1, 2026, for compliance periods after 2035 and before 2045, the commission shall establish for each retail seller and the Energy Commission shall establish for each local publicly owned electric utility the clean energy standard procurement requirements for each compliance period and subperiod that require sufficient progress toward the requirement in paragraph (6) of subdivision (c).

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(e) Only for purposes of establishing the clean energy standard procurement requirements of this section, the commission shall include all electricity sold to retail customers by the Department of Water Resources pursuant to Division 27 (commencing with Section 80000) of the Water Code in the calculation of retail sales by an electrical corporation.

- (f) Paragraphs (5) through (9), inclusive, of subdivision (b) of Section 399.15 relating to compliance with the renewables portfolio standard program apply to compliance with the clean energy standard program.
- (g) The establishment of a clean energy standard shall not constitute implementation by the commission of the federal Public Utility Regulatory Policies Act of 1978 (Public Law 95-617).
- SEC. 7. Section 399.21 of the Public Utilities Code is amended to read:
- 399.21. (a) The commission, by rule, shall authorize the use of renewable energy credits to satisfy the renewables portfolio standard procurement requirements—established pursuant to as provided in this article and the use of clean energy credits to satisfy the clean energy standard procurement requirements as provided in this article, subject to the following conditions:
- (1) The commission and the Energy Commission shall ensure that the tracking system established pursuant to subdivision (c) of Section 399.25, is operational, is capable of independently verifying that electricity earning the credit is generated by an eligible renewable energy resource, and can ensure that renewable energy credits shall not be double counted by any seller of electricity within the service territory of the WECC.
- (2) (A) Each renewable energy credit shall be counted only once for compliance with the renewables portfolio standard of this state or any other state, or for verifying retail product claims in this state or any other state.
- (B) Each clean energy credit shall be counted only once for compliance with the clean energy standard of this state or any other state, or for verifying retail product claims in this state or any other state.
- (C) Energy credits that qualify as both renewable energy credits and clean energy credits may be counted once in each program without violating subparagraphs (A) and (B).

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(3) All revenues received by an electrical corporation for the sale of a renewable an energy credit shall be credited to the benefit of ratepayers.

- (4) Renewable energy-Energy credits shall not be created for electricity generated pursuant to any electricity purchase contract with a retail seller or a local publicly owned electric utility executed before January 1, 2005, unless the contract contains explicit terms and conditions specifying the ownership or disposition of those credits. Procurement under those contracts shall be tracked through the accounting system described in subdivision (b) of Section 399.25 and included in the quantity of eligible-renewable energy resources of the purchasing retail seller pursuant to Section 399.15.
- (5) Renewable energy-Energy credits shall not be created for electricity generated under any electricity purchase contract executed after January 1, 2005, pursuant to the federal Public Utility Regulatory Policies Act of 1978 (16 U.S.C. Sec. 2601 et seq.). Procurement under the electricity purchase contracts shall be tracked through the accounting system implemented by the Energy Commission pursuant to subdivision (b) of Section 399.25 and count toward the renewables portfolio standard or clean energy standard procurement requirements of the purchasing retail seller.
- (6) Nothing in the amendments to this article made by the Clean Energy and Pollution Reduction Act of 2015 (Senate Bill 350 of the 2015–16 Regular Session) is intended to change commission Decision 11-12-052 regarding the classification of renewable energy credits from generation on the customer side of the meter.
- (7) A renewable An energy credit shall not be eligible for compliance with a renewables portfolio standard or clean energy standard procurement requirement unless it is retired in the tracking system established pursuant to subdivision (c) of Section 399.25 by the retail seller or local publicly owned electric utility within 36 months from the initial date of generation of the associated electricity.
- (8) Clean energy credits created by electricity exported from an eligible clean energy storage resource shall not be eligible for compliance with a clean energy standard procurement requirement unless the energy storage resource has retired clean energy credits and, if applicable, the corresponding renewable energy credits, for the electricity consumed in storing the energy used for that generation.

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(b) The commission shall allow an electrical corporation to recover the reasonable costs of purchasing, selling, and administering renewable energy credit contracts in rates.

4 SEC. 8. Section 399.25 of the Public Utilities Code is amended to read:

- 399.25. The Energy Commission shall do all of the following:
- (a) (1) Certify eligible renewable energy resources that it determines meet the criteria described in subdivision—(e) (k) of Section 399.12.
- (2) Certify eligible clean energy resources that it determines meet the criteria described in subdivision (i) of Section 399.12.
- (b) Design and implement an accounting system to verify compliance with the renewables portfolio standard and clean energy standard by retail sellers and local publicly owned electric utilities, to ensure that electricity generated by an eligible renewable energy resource is counted only once pursuant to paragraph (2) of subdivision (a) of Section 399.21 for the purpose of meeting the renewables portfolio standard and clean energy standards of this state or any other state, to certify-renewable energy credits produced by eligible renewable energy resources. and to verify retail product claims in this state or any other state. In establishing the guidelines governing this accounting system, the Energy Commission shall collect data from electricity market participants that it deems necessary to verify compliance of retail sellers and local publicly owned electric utilities, in accordance with the requirements of this article and the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code). In seeking data from electrical corporations, the Energy Commission shall request data from the commission. The commission shall collect data from electrical corporations and remit the data to the Energy Commission within 90 days of the request.
- (c) (1) Establish a system for tracking and verifying renewable energy credits that, through the use of independently audited data, verifies the generation of electricity associated with each renewable energy credit and protects against multiple counting of the same renewable energy credit. The Energy Commission shall consult with other western states and with the WECC in the development of this system.

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(2) Enhance the system for tracking and verifying energy credits, as necessary, so that the generation of energy associated with each eligible clean energy generation resource and export of energy associated with each eligible clean energy storage resource is recorded for each individual hour.

- (d) Certify, for purposes of compliance with the renewables portfolio standard *and clean energy standard* requirements by a retail seller, the eligibility of renewable energy credits associated with eligible renewable energy resources procured by a local publicly owned electric utility, if the Energy Commission determines that all of the conditions of Section 399.31 have been met.
- SEC. 9. Section 399.26 of the Public Utilities Code is amended to read:
- 399.26. (a) In order for the state to meet the requirements of the California Renewables Portfolio Standard *Program and the California 24/7 Clean Energy Standard* Program, substantially increased amounts of electricity generated by eligible renewable energy resources must be integrated with, and interconnected to, the transmission grid that is either owned by, or under the operational control of, the local publicly owned electric utilities and the transmission grid that is under the operational control of the Independent System Operator.
- (b) The Independent System Operator and the balancing authority of each area in California shall do both of the following:
- (1) Work cooperatively to integrate and interconnect eligible renewable energy resources to the transmission grid by the most efficient means possible with the goal of minimizing the impact and cost of new transmission needed to meet both reliability needs and the renewables portfolio standard and clean energy standard procurement requirements.
- (2) Accomplish the requirements of paragraph (1) in a manner that respects the ownership, business, and dispatch models for transmission facilities owned by electrical corporations, local publicly owned electric utilities, joint powers agencies, and independent transmission companies.
- (c) The Independent System Operator shall seek any approvals from the Federal Energy Regulatory Commission that are necessary to accomplish the goals and requirements of this article.

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(d) In order to maintain electric service reliability and to minimize the construction of fossil fuel electrical generation capacity to support the integration of intermittent renewable electrical generation into the electrical grid, by July 1, 2011, the commission shall determine the effective load carrying capacity of wind and solar energy resources on the California electrical grid. The commission shall use those effective load carrying capacity values in establishing the contribution of wind and solar energy resources toward meeting the resource adequacy requirements established pursuant to Section 380.

SEC. 10. Section 399.30 of the Public Utilities Code is amended to read:

- 399.30. (a) (1) To fulfill unmet long-term generation resource needs, each local publicly owned electric utility shall adopt and implement-a renewable *an* energy resources procurement plan that requires the utility to procure do both of the following:
- (A) Procure a minimum quantity of electricity products from eligible renewable energy resources, including renewable energy credits, as a specified percentage of total kilowatthours sold to the utility's retail end-use customers, each compliance period, to achieve the targets of subdivision (c).
- (B) Procure a minimum quantity of electricity products from eligible clean energy resources, including clean energy credits, to meet its obligations under Section 399.15.1.
- (2) Beginning January 1, 2019, a local publicly owned electric utility subject to Section 9621 shall incorporate the renewable energy resources procurement plan required by this section as part of a broader integrated resource plan developed and adopted pursuant to Section 9621.
- (b) The governing board shall implement procurement targets for a local publicly owned electric utility that require the utility to procure a minimum quantity of eligible renewable energy resources for each of the following compliance periods:
- (1) January 1, 2011, to December 31, 2013, inclusive.
- 35 (2) January 1, 2014, to December 31, 2016, inclusive.
- 36 (3) January 1, 2017, to December 31, 2020, inclusive.
- 37 (4) January 1, 2021, to December 31, 2024, inclusive.
- 38 (5) January 1, 2025, to December 31, 2027, inclusive.
- 39 (6) January 1, 2028, to December 31, 2030, inclusive.

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(c) The governing board of a local publicly owned electric utility shall ensure all of the following:

- (1) The quantities of eligible renewable energy resources to be procured for the compliance period from January 1, 2011, to December 31, 2013, inclusive, are equal to an average of 20 percent of retail sales.
- (2) The quantities of eligible renewable energy resources to be procured for all other compliance periods reflect reasonable progress in each of the intervening years sufficient to ensure that the procurement of electricity products from eligible renewable energy resources achieves 25 percent of retail sales by December 31, 2016, 33 percent by December 31, 2020, 44 percent by December 31, 2024, 52 percent by December 31, 2027, and 60 percent by December 31, 2030. The Energy Commission shall establish appropriate multiyear compliance periods for all subsequent years that require the local publicly owned electric utility to procure not less than 60 percent of retail sales of electricity products from eligible renewable energy resources.
- (3) A local publicly owned electric utility shall adopt *eligible energy resource* procurement requirements consistent with Section 399.16.
- (4) Beginning January 1, 2014, in calculating the procurement requirements under this article, a local publicly owned electric utility may exclude from its total retail sales the kilowatthours generated by an eligible renewable energy resource that is credited to a participating customer pursuant to a voluntary green pricing or shared renewable generation program. Any exclusion shall be limited to electricity products that do not meet the portfolio content criteria set forth in paragraph (2) or (3) of subdivision (b) of Section 399.16. Any renewable energy credits associated with electricity credited to a participating customer shall not be used for compliance with procurement requirements under this article, shall be retired on behalf of the participating customer, and shall not be further sold, transferred, or otherwise monetized for any purpose. To the extent possible for generation that is excluded from retail sales under this subdivision, a local publicly owned electric utility shall seek to procure those eligible renewable energy resources that are located in reasonable proximity to program participants.
- (d) (1) The governing board of a local publicly owned electric utility shall adopt procurement requirements consistent with

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subparagraph (B) of paragraph (5) of subdivision (a) of, and paragraph (1) of subdivision (b) of, Section 399.13.

- (2) The governing board of a local publicly owned electric utility may adopt the following measures:
- (A) Conditions that allow for delaying timely compliance *for eligible renewable energy resource procurement* consistent with subdivision (b) of Section 399.15.
- (B) Cost limitations for *eligible renewable energy resource* procurement expenditures consistent with subdivision (c) of Section 399.15.
- (e) The governing board of the local publicly owned electric utility shall adopt a program for the enforcement of this article. The program shall be adopted at a publicly noticed meeting offering all interested parties an opportunity to comment. Not less than 30 days' notice shall be given to the public of any meeting held for purposes of adopting the program. Not less than 10 days' notice shall be given to the public before any meeting is held to make a substantive change to the program.
- (f) Each local publicly owned electric utility shall annually post notice, in accordance with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), whenever its governing body will deliberate in public on its renewable energy resources procurement plan.
- (g) A public utility district that receives all of its electricity pursuant to a preference right adopted and authorized by the United States Congress pursuant to Section 4 of the Trinity River Division Act of August 12, 1955 (Public Law 84-386), shall be in compliance with the renewable energy *and clean energy* procurement requirements of this article.
- (h) For a local publicly owned electric utility that was in existence on or before January 1, 2009, that provides retail electric service to 15,000 or fewer customer accounts in California, and is interconnected to a balancing authority located outside this state but within the WECC, an eligible renewable energy resource includes a facility that is located outside California that is connected to the WECC transmission system, if all of the following conditions are met:
- (1) The electricity generated by the facility is procured by the local publicly owned electric utility, is delivered to the balancing

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authority area in which the local publicly owned electric utility is located, and is not used to fulfill renewable *or clean* energy procurement requirements of other states.

- (2) The local publicly owned electric utility participates in, and complies with, the accounting system administered by the Energy Commission pursuant to this article.
- (3) The Energy Commission verifies that the electricity generated by the facility is eligible to meet the renewables portfolio standard *or the clean energy standard* procurement requirements.
- (i) Notwithstanding subdivision (a), for a local publicly owned electric utility that is a joint powers authority of districts established pursuant to state law on or before January 1, 2005, that furnishes electric services other than to residential customers, and is formed pursuant to the Irrigation District Law (Division 11 (commencing with Section 20500) of the Water Code), the percentage of total kilowatthours sold to the district's retail end-use customers, upon which the renewables portfolio standard *or clean energy standard* procurement requirements in subdivision (b) *or Section 399.15.1* are calculated, shall be based on the authority's average retail sales over the previous seven years. If the authority has not furnished electric service for seven years, then the calculation shall be based on average retail sales over the number of completed years during which the authority has provided electric service.
- (j) A local publicly owned electric utility in a city and county that only receives greater than 67 percent of its electricity sources from hydroelectric generation located within the state that it owns and operates, and that does not meet the definition of a "renewable electrical generation facility" pursuant to Section 25741 of the Public Resources Code, shall be required to procure eligible renewable energy resources, including renewable energy credits, to meet only the electricity demands unsatisfied by its hydroelectric generation in any given year, in order to satisfy its renewable energy procurement requirements.
- (k) (1) For purposes of this subdivision, "large hydroelectric generation" means electricity generated from an existing hydroelectric facility located within the state that does not qualify as an eligible renewable energy resource and, as of January 1, 2018, was owned by a local publicly owned electric utility, the federal government as a part of the federal Central Valley Project, or a joint powers agency formed and created pursuant to the Joint

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Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code).

- (2) If, during a year within a compliance period set forth in subdivision (b), a local publicly owned electric utility receives more than 40 percent of its retail sales from large hydroelectric generation under an ownership agreement or contract in effect as of January 1, 2018, it is not required to procure eligible renewable energy resources that exceed the lesser of the following for that year:
- (A) The portion of the local publicly owned electric utility's retail sales unsatisfied by the local publicly owned electric utility's large hydroelectric generation.
- (B) The soft target adopted by the Energy Commission for the intervening years of the relevant compliance period.
- (3) An extension or renewal of a procurement agreement shall not be eligible to count towards the determination that the local publicly owned electric utility receives more than 40 percent of its retail sales from large hydroelectric generation in any year. This paragraph shall not apply to any agreement in effect on January 1, 2015, between a local publicly owned electric utility and the Western Area Power Administration or federal government as part of the federal Central Valley Project.
- (4) The Energy Commission shall adjust the total quantities of eligible renewable energy resources to be procured by a local publicly owned electric utility for a compliance period to reflect any reductions required pursuant to paragraph (2).
- (5) This subdivision does not modify the compliance obligation of a local publicly owned electric utility to satisfy the requirements of subdivision (c) of Section 399.16.
- (1) (1) (A) For purposes of this subdivision, "unavoidable long-term contracts and ownership agreements" means commitments for electricity from a coal-fired powerplant, located outside the state, originally entered into by a local publicly owned electric utility before June 1, 2010, that is not subsequently modified to result in an extension of the duration of the agreement or result in an increase in total quantities of energy delivered during any compliance period set forth in subdivision (b).
- (B) The governing board of a local publicly owned electric utility shall demonstrate in its renewable energy resources procurement plan required pursuant to subdivision (a) that any

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cancellation or divestment of the commitment would result in significant economic harm to its retail customers that cannot be substantially mitigated through resale, transfer to another entity, early closure of the facility, or other feasible measures.

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- (2) For the compliance period set forth in paragraph (4) of subdivision (b), a local publicly owned electric utility meeting the requirement of subparagraph (B) of paragraph (1) may adjust its renewable energy procurement targets to ensure that the procurement of additional electricity from eligible renewable energy resources, in combination with the procurement of electricity from unavoidable long-term contracts and ownership agreements, does not exceed the total retail sales of the local publicly owned electric utility during that compliance period. The local publicly owned electric utility may limit its procurement of eligible renewable energy resources for that compliance period to no less than an average of 33 percent of its retail sales.
- (3) The Energy Commission shall approve any reductions in procurement targets proposed by a local publicly owned electric utility if it determines that the requirements of this subdivision are satisfied.
- (m) A local publicly owned electric utility shall retain discretion over both of the following:
- (1) The mix of eligible renewable energy resources procured by the utility and those additional generation resources procured by the utility for purposes of ensuring resource adequacy and reliability.
- (2) The reasonable costs incurred by the utility for eligible renewable energy resources owned by the utility.
- (n) The Energy Commission shall adopt regulations specifying procedures for enforcement of this article. The regulations shall include a public process under which the Energy Commission may issue a notice of violation and correction against a local publicly owned electric utility for failure to comply with this article, and for referral of violations to the State Air Resources Board for penalties pursuant to subdivision (o).
- (o) (1) Upon a determination by the Energy Commission that a local publicly owned electric utility has failed to comply with this article, the Energy Commission shall refer the failure to comply with this article to the State Air Resources Board, which may impose penalties to enforce this article consistent with Part 6

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1 (commencing with Section 38580) of Division 25.5 of the Health 2 and Safety Code. Any penalties imposed shall be comparable to 3 those adopted by the commission for noncompliance by retail 4 sellers.

- (2) Any penalties collected by the State Air Resources Board pursuant to this article shall be deposited in the Air Pollution Control Fund and, upon appropriation by the Legislature, shall be expended for reducing emissions of air pollution or greenhouse gases within the same geographic area as the local publicly owned electric utility.
- SEC. 11. Section 399.31 of the Public Utilities Code is amended to read:
- 399.31. A retail seller may procure renewable energy credits associated with deliveries of electricity by an eligible renewable energy resource to a local publicly owned electric utility, for purposes of compliance with the renewables portfolio standard and clean energy standard requirements, if both of the following conditions are met:
- (a) The local publicly owned electric utility has adopted and implemented a renewable energy resources procurement plan adopted pursuant to Section 399.30 that complies with the renewables portfolio standard adopted pursuant to Section 399.30. and clean energy standard.
- (b) The local publicly owned electric utility is procuring sufficient eligible renewable energy resources to satisfy the target standard, and will not fail to satisfy the target standard in the event that the renewable energy credit is sold to the retail seller.
- SEC. 12. Section 399.33 of the Public Utilities Code is amended to read:
- 399.33. (a) This section shall only apply to a gas-fired powerplant that is located inside the state, is owned by and serves the electrical demands of a single local publicly owned electric utility, and meets all of the following conditions:
- (1) The local publicly owned electric utility has outstanding public indebtedness associated with the powerplant, the powerplant was planned and built after January 1, 2000, and the debt was secured before January 1, 2017.
- (2) Operating the powerplant below a 20-percent capacity factor on an annual average on a yearly basis may result in the loss of

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employment of a powerplant employee who receives a prevailing wage.

- (3) The powerplant is subject to and meets the state's greenhouse gases emission performance standard established by the Energy Commission pursuant to Section 8341.
- (4) The powerplant is not located in a disadvantaged community. For purposes of this paragraph, "disadvantaged community" means a census tract that, pursuant to Section 39711 of the Health and Safety Code, has received a score on the California Communities Environmental Health Screening 3.0, also known as CalEnviroScreen 3.0, in the 81st to 100th percentile, inclusive.
- (5) The local publicly owned electric utility can demonstrate with official documentation, such as an adopted city council resolution, to the satisfaction of the Energy Commission, that the powerplant was built in response to the energy crisis of 2000–01.
- (6) The powerplant has not undergone repowering and is not serving as a peaker powerplant.
- (b) If the procurement requirements of this article require more than 50 percent of retail sales of electricity to come from eligible renewable energy resources, then a local publicly owned electric utility that is the sole owner of a powerplant that both meets the requirements of subdivision (a) and is operating below 20 percent of its total capacity on an average annual basis during a given compliance period may, based on the utility's operations, adjust its renewable energy procurement targets and its clean energy procurement targets by an amount equal to the difference between the actual generation from the powerplant and the amount of generated at 20 percent of its total capacity, if all of the following conditions are met:
- (1) The local publicly owned electric utility has procured eligible renewable energy resources as required by Section 399.30, as it existed on January 1, 2018.
- (2) Additional procurement of eligible renewable energy resources or zero-carbon generational resources resulted in the powerplant operating at, or below, a 20-percent capacity factor on an annual average during a *renewables portfolio standard* compliance period.
- (3) The local publicly owned electric utility has attempted to mitigate against the reduction of generation to below 20 percent

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of the powerplant's total capacity by attempting to sell the powerplant or attempting to sell the generation from the powerplant to the extent it is practicable and does not result in resource shuffling.

- (c) A local publicly owned electric utility shall notify the Energy Commission by April 1, 2019, of its intent to act pursuant to the authorization granted by this section.
- (d) The Energy Commission shall review, and either approve or reject, a publicly owned electric utility's adjustment of its procurement targets pursuant to this section.
- (e) The Energy Commission may request relevant supporting documentation from a local publicly owned electric utility acting pursuant to this section.
- (f) This section shall apply only until the end of the calendar year during which the powerplant's original term of bonded indebtedness expires.
- SEC. 13. Section 454.52 of the Public Utilities Code is amended to read:
- 454.52. (a) (1) Beginning in 2017, and to be updated regularly thereafter, the commission shall adopt a process for each load-serving entity, as defined in Section 380, to file an integrated resource plan, and a schedule for periodic updates to the plan, and shall ensure that load-serving entities do the following:
- (A) Meet the greenhouse gas emissions reduction targets established by the State Air Resources Board, in coordination with the commission and the Energy Commission, for the electricity sector and each load-serving entity that reflect the electricity sector's percentage in achieving the economywide greenhouse gas emissions reductions of 40 percent from 1990 levels by 2030.
- (B) Procure at least 60 percent eligible renewable energy resources and 85 percent eligible clean energy resources by December 31, 2030, and at least 90 percent eligible clean energy resources by December 31, 2035, consistent with Article 16 (commencing with Section 399.11) of Chapter 2.3.
- (C) Enable each electrical corporation to fulfill its obligation to serve its customers at just and reasonable rates.
  - (D) Minimize impacts on ratepayers' bills.
- 38 (E) Ensure system and local reliability on both a near-term and 39 long-term basis, including meeting the near-term and forecast 40 long-term resource adequacy requirements of Section 380.

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1 (F) Comply with paragraph (1) of subdivision (b) of Section 2 399.13.

- (G) Strengthen the diversity, sustainability, and resilience of the bulk transmission and distribution systems, and local communities.
- (H) Enhance distribution systems and demand-side energy management.
- (I) Minimize localized air pollutants and other greenhouse gas emissions, with early priority on disadvantaged communities identified pursuant to Section 39711 of the Health and Safety Code.
- (J) Plan to meet all of the requirements of the California 24/7 Clean Energy Standard Program as provided in Article 16 (commencing with Section 399.11) of Chapter 2.3).
- (2) (A) The commission may authorize all source procurement for electrical corporations that includes various resource types including demand-side resources, supply side resources, and resources that may be either demand-side resources or supply side resources, taking into account the differing electrical corporations' geographic service areas, to ensure that each load-serving entity meets the goals set forth in paragraph (1).
- (B) The commission may approve procurement of resource types that will reduce overall greenhouse gas emissions from the electricity sector and meet the other goals specified in paragraph (1), but due to the nature of the technology or fuel source may not compete favorably in price against other resources over the time period of the integrated resource plan.
- (3) In furtherance of the requirements of paragraph (1), the commission shall consider the role of existing renewable generation, grid operational efficiencies, energy storage, *demand response*, and distributed energy resources, including energy efficiency, in helping to ensure each load-serving entity meets energy needs and reliability needs in *all* hours to encompass the hour of peak demand of electricity, excluding demand met by variable renewable generation directly connected to a California balancing authority, as defined in Section 399.12, and all seasons, while reducing the need for new electricity generation resources and new transmission resources in achieving the state's energy goals at the least cost to ratepayers.
- (b) (1) Each load-serving entity shall prepare and file an integrated resource plan consistent with paragraph (2) of

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subdivision (a) on a time schedule directed by the commission and subject to commission review.

- (2) Each electrical corporation's plan shall follow the provisions of Section 454.5.
- (3) The plan of a community choice aggregator shall be submitted to its governing board for approval and provided to the commission for certification, consistent with paragraph (5) of subdivision (a) of Section 366.2, and shall achieve the following:
- (A) Economic, reliability, environmental, security, and other benefits and performance characteristics that are consistent with the goals set forth in paragraph (1) of subdivision (a).
- (B) A diversified procurement portfolio consisting of both short-term and long-term electricity and electricity-related and demand reduction products.
- (C) The resource adequacy requirements established pursuant to Section 380.
- (4) The plan of an electric service provider shall achieve the goals set forth in paragraph (1) of subdivision (a) through a diversified portfolio consisting of both short-term and long-term electricity, electricity-related, and demand reduction products.
- (c) To the extent that additional procurement is authorized for the electrical corporation in the integrated resource plan or the procurement process authorized pursuant to Section 454.5, the commission shall ensure that the costs are allocated in a fair and equitable manner to all customers consistent with Section 454.51, that there is no cost shifting among customers of load-serving entities, and that community choice aggregators may self-provide renewable integration resources consistent with Section 454.51.
- (d) To eliminate redundancy and increase efficiency, the process adopted pursuant to subdivision (a) shall incorporate, and not duplicate, any other planning processes of the commission.
- (e) This section applies to an electrical cooperative, as defined in Section 2776, only if the electrical cooperative has an annual electrical demand exceeding 700 gigawatthours, as determined based on a three-year average commencing with January 1, 2013.
- 36 SEC. 14. Section 454.53 of the Public Utilities Code is amended 37 to read:
  - 454.53. (a) It is the policy of the state that by December 31, 2045, eligible renewable clean energy resources and zero-carbon resources resources, as defined in Section 399.12, supply 100

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percent of all retail sales of electricity to California electrical loads in California, including, but not limited to, retail sales of electricity to end-use customers and 100 percent of customers, electricity procured to serve all state agencies by December 31, 2045. The achievement of agencies, electricity uses by electric utilities, electrical line losses during the transmission and distribution of electricity, and, excepted as provided in subdivision (e), electric loads met by end-user self-generation. Achieving this policy for California shall not increase carbon emissions elsewhere in the western grid and shall not allow resource shuffling. The commission and Energy Commission, in consultation with the State Air Resources Board, shall take steps to ensure that a transition to a zero-carbon clean electric system for the State of California does not cause or contribute to greenhouse gas emissions increases elsewhere in the western grid, and is undertaken in a manner consistent with clause 3 of Section 8 of Article I of the United States Constitution. The commission, the Energy Commission, the State Air Resources Board, and all other state agencies shall incorporate this policy into all relevant planning. 

(b) The commission, Energy Commission, state board, and all other state agencies shall ensure that actions taken in furtherance of subdivision (a) do all of the following:

- (1) Maintain and protect the safety, reliable operation, and balancing of the electric system.
- (2) Prevent unreasonable impacts to electricity, gas, and water customer rates and bills resulting from implementation of this section, taking into full consideration the economic and environmental costs and benefits of renewable energy and zero-carbon clean energy resources.
- (3) To the extent feasible and authorized under law, lead to the adoption of policies and taking of actions in other sectors to obtain greenhouse gas emission reductions that ensure equity between other sectors and the electricity sector.
- (4) Not affect in any manner the rules and requirements for the oversight of, and enforcement against, retail sellers and local publicly owned utilities pursuant to the California Renewables Portfolio Standard Program (Article 16 (commencing with Section 399.11) of Chapter 2.3) and Sections 454.51, 454.52, 9621, and 9622.

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(c) Nothing in this section shall affect a retail seller's obligation to comply with the federal Public Utility Regulatory Policies Act of 1978 (16 U.S.C. Sec. 2601 et seq.).

- (d) The commission, Energy Commission, and state board shall do both of the following:
- (1) Utilize programs authorized under existing statutes to achieve the policy described in subdivision (a).
- (2) In consultation with all California balancing authorities, as defined in subdivision (d) of Section 399.12, as part of a public process, issue a joint report to the Legislature by January 1, 2021, and at least every four years thereafter. The joint report shall include all of the following:
- (A) A review of the policy described in subdivision (a) focused on technologies, forecasts, then-existing transmission, and maintaining safety, environmental and public safety protection, affordability, and system and local reliability.
- (B) An evaluation identifying the potential benefits and impacts on system and local reliability associated with achieving the policy described in subdivision (a).
- (C) An evaluation identifying the nature of any anticipated financial costs and benefits to electric, gas, and water utilities, including customer rate impacts and benefits.
- (D) The barriers to, and benefits of, achieving the policy described in subdivision (a).
- (E) Alternative scenarios in which the policy described in subdivision (a) can be achieved and the estimated costs and benefits of each scenario.
- (F) An evaluation of clean firm power capacity needed to achieve the policy described in subdivision (a) cost effectively, including the quantity of clean firm power needed, the performance requirements for clean firm resources, such as load-following capability and minimum duration once dispatched, and the technologies that could satisfy these requirements.
- (e) Nothing in this section authorizes the commission to establish any requirements on a nonmobile self-cogeneration or cogeneration facility that served onsite load, or that served load pursuant to an over-the-fence arrangement if that arrangement existed on or before December 20, 1995.
- 39 SEC. 15. No reimbursement is required by this act pursuant 40 to Section 6 of Article XIIIB of the California Constitution because

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a local agency or school district has the authority to levy service 2 charges, fees, or assessments sufficient to pay for the program or 3 level of service mandated by this act or because costs that may be 4 incurred by a local agency or school district will be incurred 5 because this act creates a new crime or infraction, eliminates a 6 crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government 8 Code, or changes the definition of a crime within the meaning of Section 6 of Article XIIIB of the California Constitution.

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SECTION 1. It is the intent of the Legislature to enact subsequent legislation to accelerate the state's progress toward having 100 percent of electricity provided by renewable or other zero-carbon sources on a 24-hour, seven-day basis, by doing all of the following:

- (a) Set an earlier target date for achieving 100 percent clean energy.
- (b) Define electric loads that are subject to the 100-percent clean energy requirement to include all instate consumption.
- (c) Direct the State Air Resources Board and the Public Utilities Commission to establish a system for tracking the provision and consumption of clean energy, similar to tracking renewable energy credits today, but with higher granularity so that clean energy provision can be tracked on an hourly basis.
- (d) Require the tracking system to take into account the ability of storage-like resources to move the timing of the provision of clean energy.
- (e) Direct the Public Utilities Commission to establish a clean energy standard with compliance periods and procurement targets that require load-serving entities to procure clean energy equivalent to defined portions of their load during different periods of the day and during different seasons of the year, in addition to the existing annual renewable portfolio standard compliance target.

#### AMENDED IN SENATE MARCH 23, 2021

#### SENATE BILL

No. 18

# Introduced by Senator Skinner (Coauthor: Senator Eggman)

December 7, 2020

An act to add Section 38561.7 to the Health and Safety Code, to add and repeal Section 25327.5 of the Public Resources Code, and to amend Sections 400.2 and 400.3 of, and to add Sections 380.1 and 380.6 to, the Public Utilities Code, relating to energy.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 18, as amended, Skinner. Green hydrogen.

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 state board is required 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 to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and to update the scoping plan at least once every 5 years.

This bill would require the state board, by December 31, 2022, as a part of the scoping plan and the state's goal for carbon neutrality, to prepare a strategic plan for accelerating the production and use of hydrogen, including a specific plan to accelerate production and use of green hydrogen, as defined, in California and an analysis of how curtailed—power electrical generation could be better utilized to help meet the state's greenhouse gas emissions reduction goals. The bill would require the state board, in developing the strategic plan, to

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consult with the California Workforce Development Board and labor and workforce organizations.

Existing law establishes the State Energy Resources Conservation and Development Commission (Energy Commission) and requires the Energy Commission, on a biennial basis, to adopt an integrated energy policy report containing an overview of major energy trends and issues facing the state. Existing law requires the Energy Commission, as a part of the report, to conduct transportation forecasting and assessment activities that include, among other things, an assessment of trends in transportation fuels, technologies, and infrastructure supply and demand.

This bill would require the Energy Commission, by June 1, 2022, to submit to the Legislature a report studying and modeling green hydrogen and its role in decarbonizing the power and transportation sectors, and helping to achieve, state's clean energy as part of its update to the integrated energy policy report due by November 1, 2023, to study and model potential growth for hydrogen and its role in decarbonizing, as defined, the electrical and transportation sectors of the economy, and helping to achieve specified environmental, energy, and climate change goals.

Existing law requires the Public Utilities Commission (PUC) and the Energy Commission to undertake specified actions to advance the state's clean energy and pollution reduction objectives, including, where feasible, cost effective, and consistent with other state policy objectives, increasing the use of large- and small-scale energy storage with a variety of technologies. Existing law specifies that green electrolytic hydrogen, as defined, is one of these energy storage technologies to be targeted for increased use and requires the PUC, state board, and Energy Commission to consider green electrolytic hydrogen an eligible form of energy storage, and to consider other potential uses of green electrolytic hydrogen.

Existing law requires the PUC to identify a diverse and balanced portfolio of resources needed to ensure a reliable electricity supply that provides optimal integration of renewable energy resources in a cost-effective manner. Existing law requires that the portfolio rely upon zero carbon-emitting resources to the maximum extent reasonable and be designed to achieve any statewide limit on emissions of greenhouse gases established by the state board pursuant to the California Global Warming Solutions Act of 2006.

**This** 

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Except as provided, this bill would require the PUC to consider both green hydrogen and green electrolytic hydrogen to be a zero carbon-emitting resource for purposes of identifying a diverse and balanced portfolio of resources needed to ensure a reliable electricity supply that provides optimal integration of renewable energy resources in a cost-effective manner.

Existing law requires the PUC to adopt a process for each load-serving entity to file an integrated resources plan to meet various requirements.

This bill would require the PUC to work to-advance include green hydrogen within the integrated resources plan.

Existing law establishes a policy of the state that eligible renewable energy resources and zero-carbon resources supply 100% of retail sales of electricity to California end-use customers and 100% of electricity procured to serve all state agencies by December 31, 2045. Existing law requires the PUC, Energy Commission, and state board to utilize programs authorized under existing statutes to achieve this policy.

#### **This**

Except as provided, this bill would require that the PUC, state board, and Energy Commission consider green hydrogen to be a zero-carbon resource for these purposes.

Existing law requires the PUC, in consultation with the Independent System Operator, to establish resource adequacy requirements for all load-serving entities to ensure reliability of electrical services in California while advancing, to the extent feasible, the state's goals for clean energy, reducing air pollution, and reducing emissions of greenhouse gases.

#### **This**

Except as provided, this bill would require the PUC to modify the resource adequacy requirements and accounting rules to provide equal consideration for dispatchable local and system resource adequacy resources made from green hydrogen. The bill would require the PUC, in a rulemaking proceeding related to energy storage, to consider green *electrolytic* hydrogen as part of encouraging portfolio diversity.

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. (a) The Legislature finds and declares all of the 2 following:

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(1) Climate change and air pollution threaten the health and prosperity of all Californians. Historic droughts, devastating wildfires, storms, extreme heat, and the death of millions of trees are creating billions of dollars in property damage and threatening human health and food supplies.

- (2) California has set ambitious targets to reduce the effects of climate change by reducing carbon emissions 40 percent below 1990 levels by 2030 and 80 percent below 1990 levels by 2050.
- (3) In 2018, Governor Brown issued Executive Order No. B-55-18, creating a state goal to reach greenhouse gas neutrality by no later than 2045 and to maintain net negative greenhouse gas emissions thereafter, and directing the State Air Resources Board to work with relevant state agencies to develop a framework for implementation and accounting that tracks progress toward these goals.
- (4) California's leadership in driving aggressive emissions reductions has helped bring to market many new forms of renewable energy and fuels, including supporting a rapid decline in prices for renewable power such as solar, wind, and battery storage, and has accelerated adoption and price reduction of zero-emission vehicles. The cost of utility-scale solar power dropped by 50 percent in just four years between 2011 and 2015, and electric vehicle battery prices dropped 87 percent in real terms from 2010 to 2019.
- (5) Multiple studies show that renewable hydrogen, particularly green electrolytic hydrogen produced by splitting water, is poised to experience similar cost declines over the next decade.
- (6) Achieving these cost reductions and deploying green hydrogen at scale would help decarbonize many difficult-to-decarbonize sectors, including buildings, industry, thermal power plants, and the transportation sector, including light-,—medium- medium-, and heavy-duty vehicles, goods movement, and air travel, and accelerate progress towards the state's climate, clean air, and clean energy goals.
- (7) Green hydrogen offers many climate and energy cobenefits, including better utilizing curtailed power and better integrating renewable resources into the electrical grid to achieve greater than 100 percent zero-carbon energy and put renewable electricity to use to decarbonize many other sectors of the economy.

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(8) Green hydrogen is a flexible resource that can be used for many things, including oil refining, ammonia and fertilizer production, and other industrial and chemical processes; storing renewable and zero-carbon electricity for multiple days and seasons; powering a variety of on-road, onroad, off-road, rail, aviation, and maritime transport and materials handling applications; providing dispatchable electricity production including enhancing resiliency for behind-the-meter emergency backup generation and islanded microgrids; displacing coking coal used in the production of steel; fueling industrial thermal applications; and decarbonizing the existing natural gas pipeline.

- (b) It is the intent of the Legislature to develop a leading green hydrogen industry in California in order to provide accelerated clean air, climate, and energy benefits, better integrate existing renewable resources into the electrical grid, create jobs, and provide new clean technology to decarbonize challenging sectors.
- SEC. 2. Section 38561.7 is added to the Health and Safety Code, to read:
- 38561.7. (a) Not later than December 31, 2022, as part of the scoping plan prepared pursuant to Section 38561 and the state's goal for carbon neutrality, the state board shall prepare both of the following:

<del>(a)</del>

(1) A strategic plan for accelerating the production and use of green hydrogen, as defined in subdivision (a) of Section 400.2 of the Public Utilities Code, hydrogen, including a specific plan to accelerate production and use of green hydrogen, in California to help meet the goals set forth in this division. For purposes of this section, "green hydrogen" has the same meaning as defined in Section 400.2 of the Public Utilities Code. The scoping plan shall include all of the following: following:

 $\frac{(1)}{(1)}$ 

(A) A strategic plan for *promoting*, *scaling*, *and* utilizing green hydrogen-industry in the state to help achieve the state's climate, clean energy, and clean air objectives.

<del>(2)</del>

(B) An assessment of difficult to decarbonize sectors of the economy for which green hydrogen may be a more feasible and cost-effective decarbonization method than other alternatives. For purposes of this section, to "decarbonize" means to reduce or

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eliminate associated emissions of greenhouse gases. This assessment shall include an estimate of the amount of greenhouse gas emissions reduction and air quality benefits the state could achieve through deploying green hydrogen through a variety of scenarios. scenarios and the costs associated with using green hydrogen, when compared to other alternatives.

(3)

(C) A review of similar efforts to deploy—green hydrogen internationally, including opportunities to collaborate with other jurisdictions to accelerate market scale, cost reductions, and global climate benefits.

12 <del>(4)</del>

- (D) Recommendations to the Legislature for legislative or agency actions to implement the strategic plan. The recommendations shall include both of the following:
- (A) Recommendations recommendations on how to overcome market barriers and accelerate progress in green hydrogen production and use, including through demonstration projects, incentives, financing mechanisms, or other policies, and recommendations to maximize economic, environmental, and equity benefits resulting from increased utilization of green hydrogen.
- (B) An analysis of how curtailed power could be better utilized to help meet the goals set forth in this division, including, but not limited to, whether curtailed power could be made available for the production of green hydrogen. The state board shall consult with the Independent System Operator in the preparation of the analysis.
- (E) A strategic plan for supporting hydrogen infrastructure and end uses in difficult to decarbonize sectors of the economy for the purpose of preparing infrastructure and end uses for green hydrogen deployment. This plan shall identify policies that promote the reduction of economywide emissions of greenhouse gases through the deployment of hydrogen, including green hydrogen, while ensuring that hydrogen infrastructure will support the employment of a skilled and trained workforce in California to perform that work.
- (F) The strategic plan should also include the potential for other forms of hydrogen, outside of green hydrogen, to achieve emission

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reductions that can contribute to achieving the state's climate, clean energy, and clean air objectives.

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- (2) An analysis of how curtailed—power electrical generation could be better utilized to help meet the goals set forth in this division, including, but not limited to, whether curtailed—power electrical generation could be made available for the production of green hydrogen. The state board shall consult with the Independent System Operator in the preparation of the analysis.
- (b) In developing the strategic plan pursuant to subdivision (a), the state board shall consult the California Workforce Development Board and labor and workforce organizations, including those that administer state approved apprenticeship programs that train workers to construct, install, and maintain hydrogen infrastructure.
- SEC. 3. Section 25327.5 is added to the Public Resources Code, to read:
- 25327.5. (a) By June 1, 2022, the commission shall, in accordance with Section 9795 of the Government Code, submit a report to the Legislature studying and modeling green hydrogen, as defined in subdivision (a) of Section 400.2 of the Public Utilities Code, and its role in decarbonizing the power and transportation sectors, As part of its next update to the report required pursuant to section 25301, the commission shall study and model potential growth for hydrogen and its role in decarbonizing the electrical and transportation sectors of the economy, and helping to achieve goals set forth in The 100 percent Clean Energy Act of 2018 (Chapter 312 of the Statutes of 2018), the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500 of the Health and Safety Code)), and the Clean Energy and Pollution Reduction Act of 2015 (Chapter 547 of the Statutes of 2015). For purposes of this section, "decarbonizing" means reducing or eliminating associated emissions of greenhouse gases.
- 34 (b) Pursuant to Section 10231.5 of the Government Code, this section becomes inoperative on June 1, 2026, and is repealed on January 1, 2027.
- 37 SEC. 4. Section 380.1 is added to the Public Utilities Code, to 38 read:
- 39 380.1. The (a) Except as provided in subdivision (b), the 40 commission shall modify the resource adequacy requirements

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established pursuant to Section 380 and accounting rules to provide equal consideration for dispatchable local and system resource adequacy resources made from green hydrogen, as defined in subdivision (a) of Section 400.2.

- (b) If insufficient information exists to consider a hydrogen resource pursuant to subdivision (a), the commission may make a finding that the resource cannot be considered for resource adequacy purposes.
- SEC. 5. Section 380.6 is added to the Public Utilities Code, to read:
- 380.6. In a new rulemaking proceeding related to energy storage, the commission shall consider green *electrolytic* hydrogen, as defined in subdivision—(a) (b) of Section 400.2, as part of encouraging portfolio diversity.
- SEC. 6. Section 400.2 of the Public Utilities Code is amended to read:
- 400.2. For the purposes of this article, the following definitions apply:
- (a) "Green hydrogen" means hydrogen gas that is not produced from fossil fuel feedstock sources and does not produce incremental carbon emissions during its primary production process.
- (b) "Green electrolytic hydrogen" means hydrogen gas produced through electrolysis and does not include hydrogen gas manufactured using steam reforming or any other conversion technology that produces hydrogen from a fossil fuel feedstock.
- SEC. 7. Section 400.3 of the Public Utilities Code is amended to read:
- 400.3. (a) The commission, State Air Resources Board, and Energy Commission shall consider green electrolytic hydrogen an eligible form of energy storage, both green hydrogen and green electrolytic hydrogen as a zero carbon-emitting resource pursuant to Section 454.51, and a zero-carbon resource pursuant to Section 454.53, shall work to-advance the include green hydrogen in the integrated resource plan required pursuant to Section 454.52, and
- 35 shall consider other potential uses of green hydrogen in all of their

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(b) A green hydrogen or green electrolytic hydrogen resource shall only be considered a zero-carbon resource if it complies with protections against resource shuffling pursuant to section 454.53.

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#### BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Margaret Abe-Koga and Pauline Russo Cutter, and Members

of the Legislative Committee

From: Jack P. Broadbent

Executive Officer/APCO

Date: April 15, 2021

Re: 2021 Legislative Platform

#### RECOMMENDED ACTION

None; receive and file.

#### **BACKGROUND**

The legislative platform is an attempt to provide overall advocacy principles to the Legislative Committee (Committee) and Board of Directors, as well as provide guidance to Air District staff for the upcoming year.

#### **DISCUSSION**

Attached is the legislative platform for 2021, after comments from Committee Members at the February and March Committee meetings. The Committee voted and approved the legislative platform at the March Committee meeting with the inclusion of "Wildfire Smoke Mitigation" for State Legislation and "Climate Change" for Federal Legislation.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by: <u>Alan Abbs</u>

Reviewed by: Jack P. Broadbent

Attachment 6A: Legislative Platform for 2021



## **Legislative Platform (2021)**

#### **State Budget**

- State Funding for Clean Air Projects: Advocate for new and continued funding for investment in projects that reduce air pollution and exposure in the Bay Area. The Air District will pursue funding to support programs in the Bay Area Region from all available sources, including Carl Moyer, the Greenhouse Gas Revenue Fund, Assembly Bill (AB) 118, and the Air Pollution Control Fund.
- 2. AB 617 Community Air Protection Implementation and Incentive Funding: Advocate for adequate and continuous funding to support the Air District's AB 617 Community Air Protection Program. The state should provide necessary resources to fund the emissions inventory, regulatory, administrative, air monitoring, and community outreach activities necessary to effectively implement AB 617 requirements. The 2021/22 budget includes \$50 million (M) and \$265M statewide for implementation and incentives, respectively. When possible, the Air District will advocate support for continued funding and/or increases to funding.
- 3. Carl Moyer Program AB 1274 Funding: While passed in 2017 to boost funding to the Carl Moyer Program, AB 1274 funding was collected from certain motor vehicle registrations but not dispersed to air districts due to unchanged state budget caps. The 2021/22 budget corrects this error by providing approximately \$150M in collected funds to the Carl Moyer Program, of which approximately \$25M would go to the Bay Area Air District. The Air District will strongly advocate for this line item.
- 4. Carl Moyer/Mobile Source Incentive Fund/AB 118 Reauthorization: The 2021/22 budget proposes a reauthorization of the Carl Moyer Memorial Air Quality Standards Program, the AB 923 Program (also known as the Air District's Mobile Source Incentive Fund [MSIF]), and the California Energy Commission's AB 118 Program through 2045. These programs currently sunset at the end of 2023. The Air District will strongly advocate for extension of Moyer and 923 as part of the state budget process.
- 5. Wildfire Smoke Public Health Response: The Air District sponsored AB 836 Wildfire Smoke Clean Air Centers Pilot Program by Assemblymember Wicks in 2019, which received funding in the state budget for 2020/21 for \$5M. The 2021/22 budget does not currently fund this program, and the Air District will strongly advocate for continued funding.
- 6. Support for Air District Activities Related to Wildfire Mitigation: The passage of Senate Bill (SB) 1260 in 2018 provided funding for air districts to support prescribed fire and other forest health activities by land managers. The 2021/22 budget includes a small amount of funding for this purpose, which the Air District will continue to advocate for.
- 7. **Clean Tech Financing:** Support proposals to provide financing assistance to clean technology projects, and if possible, funding for the Air District's Climate Tech Finance Program.



### **Legislative Platform (2021)**

#### **State Legislation**

- 1. **Vehicle Emissions and Congestion Relief:** Support legislative proposals that encourage active transportation, reduce vehicle miles traveled, and reduce emissions in the transportation sector. Oppose legislative proposals that roll back existing smog check and vehicle maintenance requirements.
- 2. Climate Change: Support legislative proposals that align with the Air District's 2017 Bay Area Clean Air Plan, including limiting fossil fuel combustion, stopping methane leaks, advancing zero-emission vehicle usage, advancing clean fuel adoption, accelerate low carbon buildings, supporting Community Choice Aggregation programs, and building energy efficiency in both new and existing buildings.
- 3. **AB 617 Community Air Protection Program:** Support legislative proposals that seek to reduce emissions and exposure in overburdened communities within the parameters of the Federal Clean Air Act and California Clean Air Act.
- 4. **Wildfire Smoke Public Health Response:** Support legislative proposals that would improve indoor air quality in public and non-public spaces through improved filtration or weatherization, especially in vulnerable and disadvantaged communities.
- 5. **Emergency Backup Generation:** Support legislative proposals that seek to reduce diesel particulate emissions in backup generation through use of cleaner generation. Oppose legislative proposals that restrict air district regulatory authority of diesel backup generators.
- 6. **Toxic Air Emissions:** Support legislative proposals to reduce emissions and exposure of air toxics. Oppose legislation that would potentially result in increases of air toxic emissions in the Bay Area Region.
- 7. **Stationary Source Greenhouse Gas Authority:** Support legislative proposals to allow local air district the authority to establish stationary source greenhouse gas permit requirements.
- 8. **Wildfire Smoke Mitigation/Prescribed Fire:** Support legislative proposals to proactively reduce smoke from catastrophic wildfires through responsible fuel management policies, including the use of prescribed fire.



### **Legislative Platform (2021)**

### **Federal Legislation**

- Federal Funding for Air District Clean Air Programs: Advocate for continuous and increased funding for Air District programs that reduce emissions and exposure, or that support monitoring and planning efforts in the Bay Area Region, including federal 103 and 105 grants, Diesel Emission Reduction Act grants, and Targeted Airshed Grants.
- 2. **Wildfire Smoke Public Health Response:** Support federal level efforts, including legislative efforts, to improve wildfire smoke public health response and indoor air quality in the Bay Area Region.
- 3. Clean Transportation Programs: Support efforts to include funding for clean transportation infrastructure in future federal transportation bills and economic stimulus bills.
- 4. **Clean Energy Programs:** Support efforts to promote clean energy technology through incentive funding or tax credits, especially in disadvantaged communities in the Bay Area. Support proposals to provide financing assistance to clean technology projects, and if possible, funding for the Air District's Climate Tech Finance Program.
- 5. **Particulate Matter Standards:** Support efforts to review EPA's 2020 decision to leave federal PM2.5 unchanged, per recommendations of Air District Board and Advisory Committee.
- Vehicle Emission Standards: Support efforts to develop more stringent vehicle emission standards that align with current California standards for light duty, medium duty, and heavy-duty vehicles. Support efforts to retain California vehicle emission standard authority.
- 7. Climate Change: Support federal level efforts, including legislative efforts, that align with the Air District's 2017 Bay Area Clean Air Plan, including limiting fossil fuel combustion, stopping methane leaks, advancing zero-emission vehicle usage, advancing clean fuel adoption, accelerate low carbon buildings, supporting Community Choice Aggregation programs, and building energy efficiency in both new and existing buildings.

#### BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Margaret Abe-Koga and Pauline Russo Cutter, and Members

of the Legislative Committee

From: Jack P. Broadbent

Executive Officer/APCO

Date: April 15, 2021

Re: Federal Legislative Update

#### RECOMMENDED ACTION

None; receive and file.

#### **BACKGROUND**

The Legislative Committee (Committee) will receive an update on recent events of significance on the federal level.

#### **DISCUSSION**

Staff will provide a verbal update of any significant bill introductions for the 117th Congress (2021-2022).

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by: <u>Alan Abbs</u>

Reviewed by: Jack P. Broadbent