



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 5

State Legislative Budget Update

**Legislative Committee Meeting
October 3, 2022**

**Alan Abbs
Legislative Officer
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Presentation Outcome



- Staff will provide the Legislative Committee with an update on recent activities related to the state budget.

Presentation Outline



- Overview of the statewide funding amounts for the 2022-23 State Budget vs. previous year.

Presentation Requested Action



None – Informational item only.

2022-23 State Budget vs. Previous Year



Program	FY 21/22 Approved Budget	FY 22/23 Approved Budget and Trailer Bills (As of 9/20/2022)
AB 617 – Implementation	\$50M	\$50M
AB 617 – Incentives	\$260M	\$240M
AB 617 – Community Grants	\$10M	\$10M
AB 617 – Additional Incentives (CERP)		\$10M
Clean Vehicle Rebate	\$525M*	(see note below)
Clean Truck & Bus	\$315M	\$600M
Ag Diesel Engine Replacement	\$213M	\$150M
Clean Cars For All/School Bus/Equity	\$150M	\$381M
Resilience Centers	\$25M	\$110M
Prescribed Fire	\$2M	\$2M

* FY 21/22 was for 3-year budget

2022-23 State Budget vs. Previous Year (cont.)



Program	FY 21/22 Approved Budget	FY 22/23 Approved Budget and Trailer Bills (As of 9/20/2022)
Carl Moyer Program	\$247M	\$130M
Zero-Emission Lawn and Garden	\$30M	\$0
Woodstove Replacement	\$5M	\$5M
Port and Freight Goods Movement Infrastructure		\$1.2B**
ZEV Drayage/Transit/School Bus		\$280M
Long-Duration Energy Storage		\$140M
Residential Decarbonization		\$112M
Commercial Harbor Craft		\$60M

** Over the next 4 years



Questions / Discussion



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AGENDA: 6

Air District-Sponsored Bills

**Legislative Committee Meeting
October 3, 2022**

**Alan Abbs
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Presentation Outcome



- Staff will provide the Legislative Committee with a summary and status of the three Air District-sponsored bills and one co-sponsored bill.

Presentation Outline



Assembly Bill (AB) 1897 (Wicks) – Nonvehicular air pollution control: civil penalties: refineries.*

** This bill was gut and amended the week before the 2022 Legislative Session ended.*

AB 2214 (C. Garcia and Lee) – California Environmental Quality Act: schoolsites: acquisition of property: school districts, charter schools, and private schools.

AB 2721 (Lee) – Bay Area Air Quality Management District: district board: compensation.

AB 2836 (E. Garcia) – Carl Moyer Memorial Air Quality Standards Attainment Program: vehicle registration fees: California tire fee.

Presentation Requested Action



None – Informational item only.

AB 1897 (Wicks)*



Nonvehicular air pollution control: civil penalties: refineries.

- Introduced on February 9, 2022, by Assemblymember Wicks.
- Passed Assembly Committees/Assembly Floor favorably.
- Passed Senate Committee process favorably. However, due to several amendments made by the Appropriations Committee, the bill was not worth moving forward.

** On August 25, 2022, AB 1897 was gut and amended to become an entirely different bill with a new author.*

AB 2214 (C. Garcia and Lee)



California Environmental Quality Act: schoolsites: acquisition of property: school districts, charter schools, and private schools.

- Introduced by Assembly Members Cristina Garcia and Alex Lee on February 15, 2022.
- Passed Assembly Committees/Assembly Floor favorably.
- Passed Senate Committees on Environmental Quality and Education favorably.
- In the Senate Appropriations Committee, the bill was placed on the Suspense File and was held under submission on August 11, 2022.

AB 2721 (Lee)



Bay Area Air Quality Management District: district board: compensation.

- Introduced by Assemblymember Lee on February 18, 2022.
- Passed Assembly Committee/Assembly Floor favorably.
- Passed Senate Committees/Senate Floor favorably.
- The bill was signed by the Governor on September 23, 2022.

AB 2836 (E. Garcia)



Carl Moyer Memorial Air Quality Standards Attainment Program: vehicle registration fees: California tire fee.

- Introduced by Assemblymember Eduardo Garcia on February 18, 2022.
- Passed Assembly Committee/Assembly Floor favorably.
- Passed Senate Committees/Senate Floor favorably.
- The bill was signed by the Governor on September 16, 2022.



Questions / Discussion



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State Legislative Update

**Legislative Committee Meeting
October 3, 2022**

**Alan Abbs
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Presentation Outcome



Staff will provide the Committee with a brief summary and status of bills that the Air District was tracking during the 2022 Legislative Session and bills that were amended late in the Legislative Session as a Climate Package deal between the Governor, Assembly, and Senate.

Presentation Outline



Assembly Bills

Assembly Bill (AB) 1749 (C. Garcia), AB 2206 (Lee), AB 2232 (McCarty), AB 2449 (Rubio), AB 2550 (Arambula), AB 2910 (Santiago)

Senate Bills

Senate Bill (SB) 45 (Portantino), SB 1382 (Gonzalez)

End of Session Climate Package Deal

AB 1279 (Muratsuchi), AB 1757 (C. Garcia), AB 2133 (Quirk), SB 905 (Caballero and Skinner), SB 846 (Dodd), SB 1020 (Laird), SB 1137 (Gonzalez)

Presentation Requested Action



None – Informational item only.

Assembly Bills



- **AB 1749 (C. Garcia) – Community emissions reduction programs: toxic air contaminants and criteria air pollutants.**
This bill would require the state board to additionally identify in each statewide strategy update measures to reduce criteria air pollutants and toxic air contaminants.
 - Current Status: Signed by the Governor on September 16, 2022.
- **AB 2206 (Lee) – Nonattainment basins: employee parking: parking cash-out program.**
This bill would revise the definitions of “employer,” “parking cash-out program,” and “parking subsidy.”
 - Current Status: Governor’s Desk

Assembly Bills (cont.)



- **AB 2232 (McCarty) – School facilities: heating, ventilation, and air conditioning systems.**

This bill would require a covered school, and would request the University of California, to ensure that facilities have heating, ventilation, and air conditioning (HVAC) systems that meet specified minimum ventilation rate requirements, as well as, installing filtration that achieves specified minimum efficiency reporting values (MERV) levels, determined by the school to be feasible with the existing HVAC system, as provided.

- **Current Status: Governor’s Desk**

Assembly Bills (cont.)



- **AB 2449 (Rubio) – Open meetings: local agencies: teleconferences.**

Allows, until January 1, 2026, members of a legislative body of a local agency to use teleconferencing without identifying each teleconference location in the notice and agenda of the meeting, and without making each teleconference location accessible to the public, under specified conditions.

- **Current Status: Signed by the Governor on September 13, 2022.**

Assembly Bills (cont.)



- **AB 2550 (Arambula) – State Air Resources Board: San Joaquin Valley Air Pollution Control District: nonattainment.**
Requires the California Air Resources Board (CARB) to take specified interventions with regard to the San Joaquin Valley Air Pollution Control District based on nonattainment for National Ambient Air Quality Standards (NAAQS).
 - Current Status: Vetoed by the Governor on September 22, 2022.

Assembly Bills (cont.)



- **AB 2910 (Santiago) – Nonvehicular air pollution: civil penalties.**
This bill would increase the maximum civil penalties for air pollution violations, including tripling the lowest penalty caps for strict liability, and makes certain specifications on which moneys are affected and how they must be spent.
 - Current Status: Dead

Senate Bills



- **SB 45 (Portantino) – Short-lived climate pollutants: organic waste reduction goals: local jurisdiction assistance.**

This bill directs the California Department of Resources Recycling and Recovery (CalRecycle), in consultation with CARB, to assist local jurisdictions in complying with organic waste diversion programs, as specified.

- **Current Status: Signed by the Governor on September 19, 2022.**

Senate Bills (cont.)



- **SB 1382 (Gonzalez) – Air pollution: Clean Cars 4 All Program: Sales and Use Tax Law: zero emissions vehicle exemption.**
This bill, until January 1, 2028, exempts from a portion of the Sales and Use Tax the purchase of a plug-in hybrid vehicle (PHEV) or a zero-emission vehicle (ZEV) made with an award from the Clean Cars 4 All program (CC4A) and requires CARB to take specified actions to improve CC4A participation by households living in areas experiencing high levels of air pollution or poverty or that primarily speak a language other than English.
 - Current Status: Signed by the Governor on September 16, 2022.

Climate Package Deal



The following bills were amended late in the Legislative Session as a Climate Package deal between the Governor, Assembly, and Senate.

- **AB 1279 (Muratsuchi) – The California Climate Crisis Act.**
Establishes the California Climate Crisis Act to declare the policy of the state both to achieve net zero greenhouse gas (GHG) emissions by 2045, and to ensure that by 2045, statewide anthropogenic GHGs are reduced to at least 85% below 1990 levels.
 - Current Status: Signed by the Governor on September 16, 2022.

Climate Package Deal (cont.)



- **AB 1757 (C. Garcia) – California Global Warming Solutions Act of 2006: climate goal: natural and working lands.**
Requires the Natural Resources Agency (NRA), in collaboration with specified entities to determine on or before January 1, 2024, an ambitious range of targets for natural carbon sequestration, and for nature-based climate solutions, that reduce GHGs for 2030, 2038, and 2045, to support state goals to achieve carbon neutrality and foster climate adaptation and resilience.
 - Current Status: Signed by the Governor on September 16, 2022.

Climate Package Deal (cont.)



- **AB 2133 (Quirk) – California Global Warming Solutions Act of 2006: emissions limit.**

Require CARB to ensure that statewide GHG emissions are reduced to at least 55% below the 1990 level by no later than December 31, 2030.

- Current Status: Dead
- **SB 905 (Caballero and Skinner) – Carbon sequestration: Carbon Capture, Removal, Utilization, and Storage Program.**

This bill establishes a framework for capture, utilization, and storage of compressed carbon dioxide (CO₂), a GHG. The bill complements existing policies to meet California's long-term climate change goals.

 - Current Status: Signed by the Governor on September 16, 2022.

Climate Package Deal (cont.)



- **SB 846 (Dodd) – Diablo Canyon powerplant: extension of operations.**

This bill authorizes the extension of operating the Diablo Canyon Nuclear power plant (DCPP) beyond the current expiration dates (of 2024 for Unit 1 and 2025 for Unit 2), to up to five additional years, under specified conditions. This bill also authorizes a loan of \$1.4 billion from the state to Pacific Gas & Electric (PG&E), the operator of DCPP, to facilitate the extension of the plant. This bill also provides expedited permitting to facilitate relicensing of DCPP.

- **Current Status: Signed by the Governor on September 2, 2022.**

Climate Package Deal (cont.)



- **SB 1020 (Laird) – Clean Energy, Jobs, and Affordability Act of 2022.**

Establishes interim targets to the statewide 100% clean energy policy. Additionally requires state agencies to accelerate their 100% clean energy policy goal by 10 years.

- **Current Status:** Signed by the Governor on September 16, 2022.

Climate Package Deal (cont.)



- **SB 1137 (Gonzalez) – Oil and gas: operations: location restrictions: notice of intention: health protection zone: sensitive receptors.**

Prohibits the Geologic Energy Management Division (CalGEM) from approving any notice of intention (NOI) within a health protection zone, as defined, except for under specified circumstances.

Requires all oil or gas production facilities or wells with a wellhead within a health protection zone to comply with health, safety, and environmental requirements, as provided, and comply with specified community communication and water sampling requirements.

- Current Status: Signed by the Governor on September 16, 2022.
- Signature gathering effort for a referendum has been filed.



Questions / Discussion



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Federal Legislative Update

**Legislative Committee Meeting
October 3, 2022**

**Alan Abbs
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Presentation Outcome



Staff will provide the Legislative Committee an update on recent events of significance on the federal level, including the Inflation Reduction Act of 2022 (IRA) – H.R. 5376.

Presentation Outline



General summary of the IRA, including sections:

- Clean Heavy-Duty Vehicles
- Grants to Reduce Air Pollution at Ports
- Greenhouse Gas Reduction Fund
- Climate Pollution Reduction Grants
- Environmental and Climate Justice Block Grants
- Neighborhood Access and Equity Grant Program

Presentation Requested Action



None – Informational item only.

Inflation Reduction Act of 2022



- August 7, 2022 – The U.S. Senate passed the IRA.
- August 12, 2022 – The U.S. House passed the IRA using the budget reconciliation process.
- August 16, 2022 – President Biden signed the IRA.
- Includes \$450 billion in spending investments and tax expenditures to tackle climate change, promote domestic energy production, and reduce the price of health care. It contains \$369 billion in climate and clean energy investments.

Program Funding in the IRA



- **Clean Heavy-Duty Vehicles**
 - \$600 Million (M) | \$400M (nonattainment areas)
- **Grants to Reduce Air Pollution at Ports**
 - \$2.25 Billion (B) | \$750M (nonattainment areas)
- **Greenhouse Gas Reduction Fund**
 - \$27B to combat climate change.
 - Over 40% of these investments will go to low-income and disadvantaged communities.

Program Funding in the IRA (cont.)



- **Climate Pollution Reduction Grants**
 - Section 137 added to the Clean Air Act
 - \$250M Greenhouse Gas (GHG) Pollution Planning Grants
 - \$4.75B GHG Air Pollution Implementation Grants
- **Environmental and Climate Justice Block Grants**
 - \$3B for grants and technical assistance for environmentally-related activities that benefit disadvantaged communities.
- **Neighborhood Access and Equity Grant Program**
 - \$3B to improve transportation equity and accessibility and mitigate environmental impacts from transportation facilities.

Other Ongoing Federal Activities



- Wildfire Smoke/Clean Air Centers



Questions / Discussion