



BOARD OF DIRECTORS
POLICY, GRANTS, AND TECHNOLOGY COMMITTEE
February 26, 2025

COMMITTEE MEMBERS

VICKI VEENKER – CHAIR
MARGARET ABE-KOGA
JOELLE GALLAGHER
OTTO LEE
LENA TAM

JUAN GONZÁLEZ III – VICE-CHAIR
KEN CARLSON
DAVID HAUBERT
SERGIO LOPEZ

**MEETING LOCATION(S) FOR IN-PERSON ATTENDANCE BY
COMMITTEE MEMBERS AND MEMBERS OF THE PUBLIC**

**Bay Area Metro Center
1st Floor Yerba Buena Room
375 Beale Street
San Francisco, CA 94105**

**City of San Leandro City Hall
835 E. 14th Street
2nd Floor, Room 201
San Leandro, CA 94577**

**Alameda County Board of Supervisors
District 3
Office of Supervisor Lena Tam
101 Callan Avenue, Suite #103
San Leandro, CA 94577**

**Scott Haggerty Heritage House
4501 Pleasanton Avenue
Pleasanton, CA 94566**

**Napa County Administration Building
1195 Third Street, Suite 310
Crystal Conference Room
Napa, CA 94559**

**Office of Santa Clara County
Supervisor Otto Lee
70 W Hedding Street
East Wing, 10th Floor
San Jose, CA 95110**

THE FOLLOWING STREAMING OPTIONS WILL ALSO BE PROVIDED

These streaming options are provided for convenience only. In the event that streaming connections malfunction for any reason, the Policy, Grants, and Technology Committee reserves the right to conduct the meeting without remote webcast and/or Zoom access.

The public may observe this meeting through the webcast by clicking the link available on the air district's agenda webpage at www.baaqmd.gov/bodagendas.

Members of the public may participate remotely via Zoom at <https://bayareametro.zoom.us/j/89206865825>, or may join Zoom by phone by dialing (669) 900-6833 or (408) 638-0968.

The Webinar ID for this meeting is: 892 0686 5825

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 a matter on the agenda will have two minutes each to address the Committee on that agenda item, unless a different time limit is established by the Chair. No speaker who has already spoken on an item will be entitled to speak to that item again.

The Committee welcomes comments, including criticism, about the policies, procedures, programs, or services of the District, or of the acts or omissions of the Committee. Speakers shall not use threatening, profane, or abusive language which disrupts, disturbs, or otherwise impedes the orderly conduct of a Committee meeting. The District is committed to maintaining a workplace free of unlawful harassment and is mindful that District staff regularly attend Committee meetings. Discriminatory statements or conduct that would potentially violate the Fair Employment and Housing Act – i.e., statements or conduct that is hostile, intimidating, oppressive, or abusive – is *per se* disruptive to a meeting and will not be tolerated.

**POLICY, GRANTS, AND TECHNOLOGY COMMITTEE
SPECIAL MEETING AGENDA**

**WEDNESDAY, FEBRUARY 26, 2025
10:00 AM**

Chairperson, Vicki Veenker

1. Call to Order - Roll Call

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

2. Pledge of Allegiance

CONSENT CALENDAR (Item 3)

The Consent Calendar consists of routine items that may be approved together as a group by one action of the Committee. Any Committee member or member of the public may request that an item be removed and considered separately.

3. Approval of the Draft Minutes of the Policy, Grants, and Technology Committee Meeting of December 18, 2024

The Committee will consider approving the Draft Minutes of the Policy, Grants, and Technology Committee Meeting of December 18, 2024.

ACTION ITEM(S)

4. Report on Transportation Fund for Clean Air (TFCA) Projects Expenditures and Effectiveness for Fiscal Year Ending (FYE) 2024 and Authorization of Cost-Effectiveness Limits for Air District-Sponsored Programs commencing FYE 2026

The Committee will consider recommending to the Board of Directors that the Board adopt a determination that the TFCA 60% Fund expenditures were effective in improving air quality in FYE 2024 and authorize the cost-effectiveness limit for the Air District-sponsored programs commencing FYE 2026. This item will be presented by Linda Hui, Supervising Staff Specialist in the Strategic Incentives Division.

5. Federal and State Legislative Updates

The Committee will discuss and consider recommending to the Board of Directors that the Board adopt positions on pending federal and state legislative bills where appropriate including, but not limited to, United States House of Representatives bill (H.R.) 566 (Peters, Scott H. [D-CA-50]), United States Senate bill (S.) 147 (Bennet, Michael F. [D-CO]), and Assembly Bill (AB) 546 (Caloza). In addition, the Committee will discuss recent events of significance on the federal level, additional bills of interest, and the state budget. This item will be presented by Alan Abbs, Legislative Officer.

Staff recommend the following positions on current Federal legislation:

- *Support H.R.566 (Peters, Scott H. [D-CA-50]) – Cleaner Air Spaces Act*
- *Support S.147 (Bennet, Michael F. [D-CO]) – Cleaner Air Spaces Act*

Staff recommend the following positions on current State legislation:

- *Support AB 546 (Caloza) – Health care coverage: portable HEPA purifiers and filters.*

OTHER BUSINESS

6. Public Comment on Non-Agenda Matters

Pursuant to Government Code Section 54954.3, members of the public who wish to speak on matters not on the agenda will be given an opportunity to address the Committee. Members of the public will have two minutes each to address the Committee, unless a different time limit is established by the Chair. The Committee welcomes comments, including criticism, about the policies, procedures, programs, or services of the District, or of the acts or omissions of the Committee. Speakers shall not use threatening, profane, or abusive language which disrupts, disturbs, or otherwise impedes the orderly conduct of a Committee meeting. The District is committed to maintaining a workplace free of unlawful harassment and is mindful that District staff regularly attend Committee meetings. Discriminatory statements or conduct that would potentially violate the Fair Employment and Housing Act – i.e., statements or conduct that is hostile, intimidating, oppressive, or abusive – is per se disruptive to a meeting and will not be tolerated.

7. Committee Member Comments

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)

8. Time and Place of Next Meeting

Wednesday, March 19, 2025, at 10:00 a.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Policy, Grants, and Technology Committee members and members of the public will be able to either join in-person or via webcast.

9. Adjournment

The Committee meeting shall be adjourned by the 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 www.baaqmd.gov/accessibility to learn how and where to file a complaint of discrimination.

Questions regarding this Policy should be directed to the Air District's Acting Non-Discrimination Coordinator, Diana Ruiz, at (415) 749-8840 or by email at druiz@baaqmd.gov.

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

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

FEBRUARY 2025

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Special Policy, Grants and Technology Committee	Wednesday	26	10:00 a.m.	1 st Floor, Yerba Buena Room
Board of Directors Special Finance and Administration Committee	Wednesday	26	1:00 p.m.	1 st Floor, Yerba Buena Room

MARCH 2025

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Meeting	Wednesday	5	10:00 a.m.	1 st Floor Board Room
Advisory Council Meeting	Monday	10	9:00 a.m.	1 st Floor Board Room
Board of Directors Stationary Source Committee	Wednesday	12	10:00 a.m.	1 st Floor, Yerba Buena Room
Board of Directors Community Equity, Health & Justice Committee	Wednesday	12	1:00 p.m.	1 st Floor, Yerba Buena Room
Board of Directors Policy, Grants and Technology Committee	Wednesday	19	10:00 a.m.	1 st Floor Board Room
Board of Directors Finance and Administration Committee	Wednesday	19	1:00 p.m.	1 st Floor Board Room
Board of Directors Community Advisory Council Meeting	Thursday	20	6:00 p.m.	Trans Pacific Center California State University East Bay Oakland Professional Development & Conference Center 1000 Broadway, Suite 109 Grand Lake Conference Room Oakland CA 94607

MV 2/19/25 – 9:30 a.m.

G/Board/Executive Office/Moncal

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Vicki Veenker and Members
of the Policy, Grants, and Technology Committee

From: Philip M. Fine
Executive Officer/APCO

Date: February 26, 2025

Re: Approval of the Draft Minutes of the Policy, Grants, and Technology
Committee Meeting of December 18, 2024

RECOMMENDED ACTION

Approve the attached Draft Minutes of the Policy, Grants, and Technology Committee Meeting of December 18, 2024.

BACKGROUND

None.

DISCUSSION

Attached for your review and approval are the Draft Minutes of the Policy, Grants, and Technology Committee Meeting of December 18, 2024.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

ATTACHMENT(S):

1. Draft Minutes of the Policy, Grants, and Technology Committee Meeting of December 18, 2024

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

Policy, Grants, and Technology Committee Meeting
Wednesday, December 18, 2024

DRAFT MINUTES

This meeting was webcast, and a video recording is available on the website of the Bay Area Air Quality Management District at www.baaqmd.gov/bodagendas

CALL TO ORDER

1. **Opening Comments:** Policy, Grants, and Technology Committee (Committee) Chairperson, Vicki Veenker, called the meeting to order at 1:16 p.m.

Roll Call:

Present, In-Person (Bay Area Metro Center, 375 Beale Street, 1st Floor Board Room, San Francisco, CA, 94105): Chairperson Vicki Veenker; Board Chairperson Davina Hurt; and Vice Chairperson Sergio Lopez.

Present, In-Person (Office of Contra Costa County Supervisor Ken Carlson, 2255 Contra Costa Blvd., Suite 202, Pleasant Hill, CA 94523): Director Ken Carlson.

Present, In-Person (Napa County Administration Building, Crystal Conference Room, 1195 Third Street, Suite 310, Napa, CA 94559): Director Joelle Gallagher.

Present, In-Person (San Leandro City Hall, 835 E. 14th Street, 2nd Floor, San Leandro, CA 94577): Director Juan González III.

Absent: Directors Margret Abe-Koga, Noelia Corzo, Erin Hannigan, and Katie Rice.

NOTE: *Prior to this meeting, Board Chairperson Davina Hurt appointed herself to be a member of the Committee pursuant to Section 3.4 of the Administrative Code. Chairperson Hurt subsequently removed herself from the Committee.*

2. **PLEDGE OF ALLEGIANCE**

CONSENT CALENDAR

3. APPROVAL OF THE DRAFT MINUTES OF THE POLICY, GRANTS, AND TECHNOLOGY COMMITTEE MEETING OF OCTOBER 16, 2024

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director González made a motion, seconded by Director Carlson, to approve the Draft Minutes of the Policy, Grants, and Technology Committee Meeting of October 16, 2024; and the motion carried by the following vote of the Committee:

AYES: Carlson, Gallagher, Gonzalez, Hurt, Lopez, Veenker.
NOES: None.
ABSTAIN: None.
ABSENT: Abe-Koga, Corzo, Hannigan, Rice.

ACTION ITEMS

4. PROPOSED 2025 LESIGLATIVE PLATFORM

Alan Abbs, Legislative Officer, as well as Ben Miller and Mark Kadesh, from Kadesh & Associates, LLC, gave the presentation *Proposed 2025 Legislative Platform*, including: action requested; outline; overview of Air District Legislative Platform; State Budget; State Legislation; federal legislation and regulatory activity; and recap: action requested.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the status of the California Air Resources Board's (CARB) development of zero-emission greenhouse gas (GHG) standards for new space and water heaters sold in California; hope that Greenhouse Gas Reduction Funding allocations will continue to go towards cost-effective programs that reduce greenhouse gases, short-lived climate pollutants, and related air pollution and exposure; whether there is federal funding allocated for clean air centers; the suggestion of partnering with Representative Jared Huffman, as he sits on the U.S. House Committee on Natural Resources; Bay Area Congressional members' committee assignments; the ways in which the Air District plans to brief new members of Congress on the Air District's priorities and areas of advocacy; the fact that on December 18, 2024, the U.S. Environmental Protection Agency (EPA) granted waivers to implement and enforce CARB's Advanced Clean Cars II regulations for light-duty vehicles, and its "Omnibus" low-NOx regulation

for heavy-duty highway and off-road vehicles and engines, and whether the new Presidential Administration can reserve those actions; federal and state aspects of adopting additional regulatory and incentive programs to promote use of lower lead and no-lead alternatives at general aviation airports; whether there are legal impediments that would prevent the Air District from prohibiting and/or regulating fireplace woodsmoke more aggressively; and whether air districts are able to regulate indoor air quality.

Committee Action

Director González made a motion, seconded by Board Chair Hurt, to recommend that the Board of Directors adopt the proposed 2025 Legislative Platform below:

Proposed 2025 Legislative Platform

State Budget

1. *State Funding for Clean Air Projects*
2. *Greenhouse Gas Reduction Fund*
3. *Assembly Bill (AB) 617 Community Air Protection Program Implementation & Incentive Funding*
4. *Wildfire Mitigation and Public Health Response*
5. *Clean Tech Financing*
6. *Low-Carbon Transportation Incentives*

State Legislation

1. *Cap and Trade Reauthorization*
2. *Address Legal Barriers to Environmental Justice*
3. *AB 617 Community Air Protection Program*
4. *Vehicle Emissions and Reducing Vehicle Miles Traveled*
5. *Climate Change*
6. *Green and Healthy Buildings*
7. *Wildfire Smoke Public Health Response*
8. *Emergency Backup Generation*
9. *Toxic Air Emissions*
10. *Wildfire Smoke Mitigation/Prescribed Fire*
11. *Stationary Source Greenhouse Gas Authority*
12. *Land Use*

Federal Legislation and Regulatory Activity

1. *Federal Funding for Air District Clean Air Programs*
2. *Wildfire Smoke Public Health Response*
3. *Clean Transportation Programs*
4. *Clean Energy Programs*
5. *Particulate Matter Standards*
6. *Vehicle Emission Standards*
7. *Climate Change*
8. *Green and Healthy Buildings*
9. *Leaded Aviation Gas*

The motion carried by the following vote of the Committee:

AYES: Carlson, Gallagher, Gonzalez, Hurt, Lopez, Veenker.
NOES: None.
ABSTAIN: None.
ABSENT: Abe-Koga, Corzo, Hannigan, Rice.

5. PROPOSED LEGISLATIVE ACTIVITIES FOR 2025

Mr. Abbs gave the staff presentation *Proposed Legislative Activities for 2025*, including: action requested; summary; key dates and deadlines; proposed legislative activities; and recap: action requested.

Public Comments

Public comments were given by Dr. Stephen Rosenblum, Palo Alto resident.

Committee Comments

The Committee and staff discussed whether it is anticipated that the third attempt to pass a bill regarding Vessel Speed Reduction for Ocean-Going Vessels will also result in the bill being held and dying in a legislative appropriations committee; the suggestion of changing the name of the bill regarding Vessel Speed Reduction for Ocean-Going Vessels to one that is less sentimental (compared to former titles); how to best mitigate anticipated pushback and perceived risk associated with bills that would limit the abilities of homeowners associations; whether the Air District should continue to consider a position on the issue of CARB Air District Board Member Compensation; and bills of interest to the Air District that were passed during the most recent Legislative Session.

Committee Action

Director González made a motion, seconded by Vice Chair Lopez, to recommended that the Board of Directors adopt the proposed legislative activities for the 2025 Legislative Session below:

1. *Vessel Speed Reduction: Ocean-Going Vessels (co-sponsor)*
2. *Homeowners Association Limitations (continue discussions with legislative offices and propose sponsor, co-sponsor, and/or support any legislative efforts to address these concerns)*
3. *California Air Resources Board Air District Board Member Compensation (support or co-sponsor)*

The motion carried by the following vote of the Committee:

AYES: Carlson, Gallagher, Gonzalez, Hurt, Lopez, Veenker.
NOES: None.
ABSTAIN: None.
ABSENT: Abe-Koga, Corzo, Hannigan, Rice.

INFORMATIONAL ITEM

6. TRANSPORTATION FUND FOR CLEAN AIR PROGRAM (TFCA) AUDIT #25 RESULTS

Air District audit partner, Joseph Moussa, from Simpson & Simpson LLP, gave the presentation *Transportation Fund for Clean Air Program Audit #25 Results*, including: background on TFCA; agenda; Auditor’s required communications Statements on Auditing Standards (SAS) 114; Auditor’s results and highlights of the Schedule of Expenditures; and other program compliance review (agreed-upon procedures.)

Public Comments

No requests received.

Committee Comments

The Committee congratulated Air District staff on a clean audit.

Committee Action

No action taken.

OTHER BUSINESS

7. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

8. COMMITTEE MEMBER COMMENTS

None.

9. TIME AND PLACE OF NEXT MEETING

Wednesday, February 26, 2025, at 10:00 a.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Policy, Grants, and Technology Committee members and members of the public will be able to either join in-person or via webcast.

10. ADJOURNMENT

The meeting was adjourned at 2:56 p.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Vicki Veenker and Members
of the Policy, Grants, and Technology Committee

From: Philip M. Fine
Executive Officer/APCO

Date: February 26, 2025

Re: Report on Transportation Fund for Clean Air (TFCA) Projects Expenditures
and Effectiveness for Fiscal Year Ending (FYE) 2024 and Authorization of
Cost-Effectiveness Limits for Air District-Sponsored Programs commencing
FYE 2026

RECOMMENDED ACTION

Recommend to the Board of Directors that the Board take the following actions:

1. Adopt a determination that the FYE 2024 TFCA 60% Fund expenditures were effective in improving air quality, based on staff's report and presentation; and
2. Authorize the proposed cost-effectiveness limit for the Air-District-sponsored programs commencing FYE 2026 listed in Table 1.

BACKGROUND

In 1991, the California State Legislature authorized the Bay Area Air District (Air District) to impose a \$4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions. Since 1992, the Air District has allocated these funds to its Transportation Fund for Clean Air Program to fund eligible projects and programs. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code (HSC) Sections 44241 through 44242.

Sixty percent of TFCA funds are awarded by the Air District to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air and Commuter Benefits Program) and through a grant program known as the Regional Fund. The remaining 40% of TFCA funds are forwarded to a designated agency within each Bay Area county.

HSC Section 44241.5 requires that the Board of Directors (the Board) hold a public hearing each year to review the Air District's expenditure of TFCA funds to determine their effectiveness in improving air quality. Additionally, the designated agencies are

required to hold a public hearing each year to review their expenditure of TFCA funds.

Similarly, the legislation requires that the Air District adopt cost-effectiveness criteria for TFCA-funded programs and projects. On June 5, 2024, the Board adopted cost-effectiveness limits for some categories as part of the TFCA Policies, and limits for Air District-sponsored programs, such as Spare the Air, have historically been brought to the Board as separate actions.

Recommendations for cost-effectiveness limits for Air District-sponsored programs commencing Fiscal Year Ending 2026 are included in this staff report.

DISCUSSION

The Fiscal Year Ending (FYE) 2024 Report on Expenditures and Effectiveness of Transportation Fund for Clean Air Regional Fund Projects and Air District-Sponsored Programs, found in Attachment 1, evaluated 21 TFCA Regional Fund projects and four Air District-sponsored programs that were completed prior to June 30, 2024. The key findings of this report are as follows:

- TFCA funds were allocated to eligible projects and programs, consistent with the legislation that authorizes the TFCA program.
- The TFCA expenditures for projects and programs totaled \$15.07 million, which includes \$11.93 million in Regional Fund projects, \$2.2 million in Air District-sponsored programs, and \$0.94 million in administrative and indirect costs.
- About 81% of TFCA Regional Fund expenditures were paid to support projects that provide air quality improvement benefits in communities identified as a Priority Area.
- During their operational period, the projects and programs reduced criteria pollutant emissions by an estimated 118.76 tons, including 20.29 tons of reactive organic gases (ROG), 48.38 tons of nitrogen oxides (NO_x), and 50.09 tons of particulate matter (PM₁₀) – and reduced carbon dioxide (CO₂) emissions by over 52,000 tons.
- These projects and programs achieved a combined weighted average cost-effectiveness of \$131,609 per ton of criteria pollutant emissions reduced.

TFCA Cost-Effectiveness

The TFCA authorizing legislation requires the Air District to adopt cost-effectiveness criteria to maximize emissions reductions and public health benefits. In addition to reducing pollutants, TFCA-funded projects provide other co-benefits such as reducing exposure to and emissions of toxic diesel particulate matter, conserving energy and reducing green house gas emissions; reducing traffic congestion and improving physical fitness and public safety by facilitating active modes of transportation such as walking and biking.

For FYE 2026, staff recommend maintaining the same maximum cost-effectiveness limits as the prior year for all Air District-sponsored programs. The proposed cost-effectiveness limits and project operational period for each of the Air District-sponsored programs is shown in Table 1:

Table 1 – Proposed Cost-Effectiveness and Project Operational Period for Air District-Sponsored Programs

Program Categories	Maximum Cost-Effectiveness	Project Operational Period
	(per ton of emissions reduced)	(in Years)
Spare the Air & Commuter Benefits	\$500,000	1
Enhanced Mobile Source Inspections	\$500,000	1
Vehicle Buy Back	\$50,000	3
Clean Cars for All	\$522,000	3
Charge!	N/A*	N/A

* These projects provide electric vehicle charging/hydrogen refueling infrastructure needed to enable emission reductions from electric and fuel cell electric vehicles. To maximize emissions reductions and public health benefits, projects will be evaluated based on project characteristics including, but not limited to, cost of the project, anticipated equipment usage, and anticipated benefits to environmental justice communities and communities highly impacted by air pollution but shall not be subject to a maximum cost-effectiveness limit.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. The Air District distributes TFCA monies as “pass-through” funds to public and nonpublic entities. Administrative costs for project staff are provided by the Air District’s TFCA funding.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Jason Newman
Reviewed by: Minda Berbeco and Linda Hui

ATTACHMENT(S):

1. Fiscal Year Ending 2024 Report on Expenditures and Effectiveness of the TFCA 60% Fund
2. FYE 2024 TFCA Cost-Effectiveness Presentation

FISCAL YEAR ENDING (FYE) 2024
REPORT ON EXPENDITURES AND EFFECTIVENESS OF THE
TRANSPORTATION FUND FOR CLEAN AIR (TFCA)
60% FUND



BAY AREA AIR QUALITY MANAGEMENT DISTRICT

375 BEALE STREET, SUITE 600, SAN FRANCISCO, CA 94105
WWW.BAAQMD.GOV

FEBRUARY 2025

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The Bay Area Air District

The California State Legislature created the Bay Area Air District (Air District) in 1955 as the first regional air pollution control agency in the country, recognizing that air pollution transcends political boundaries. The San Francisco Bay Area forms a regional air basin, sharing common geographical features and weather patterns, and therefore similar air pollution burdens, which cannot be addressed by counties acting on their own. The Air District is the public agency entrusted with regulating stationary sources of air pollution in the nine counties that surround San Francisco Bay: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, southwestern Solano, and southern Sonoma counties.

The Air District improves air quality to protect public health, reduce historical and current environmental inequities, and mitigate climate change and its impacts.

BACKGROUND

On-road motor vehicles, including cars, trucks, and buses, constitute the most significant source of air pollution in the San Francisco Bay Area. Vehicle emissions contribute to unhealthy levels of ozone (summertime "smog"), particulate matter, including toxic diesel emissions, and greenhouse gases. Because of this, emission reductions from the on-road transportation sector are essential to helping the region attain State and Federal ambient air quality standards and meet greenhouse gas reduction commitments.

To protect public health, the California State Legislature enacted the California Clean Air Act in 1988. As part of the requirements, the Air District prepared and adopted the *2017 Clean Air Plan*, which includes transportation control measures, defined as any strategy "to reduce vehicle trips, vehicle use, vehicle miles traveled, vehicle idling, or traffic congestion for reducing motor vehicle emissions," and mobile source measures, which encourage the introduction of newer, cleaner motor vehicle technologies and the retirement of older, more polluting vehicles. Additionally, on September 4, 2024, the Air District's Board of Directors approved the *2024-2029 Strategic Plan*, which charts its priorities for the next five years, for implementation.

THE TRANSPORTATION FUND FOR CLEAN AIR

In 1991, the California State Legislature authorized the Department of Motor Vehicles (DMV) to impose a \$4 surcharge on motor vehicles registered within the San Francisco Bay Area to fund projects that reduce on-road motor vehicle emissions. The Air District has allocated these funds to its Transportation Fund for Clean Air (TFCA) to fund eligible projects. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code (HSC) Sections 44241 and 44242.

Sixty percent of TFCA funds (60% Fund) are awarded by the Air District's Board of Directors (Board) to eligible projects and programs implemented directly by the Air District (e.g., Commuter Benefits, Vehicle Buy-Back, and Spare the Air) and through a grant program known as the Regional Fund. The remaining forty percent of TFCA funds are pass-through funds to a designated agency within each Bay Area county. Each year, the Board adopts cost-effectiveness and other criteria for the evaluation and ranking of project applications for the TFCA Program.

In addition to reducing air pollution, including toxic diesel particulate matter, TFCA-funded projects have other benefits including the following:

- Conserving energy and helping to reduce emissions of carbon dioxide (CO₂);
- Reducing traffic congestion; and
- Improving physical fitness and public safety by facilitating active modes of transportation such as walking and biking.

State legislation restricts TFCA funding to the following 11 categories of projects:

1. Implementation of ridesharing programs
2. Clean fuel school and transit bus purchases or leases
3. Last-mile commuter connection to rail/ferry stations and airports
4. Arterial traffic management
5. Rail-bus integration and regional transit information systems
6. Demonstration of telecommuting and congestion pricing of highways, bridges, and public transit
7. Low- or no-emission vehicle projects
8. A smoking-vehicle program
9. A vehicle buy-back scrappage program
10. Bicycle facility improvement projects
11. Physical improvements that support “smart growth” projects

California HSC Section 44241.5 requires the Board to hold a public hearing annually to review the expenditure of revenues received by the Air District pursuant to Section 44241 to determine their effectiveness in improving air quality. This report serves this purpose.

FYE 2024 SUMMARY

This report summarizes the *expenditures* and *effectiveness* of 21 Regional Fund projects and 4 Air District-sponsored programs that were completed¹ by the end of fiscal year ending (FYE) 2024 (June 30, 2024) that

¹ For the purpose of this report, staff considers a project to be “completed” when the Air District accepts and approves the project sponsor’s final invoice, which documents the project sponsor’s expenditure of all eligible project funds and the completion of transportation services or all initial project milestones (e.g., having procured, installed and/or placed all project-related vehicles, equipment, and infrastructure into service). Projects that involve the procurement of equipment/vehicles and construction of infrastructure typically also require continued operation of the funded equipment, vehicles, or infrastructure. These projects may continue to operate for several years after the final invoice is accepted and approved – until the operational and usage requirements are met.

were not reviewed in previous reports. **Appendix A** lists each of the Regional Fund projects and Air District-sponsored programs that were summarized as part of this report.

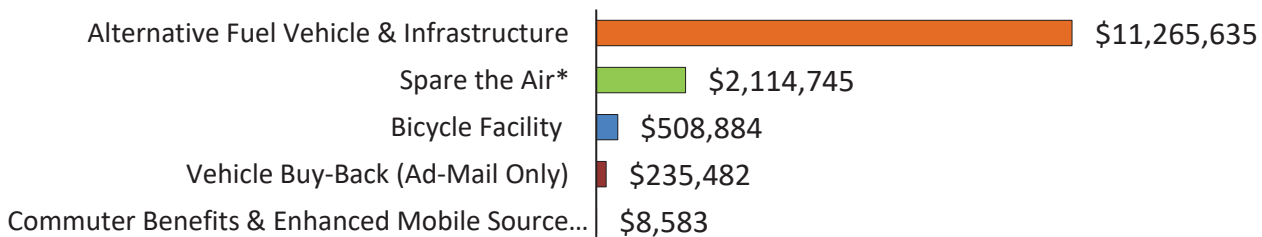
Key Report Findings for Board Effectiveness Determination

- TFCA funds were allocated to eligible projects and programs, consistent with the legislation that authorizes the TFCA program.
- The TFCA expenditures totaled \$15.07 million, including \$11.93 million in Regional Fund projects, \$2.2 million in Air District-sponsored programs, and \$0.94 million in administrative and indirect costs.
- About 81% of funds spent provided mobile source emissions reductions in Priority Areas.²
- During their operational periods, the projects and programs reduced criteria pollutant emissions by an estimated 118.76 tons, which includes 20.29 tons of reactive organic gases (ROG), 48.38 tons of nitrogen oxides (NO_x), and 50.09 tons of particulate matter (PM₁₀) – and reduced carbon dioxide (CO₂) emissions by over 52,000 tons.
- These projects and programs achieved a combined weighted average cost-effectiveness of \$131,609 per ton of criteria pollutant emissions reduced.

EXPENDITURES

The expenditure of these projects and programs totals approximately \$15.07 million, including \$2.2 million for the programs administered directly by the Air District, \$11.93 million in Regional Fund awarded to other organizations, and \$0.94 million in associated administrative and audit costs in FYE 2024. About 81% of funds expended supported air quality improvements in Priority Areas.² A summary of the expenditures for these TFCA Regional Fund projects and Air District-sponsored programs is shown in **Figure 1**.

Figure 1. Summary of FYE 2024 Expenditures



*A last-mile commuter connection project, with grant award \$160,000, was included in the Spare the Air.

² Priority Areas include communities that have been identified through the AB617 process (i.e., West Oakland and East Oakland in Alameda County, Richmond/San Pablo in Contra Costa County, and Bayview-Hunters Point in San Francisco), SB 535 disadvantaged communities (DAC), and AB1550 low-income communities (LIC). Air District-sponsored programs that reduce emissions region-wide (i.e., 24R01a, 24R01b, 24R02, and 24R03) were excluded from this calculation.

EFFECTIVENESS

The cost-effectiveness of a project or program is calculated by dividing the amount of TFCA funds assigned to the project (awarded or expended) by the sum of criteria pollutant emissions (ROG, NO_x, and weighted PM₁₀) reduced by the project during its operational period. Projects with a lower value in cost-effectiveness require fewer TFCA funds to reduce one ton of criteria emissions. In other words, a lower numeric value means that the project is more cost-effective. Typically, cost-effective on-road projects are characterized by having relatively high usage and are supported with high percentages of matching funds.

The projects and programs discussed in this report are estimated to reduce criteria pollutant emissions over their operational periods by 118.76 tons. This total is the sum of ozone precursors (20.29 tons of ROG and 48.38 tons of NO_x) and particulate matter (50.09 tons of PM₁₀). These projects and programs will also reduce CO₂ emissions over their operational periods by an estimated 52,000 tons.³

The combined weighted-average cost-effectiveness of the projects and programs reported for FYE 2024 is \$131,609 per ton of criteria pollutant emissions reduced. The Board-adopted cost-effectiveness limits for these projects and programs range from \$250,000 per ton of criteria pollutant emissions reduced to \$500,000 depending on the project category and the year it was funded. Thus, the resulting combined weighted-average cost effectiveness of these projects and programs is more cost-effective than the average approved limit. These estimated emissions reductions are also conservative in that many projects continue to operate and reduce emissions even after their operational periods ended, so these have the potential to reduce more emissions and hence be more cost-effective in reducing emissions than what is presented in this report.

A summary of expenditures, emission reductions, and cost-effectiveness values by program category is provided in **Table 1**.

³ Reported ROG, NO_x, PM₁₀, and CO₂ emissions reductions do not include those from the Vehicle Buy-Back, Enhanced Mobile Source Inspection, Commuter Benefits Inspection, and co-funded school bus projects.

**Table 1: Emission Reductions and Cost-Effectiveness by Program Category
for Projects and Programs Completed by the End of FYE 2024**

Category	# of Projects	TFCA \$ Expended	% of TFCA \$ Expended	Emissions Reduced (tons) ^a	% of Emissions Reduced	Weighted Cost-Effectiveness (\$/ton) ^b
Bicycle Facilities	4	\$508,884	3.60%	2.52	2.12%	\$196,455
Alternative Fuel Vehicle & Infrastructure	16	\$11,265,635	79.71%	35.58	29.96%	\$744,534
Commuter Benefits & Enhanced Mobile Source Inspections	2	\$8,583	0.06%	not determined	not determined	not determined
Spare the Air ^c	2	\$2,114,745	14.96%	80.67	67.92%	\$24,064
Vehicle Buy-Back (Ad-Mail Only)	1	\$235,482	1.67%	-	-	-
Total for Projects and Programs^d	25	\$14,133,329	100%	118.76	100%	\$131,609
Administration		\$935,566				

(a) Combined emission reductions of ROG, NO_x, and PM₁₀ over project operational period.

(b) Consistent with the current California Air Resources Board methodology to calculate cost-effectiveness for the Carl Moyer Program, PM emissions were weighted by a factor of 20 to account for their harmful impacts on human health.

(c) Spare the Air emission reduction includes a last-mile commuter connection project.

(d) Totals may vary due to rounding.

The combined weighted-average cost-effectiveness of the projects and programs reported in FYE 2024 is an 11% increase from FYE 2023, meaning that the projects closed out in FYE 2024 were more cost-effective than the previous year. The variation of combined weighted-average cost-effectiveness from year to year is also due to different types of projects that were completed and included in the report each year.

One of the Regional Fund projects listed in Appendix A did not meet the cost-effectiveness threshold of its respective program at the conclusion of its operational period. Below is a discussion on the performance of this project, which resulted in a higher-than-expected cost-effectiveness value.

Project Sponsor: Town of Los Gatos		Project #: 18R18
Project Description: Install 0.09 miles of Class I and 0.28 miles of Class IV bikeways (Blossom Hill Rd) in Los Gatos	Final Weighted Cost-Effectiveness: \$356,122	
Discussion: The project operational period began in calendar year 2019. Bike counts were conducted during the pandemic, in March 2020, when people were sheltering in place and therefore the number of bikes passing through the completed bikeway was less than anticipated.		

APPENDIX A: TFCA REGIONAL FUND PROJECTS AND AIR DISTRICT-SPONSORED PROGRAMS

Project #	Project Sponsor	Project Description	Weighted Cost-Effectiveness (per ton)	TFCA Funds Expended
16HDG004	South Coast Air Quality Management District	Demonstrate 13 battery electric drayage trucks serving the Port of Oakland	\$499,952	\$3,000,000
16HDZ001	University of California, San Francisco	Purchase & operate 15 new zero emission battery electric buses	\$244,302	\$220,531
17R21	City of San Leandro	Install 0.87 miles of Class II & 7.62 miles of Class III bikeways in San Leandro	\$140,450	\$119,309
17R24	City of Cupertino	Install 7.76 miles of Class III & 0.7 miles of Class IV bikeways in Cupertino	\$250,000	\$138,359
18R18	Town of Los Gatos	Install 0.09 miles of Class I & 0.28 miles of Class IV bikeways in Los Gatos	\$356,122 ^a	\$216,666
18R20	City of Gilroy	Install and maintain 1.57 miles of Class II bikeways and 23 bike racks (2 bikes per rack)	\$59,670	\$34,550
19EV063	City of Milpitas	Install and operate 8 dual-port level 2 (high) charging stations at two workplace facilities in Milpitas	\$234,195	\$32,000
2103-17499	Alameda Multifamily Owner LLC	Install and operate 8 Level 2 (high) dual-port chargers at one multi-family housing facility in Alameda	\$454,998	\$64,000
2103-17625	Silvergate Brentwood LLC	Install and operate 1 Level 2 (high) single-port charger and 8 Level 2 (high) dual-port chargers at one multi-family housing facility in Brentwood	\$283,883	\$44,000
2103-17638A	Ocean Cregg LLC	Install and operate 12 Level 2 (high) single-port chargers at three multi-family housing facilities in San Francisco	\$454,998	\$256,000
21R07	Center for Transportation and Environment	30 zero emission trucks at the Port of Oakland & infrastructure	\$468,962	\$3,360,000

21R08	Peninsula Corridor Joint Powers Board	Provide connections from Millbrae Transit Center to key employers via the Bayside-Burlingame Shuttle, and connections from Menlo Park Caltrain Station to key employers, via the Marsh Road Shuttle	N/A ^b	\$160,000
2202-27777	45th Artists Cooperative	Install and operate two single-port Level 2 (high) charging stations at one multi-family housing facility in Emeryville	\$477,090	\$14,000
22SBP14	Milpitas Unified School District	Co-funding for the replacement of one diesel bus with a electric school bus	N/A ^c	\$204,598
22SBP192	Bolinas-Stinson Union School District	Co-funding for the replacement of one diesel school bus with one electric school bus with associated infrastructure.	N/A ^c	\$229,440
22SBP216	Campbell Union High School District	Co-funding for the replacement of 3 diesel school buses with 3 electric school buses	N/A ^c	\$623,591
22SBP248	Mt. Diablo Unified School District	Co-funding for 3 CNG school bus replacement with 3 EV school buses	N/A ^c	\$648,794
22SBP340	Sequoia Union High School District	Co-funding for two EV school buses	N/A ^c	\$251,290
22SBP71	Petaluma City Schools	Co-funding for the replacement of 12 diesel school buses with 12 electric school buses	N/A ^c	\$1,389,346
22SBP84	Rincon Valley Union School District	Co-funding for the replacement of 3 diesel school buses & 1 CNG school bus with 4 electric school buses	N/A ^c	\$892,045
2302-33950	EVmatch, Inc.	Install and operate electric vehicle charging stations with 8 Level 2 (high) active connectors at one multi-family housing facility in Oakland	\$927,757	\$36,000
21 Regional Fund Projects			Subtotal of Regional Fund Projects:	\$11,934,519

Project #	Project Sponsor	Project Description	Weighted Cost-Effectiveness (per ton)	TFCA Funds Expended
24R01a	Bay Area Air District	FYE 2024 Commuter Benefits Inspection	N/A	\$0
24R01b	Bay Area Air District	FYE 2024 Enhanced Mobile Source Inspections	not determined ^d	\$8,583
24R02	Bay Area Air District	FYE 2024 Admail for Vehicle Buy-Back ^e (TFCA portion)	N/A	\$235,482
24R03	Bay Area Air District	FYE 2024 Spare the Air	\$24,531 ^f	\$1,954,745
4 Air District-Sponsored Programs				\$2,198,810
24R00	Bay Area Air District	FYE 2024 Administration ^g	N/A	\$935,566
Subtotal of Administration Expenditures for Regional Fund Projects and Air District-Sponsored Programs:				\$935,566
			Grant Total:	\$15,068,894

- (a) Project or program did not meet the cost-effectiveness limit that was adopted by the Board for the year that the project was approved.
- (b) Last-mile Commuter Connections were evaluated as part of Spare the Air.
- (c) Emissions reduction benefits for co-funded projects are claimed by the Carl Moyer Program.
- (d) Cost-effectiveness cannot be determined due to no survey responses.
- (e) Total FYE 2024 program cost (which includes funds from the Carl Moyer Program, MSIF, and TFCA) is \$1,700,999.81.
- (f) Spare the Air emission reduction includes last-mile commuter connections.
- (g) Sixty percent of the total administrative and audit costs expended in FYE 2024.



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA:

Report on Transportation Fund for Clean Air Projects Expenditures and Effectiveness for Fiscal Year Ending 2021

**Policy, Grants, and Technology
Special Committee Meeting**

February 26, 2021

**Linda Hui, Supervising Staff Specialist
Strategic Incentives Division**

lhui@baaqmd.gov

Action Item

Action item for the Committee to consider recommending to the Board of Directors:

1. Adopt a determination that the Fiscal Year Ending (FYE) 2024 Transportation Fund for Clean Air (TFCA) 60% Fund expenditures were effective in improving air quality, based on Staff's report and presentation; and
2. Authorize the proposed cost-effectiveness limit for the Air District-sponsored programs commencing FYE 2026 listed in Table 1.

Outline

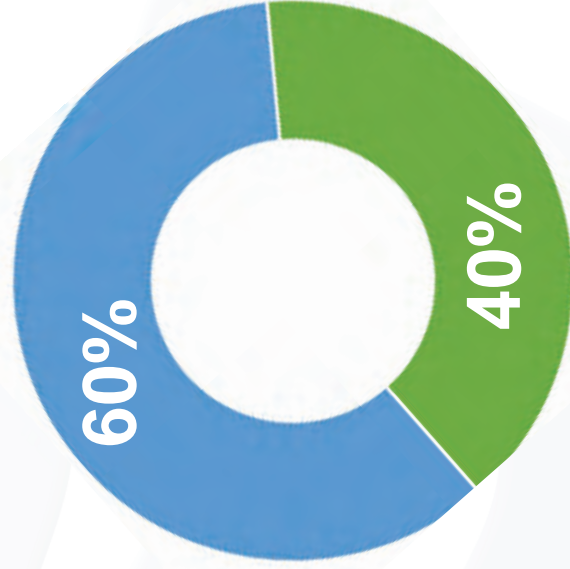
Background

Summary of Project & Program Results

- Fund Expenditures
- Emission Reductions
- Cost-Effectiveness for Air-District-sponsored programs
- Next Steps

Transportation Fund for Clean Air

Bay Area Air District Regional Fund



Pass-through to Counties

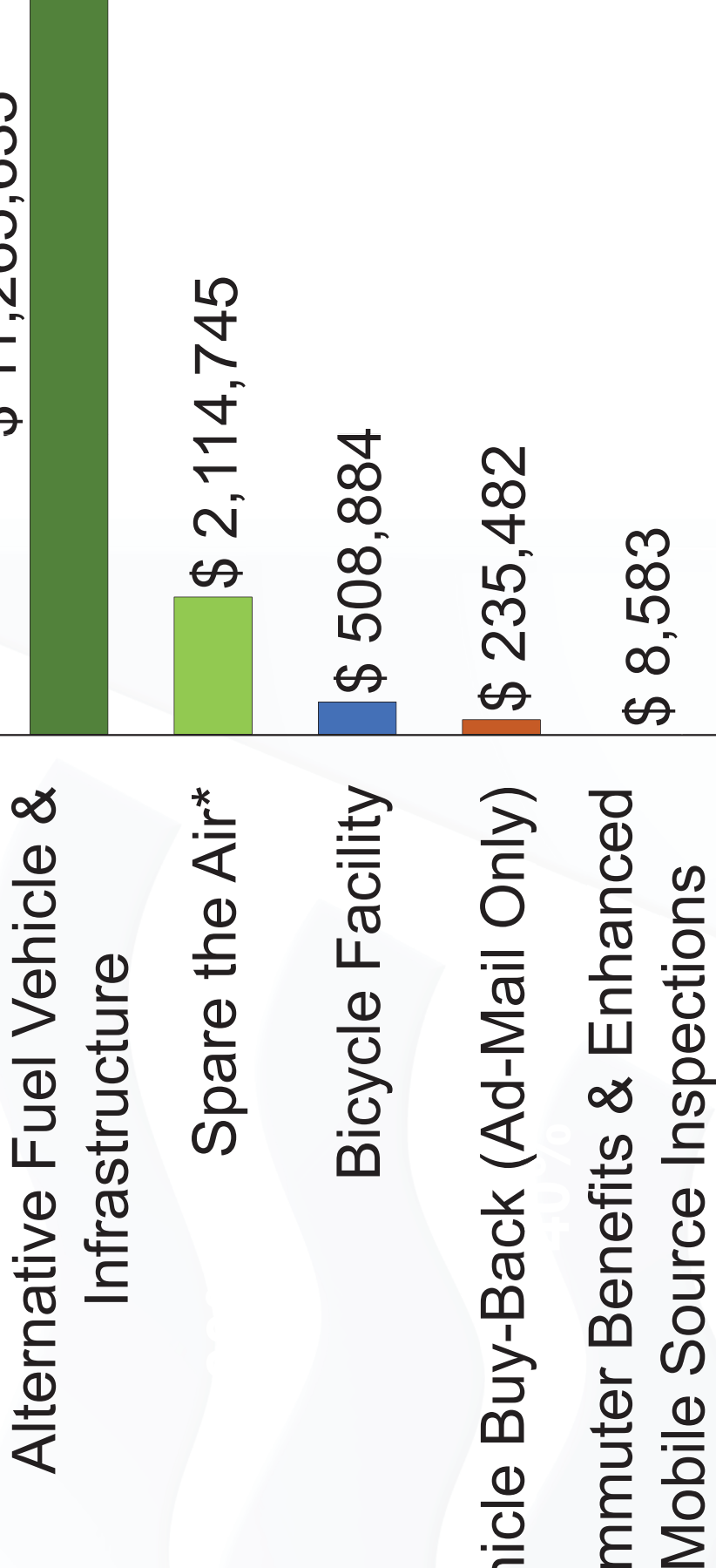
- Funding provided by \$4 surcharge on motor vehicles
- Air District's Board to annually review expenditures to determine their effectiveness in improving air quality
- The Regional Fund is one of many fund programs the Air District oversees.
- Completed by FYE 2024:
 - ✓ 21 TFCRA Regional Fund projects
 - ✓ 4 Air District-sponsored programs

Summary of Project & Program Results FYE 2024 TFCFA Expenditures

Regional Fund Total expenditures: \$15.07 million

- \$11.93 million through Regional Fund for 21 projects
- \$2.2 million for four Air District-sponsored programs
- \$0.94 million for FYE 2024 administrative costs, including audit fees

CA Regional Fund Expenditures by Project Category



Fast-mile commuter connection project, with grant award \$160,000, was included in the Spare the Air.

Effectiveness & Emissions Reductions

lifetime criteria pollutants reduced: **118.76 tons**

PM₁₀: 50.09 tons

NO_x: 48.38 tons

ROG: 20.29 tons

equivalent to **over 797 million Vehicle Miles Traveled, or removed 9,000 passenger cars** for one year

1% of funds were awarded to projects that will provide air quality benefits to Priority Communities

Bay Report Findings for Board Effectiveness Determination

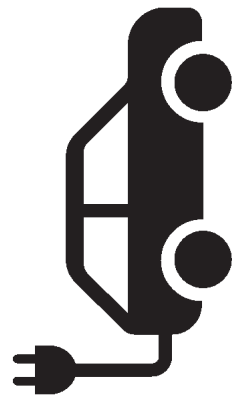
CA funds were allocated to eligible projects and programs

Overall average cost-effectiveness: \$131,609/ton criteria

Pollutant emissions reduced

Project exceeded the cost-effective threshold

Selected projects also achieved public health benefits



Cost Effectiveness for Air District-sponsored programs

TFCA authorizing legislation requires cost-effectiveness criteria for funding projects and programs

Cost-effectiveness for other project-types such as bikeways were previously approved as part of the TFCA policies commencing FYE 2000. Cost effectiveness is calculated by dividing the amount of TFCA funds assigned to the project by the sum of criteria pollutant emissions (RO_{NO_x} and weighted PM₁₀) reduced by the project during its operational period

Cost Effectiveness for Air District-sponsored programs

Table 1. Proposed Cost-Effectiveness and Project Operational Period for Air District-Sponsored Programs

Program Categories	Maximum Cost-Effectiveness	Project Operational Period
	(per ton of emissions reduced)	(in Years)
Reduce the Air & Commuter Benefits	\$500,000	1
Enhanced Mobile Source Inspections	\$500,000	1
Vehicle Buy Back	\$50,000	3
Clean Cars for All	\$522,000	3
Charge!	N/A*	N/A

* Evaluated based on project characteristics including cost, usage, and emissions benefits to Air District's Priority Areas.

Next Steps

Continue work to align TFCA to meet goals and objectives of the Board-approved Strategic Plan to focus funding on projects and programs that:

- Maximize emissions reductions and cost-effectiveness
- Maximize benefits for priority communities
- Have additional public health benefits

Recommendation

Action item for the Committee to consider recommending to the Board of Directors:

1. Adopt a determination that the Fiscal Year Ending (FYE) 2024 Transportation Fund for Clean Air (TFCA) 60% Fund expenditures were effective in improving air quality, based on Staff's report and presentation; and
2. Authorize the proposed cost-effectiveness limit for the Air District-sponsored programs commencing FYE 2026 listed in Table 1.

BACK UP SLIDES

BACK UP SLIDES

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Regional Fund Projects			Subtotal of Regional Fund Projects:	\$11,934,519

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24R03	Bay Area Air District	FYE 2024 Spare the Air	\$24,531 ^f	\$1,954,745
Air District-Sponsored Programs			Subtotal of Air District-Sponsored Programs:	\$2,198,810
24R00	Bay Area Air District	FYE 2024 Administration ^g	N/A	\$935,566
Subtotal of Administration Expenditures for Regional Fund Projects and Air District-Sponsored Programs:			Grant Total:	\$15,068,894

- k) Project or program did not meet the cost-effectiveness limit that was adopted by the Board for the year that the project was approved.
- l) Last-mile Commuter Connections were evaluated as part of Spare the Air.
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- o) Total FYE 2024 program cost (which includes funds from the Carl Moyer Program, MSIF, and TFCA) is \$1,700,999.81.
- p) Spare the Air emission reduction includes last-mile commuter connections.
- q) Sixty percent of the total administrative and audit costs expended in FYE 2024.

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Vicki Veenker and Members
of the Policy, Grants, and Technology Committee

From: Philip M. Fine
Executive Officer/APCO

Date: February 26, 2025

Re: Federal and State Legislative Updates

RECOMMENDED ACTION

Recommend to the Board of Directors that the Board adopt the following positions on current legislation:

Federal Legislation introduced in the United States House of Representatives (H.R.) or United States Senate (S.):

1. Support H.R.566 (Peters, Scott H. [D-CA-50]) – Cleaner Air Spaces Act
2. Support S.147 (Bennet, Michael F. [D-CO]) – Cleaner Air Spaces Act

State Legislation introduced in the California State Assembly (AB):

1. Support AB 546 (Caloza) – Health care coverage: portable HEPA purifiers and filters.

BACKGROUND

Part I. Federal Updates and Pending Legislation

Federal Budget

On December 20, 2024, the United States House of Representatives and United States Senate passed a Continuing Resolution to avert a government shutdown and extend federal spending through March 14, 2025.

Administration and Agency Actions

The new Administration has swiftly implemented President Trump's vision for the federal government following a flurry of executive orders and directives, while the Senate has moved to quickly confirm President Trump's cabinet, including recently approving U.S. Transportation Secretary Sean Duffy and U.S. Environmental Protection Agency Administrator Lee Zeldin.

As of this writing, the Administration has taken several actions of note through either Executive Orders or Agency actions, including the following:

- January 20, 2025 – Executive Order "Unleashing American Energy" which contained a directive to pause the disbursement of Inflation Reduction Act (IRA) and Infrastructure, Investment, and Jobs Act, (IIJA, also known of the Bipartisan Infrastructure Law) funds.
- January 20, 2025 – Executive Order "Ending Radical and Wasteful Government DEI Programs and Preferencing"
- January 20, 2025 – White House memorandum titled, "Return to In-Person Work" directing all agency and department heads, "as soon as practicable," to terminate remote work arrangements and require employees to return to in-person work on a full-time basis.
- January 21, 2025 – Office of Management and Budget (OMB) released a memorandum (M-25-11) indicating that this "pause" was specifically intended to carry out the Presidential directive "Terminating the Green New Deal."
- January 27, 2025 – OMB released a memorandum (M-25-13) with the subject line, "Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs" ordering a halt to disbursement of grants and other funding previously approved by congress.
- January 28, 2025 – Office of Personnel Management (OPM) sent a notification to over 2 million federal employees related to "deferred resignation" should they not wish to return to their offices from remote work, as directed by the President in a memorandum released on January 20, 2025.
- January 29, 2025 – OMB released a memorandum (M-25-14) with the subject line, "Rescission of M-25-13"
- February 11, 2025 – Executive Order "Implementing the President's 'Department of Government Efficiency' Workforce Optimization Initiative"
- February 11, 2025 – U.S. EPA Press Release titled, "EPA Places 171 DEIA and Environmental Justice Employees on Administrative Leave"
- February 13, 2025 – U.S. EPA Press Release titled, "Administrator Zeldin Announces that Billions of Dollars Worth of 'Gold Bars' Have Been Located at Outside Financial Institution"

While many of these actions, including expending of funds appropriated in previous budget actions have been put on hold due to legal challenges, there have been many reports of an inability to access funding.

Federal Legislation

Senator Michael Bennet (D-CO) and Representative Scott Peters (D-CA-50) recently introduced companion bills (S.147 and H.R.566, respectively), reintroducing the Cleaner Air Spaces Act. The text below is from press release of January 17, 2025:

Colorado U.S. Senator Michael Bennet reintroduced the Cleaner Air Spaces Act (CASA) to reduce the negative health effects caused by wildfire smoke in vulnerable

communities. U.S. Representative Scott Peters (D-Calif.) will introduce companion legislation in the House of Representatives. The legislation would provide grants to expand local clean air programs that provide free air filtration units to households and establish clean air centers in communities with a high risk of wildfire smoke exposure. Vulnerable populations, such as infants, the elderly, and people with pre-existing health conditions such as respiratory or cardiovascular disease, are at higher risk of negative health effects from wildfire smoke.

There has also been a flurry of legislative activity attempting to rescind various environmental laws, including through the Congressional Review Act as well as through the regular bill process.

Part II. State Legislation

The first year of the two-year 2025-26 State Legislative Session began on December 2, 2024. The Legislature reconvened on January 6, 2025, and the last day for the introduction of bills was February 21, 2025. Bills can be heard in committee 31 days after being introduced, with mid-March as the start of committee bill hearings.

Attached is a matrix of bills that the Air District is currently tracking and has been arranged by category.

A “spot bill” is a bill that amends a code section in a non-substantive way. A bill may be introduced to assure that a germane vehicle will be available at a later date, per the California State Assembly’s glossary of terms.

An “intent bill” is essentially a placeholder for a bill that will be amended in the subject area of the bill’s stated intent language.

Part III. State Budget

On January 10, 2025, Governor Newsom released his initial proposal for the fiscal year (FY) 2025-26 Budget. Assembly Bill (AB) 227 (Gabriel) and Senate Bill (SB) 65 (Wiener) are identical bills reflecting the Governor’s proposed budget. The text below was obtained from the Assembly’s “Highlights of Governor’s Proposed 2025-26 Budget” released on January 10, 2025:

As the budget was being proposed, firefighters and first responders are working to help Southern Californians address major wildfires that have destroyed thousands of homes and resulted in fatalities and injuries. The Assembly will scrutinize the Governor’s budget proposal in the coming months, but for now, attention remains focused on the wildfires. Issues related to the fires likely will be one reason the May Revision differs significantly from the January 10 budget proposal.

DISCUSSION

Part I. Federal Updates and Pending Legislation

The Committee will receive an update on recent events of significance on the federal level and will discuss and consider staff's recommendations for the following two bills:

H.R.566 (Peters, Scott H. [D-CA-50]) – Cleaner Air Spaces Act

Summary: To direct the Administrator of the Environmental Protection Agency to provide grants to air pollution control agencies to implement a cleaner air space program, and for other purposes.

Staff note: Companion bill to S.147 (Bennet, Michael F. [D-CO]) – Cleaner Air Spaces Act.

Status: Referred to the House Committee on Energy and Commerce on January 20, 2025.

Staff Recommendation: Support

S.147 (Bennet, Michael F. [D-CO]) – Cleaner Air Spaces Act

Summary: A bill to direct the Administrator of the Environmental Protection Agency to provide grants to air pollution control agencies to implement a cleaner air space program, and for other purposes.

Staff note: Companion bill to H.R.566 (Peters, Scott H. [D-CA-50]) – Cleaner Air Spaces Act.

Status: Referred to the Senate Committee on Environment and Public Works on January 17, 2025.

Staff Recommendation: Support

Part II. State Legislation

The Committee will receive a brief summary and status of bills listed on the attached bill matrix and will recommend bills to support, oppose, and work with the author during the session. Staff will review other bills that may be of interest to the Committee.

Specifically, staff will discuss the following bills:

Air District Co-Sponsored Bills:

AB 14 (Hart) – Coastal resources: Protecting Blue Whales and Blue Skies Program.

CapitolTrack Summary: Current law establishes the Ocean Protection Council in state government to, among other things, establish policies to coordinate the collection,

evaluation, and sharing of scientific data related to coastal and ocean resources among agencies. Current law requires the council to develop and implement a voluntary sustainable seafood promotion program for the state, to consist of specified components, including a competitive grant and loan program for eligible entities, including, but not limited to, fishery groups and associations, for the purpose of assisting California fisheries in qualifying for certification to internationally accepted standards for sustainable seafood. This bill would, subject to the availability of funding, require the council to participate as a stakeholder, and in an advisory capacity, to the Protecting Blue Whales and Blue Skies Program with air pollution control districts and air quality management districts along the coast and other stakeholders to support, in an advisory capacity, coastal air districts in their efforts to implement a statewide voluntary vessel speed reduction and sustainable shipping program for the California coast in order to reduce air pollution, the risk of fatal vessel strikes on whales, and harmful underwater acoustic impacts. The bill would authorize the expansion of the existing Protecting Blue Whales and Blue Skies Program to include specified components, including incentives to program participants based on a percentage of distance traveled by a participating vessel at a reduced speed, as provided. (Based on 12/02/2024 text)

Status: AB 14 was introduced on December 2, 2024, and has been double-referred to the Assembly Water, Parks, and Wildlife Committee and the Assembly Natural Resources Committee – hearing dates pending.

Position: Co-Sponsor (approved by the Board on February 5, 2025)

SB 282 (Wiener) – Residential heat pump systems: water heaters and HVAC: installations.

CapitolTrack Summary: Current law establishes the State Energy Resources Conservation and Development Commission and prescribes the authorities, duties, and responsibilities of the commission pertaining to energy matters. Current law requires the commission, on or before January 1, 2019, in consultation with the Contractors State License Board, local building officials, and other stakeholders, to approve a plan that promotes compliance with specified regulations relating to building energy efficiency standards in the installation of central air conditioning and heat pumps, as specified. Current law authorizes the commission to adopt regulations to increase compliance with permitting and inspection requirements for central air conditioning and heat pumps, and associated sales and installations, consistent with the above-described plan. This bill would require the commission, on or before January 1, 2027, to establish a statewide certification program for licensed contractors of residential heat pump water heaters and heat pump heating, ventilation, and air conditioning (HVAC) systems to obtain a heat pump installation certification, and would require the commission to create a state training program, as described, on residential heat pump water heaters and heat pump HVAC systems for purposes of the certification program, as specified. The bill would authorize a licensed contract to obtain a heat pump installation certification through the above-described program by completing specified tasks, including completion of the state training program described above. (Based on 02/05/2025 text)

Status: SB 282 was introduced on February 5, 2025, and has been double-referred to the Senate Energy, Utilities, and Communications Committee and the Senate Local Government Committee – hearing dates pending.

Position: Co-Sponsor (approved by the Board on February 5, 2025)

Air District Board-Approved Position Bills:

AB 907 (Chen) – State Air Resources Board: board members: compensation.

CapitolTrack Summary: Current law establishes the State Air Resources Board consisting of 14 members with 12 members appointed by the Governor, with the consent of the Senate. Current law provides that members appointed as members from the air districts serve on the state board without compensation. Current law provides that the elected official members of the state board receive \$100 for each day, or a portion of that amount, but not to exceed \$1,000 in any month, attending meetings of the state board or its committees, or upon authorization of the state board while on official business of the state board (per diem amount). Existing law specifies the annual salary of each member of the state board. This bill would repeal the prohibition on compensation of the members of the state board from air districts and would specify that those members are to receive the annual salary provided to other members of the state board. The bill would repeal the per diem amount provided to elected official members of the state board. (Based on 02/19/2025 text)

Status: AB 907 was introduced on February 19, 2025. Committee referral pending.

Position: Support (approved by the Board on February 5, 2025)

Additional Bills of Interest:

AB 222 (Bauer-Kahan) – Data centers: energy usage reporting and modeling.

CapitolTrack Summary: Current law, on or before January 1, 2026, and before each time thereafter that a generative artificial intelligence system or service, as defined, or a substantial modification to a generative artificial intelligence system or service, released on or after January 1, 2022, is made available to Californians for use, regardless of whether the terms of that use include compensation, requires a developer of the system or service to post on the developer’s internet website documentation regarding the data used to train the generative artificial intelligence system or service. This bill would require a data center that provides computing resources to a developer for the purpose of developing a covered model, as defined, to estimate the total energy used to develop the covered model and to report that information to the developer, as specified. The bill would require a developer, before using the computing resources of a data center to develop a covered model, to inform the data center of the developer’s intent to develop a covered model. (Based on 01/08/2025 text)

Status: AB 222 was introduced on January 8, 2025, and has been double-referred to

the Assembly Utilities and Energy Committee and the Assembly Privacy and Consumer Protection Committee – hearing dates pending.

Staff Recommendation: None

AB 339 (Ortega) – Local public employee organizations: notice requirements.

CapitolTrack Summary: The Meyers-Milias-Brown Act contains various provisions that govern collective bargaining of local represented employees and delegates jurisdiction to the Public Employment Relations Board to resolve disputes and enforce the statutory duties and rights of local public agency employers and employees. Current law requires the governing body of a public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee organizations. Current law requires the governing body of a public agency, and boards and commissions designated by law or by the governing body, to give reasonable written notice, except in cases of emergency, as specified, to each recognized employee organization affected of any ordinance, rule, resolution, or regulation directly relating to matters within the scope of representation proposed to be adopted by the governing body or the designated boards and commissions. This bill would require the governing body of a public agency, and boards and commissions designated by law or by the governing body of a public agency, to give the recognized employee organization no less than 120 days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization. The bill would require the notice to include specified information, including the anticipated duration of the contract. (Based on 01/28/2025 text)

Status: AB 339 was introduced on January 28, 2025, and has been referred to the Assembly Public Employment and Retirement Committee – hearing date pending.

Staff Recommendation: None

AB 546 (Caloza) – Health care coverage: portable HEPA purifiers and filters.

CapitolTrack Summary: Current law provides for the regulation of health insurers by the Department of Insurance. Current law sets forth specified coverage requirements for plan contracts and insurance policies, and limits the copayment, coinsurance, deductible, and other cost sharing that may be imposed for specified health care services. This bill would require a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2026, to include coverage for portable high-efficiency particulate air (HEPA) purifiers and filters for enrollees or insureds who are pregnant or diagnosed with asthma or chronic obstructive pulmonary disease. The bill would prohibit a portable HEPA purifier and filter covered pursuant to these provisions from being subject to a deductible, coinsurance, or copayment requirement. (Based on 02/11/2025 text)

Status: AB 546 was introduced on February 11, 2025. Committee referral pending.

Staff Recommendation: Support

SB 30 (Cortese) – Diesel-powered on-track equipment: decommissioning: resale and transfer restrictions.

CapitolTrack Summary: Current law provides various provisions applicable to all public transit and transit districts and includes specific requirements applicable to public entities that operate commuter rail or rail transit systems. This bill would prohibit a public entity that owns diesel-powered on-track equipment from selling, donating, or otherwise transferring that equipment for continued use after the public entity decommissions the equipment. (Based on 02/11/2025 text)

Status: SB 30 was introduced on December 2, 2024, as an intent bill, and recently amended to include actual language. The bill has been double-referred to the Senate Transportation Committee and the Senate Environmental Quality Committee – hearing date pending.

Staff Recommendation: None

SB 34 (Richardson) – Ports: emissions: intermodal goods movement stakeholder group.

CapitolTrack Summary: Current law regulates the operation of ports and harbors. Current law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources and generally designates the State Air Resources Board as the state agency with primary responsibility for the control of vehicular air pollution. This bill would require the state board to establish an intermodal goods movement stakeholders group consisting of, among others, a member from each specified port district. By requiring a port district to participate in the group, the bill would impose a state-mandated local program. The bill would require the group to develop a plan that specifies short-term thresholds of yellow, orange, and red for port emissions and specifies actions to be taken to reduce port emissions and port-related emissions when the thresholds are reached, as specified. (Based on 12/02/2024 text)

Status: SB 34 was introduced on December 2, 2024, and has been double-referred to the Senate Environmental Quality Committee and the Senate Transportation Committee – hearing dates pending.

Staff Recommendation: None

Part III. State Budget

The Senate and Assembly have started budget hearings that will continue for several months. Air District staff will participate and comment as appropriate. In May, the Governor will release a budget revision (the “May Revise”), and the remainder of May and most of June will be spent reconciling priorities and funding of the Administration, Senate, and Assembly. The budget must be signed by the Governor by July 1.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Alan Abbs

Reviewed by: Viet Tran

ATTACHMENT(S):

1. Cleaner Air Spaces Act – One Pager
2. H.R.566 (Peters, Scott H. [D-CA-50]) - Bill Text - As Introduced on January 20, 2025
3. S.147 (Bennet, Michael F. [D-CO]) - Bill Text - As Introduced on January 17, 2025
4. Bills of Interest Matrix - As of February 20, 2025 - By Category
5. AB 14 (Hart) - Bill Text - As Introduced on December 2, 2024
6. SB 282 (Wiener) - Bill Text - As Introduced on February 5, 2025
7. AB 907 (Chen) - Bill Text - As Introduced on February 19, 2025
8. AB 222 (Bauer-Kahan) - Bill Text - As Introduced on January 8, 2025
9. AB 339 (Ortega) - Bill Text - As Introduced on January 28, 2025
10. AB 546 (Caloza) - Bill Text - As Introduced on February 11, 2025
11. SB 30 (Cortese) - Bill Text - As Amended on February 11, 2025
12. SB 34 (Richardson) - Bil Text - As Introduced on December 2, 2024
13. Federal and State Legislative Updates Presentation



Cleaner Air Spaces Act (CASA)

Summary

CASA provides grants to fund local clean air space programs to reduce the negative public health effects of wildfire smoke. The programs must:

- 1) **Provide free air filtration units** and educational materials regarding how to set up clean air rooms to individuals vulnerable to wildfire smoke, and
- 2) **Establish clean air centers** in communities vulnerable to wildfire smoke.

Problem

Wildfires are now the largest source of particulate pollution in the United States, creating more than [40%](#) of the nation's fine particulate matter air pollution. Particulate pollution from wildfire smoke is [more harmful](#) to human health compared to other pollution sources and tens of millions of Americans are at [risk](#) of experiencing high levels of exposure. Vulnerable populations, such as infants, the elderly, and people with preexisting health conditions such as respiratory or cardiovascular disease, are at [higher risk](#) of negative health effects from wildfire smoke. Extreme smoke events are already [increasing](#) emergency room visits and more people will be at risk as wildfires grow in frequency and intensity.

Solution

[Clean air rooms](#) are one of the most cost-effective tools to reduce negative health effects from wildfire smoke. A clean air room is a designated space set up to keep levels of smoke and other harmful air particles as low as possible during wildfire smoke events. Clean air rooms can be established inside a household (e.g., a bedroom) or established via a community clean air center (e.g., a clean air space in a library or a gym).

Bill Details

- Provides grants to support local cleaner air spaces programs. The programs must:
 - provide at least 1,000 free air filtration units and one replacement filter for the air filtration units to low-income households with individuals vulnerable to wildfire smoke;
 - provide educational materials to help eligible households best utilize the air filtration unit and create a clean air room in their home;
 - establish at least one public clean air center.
- Requires grant recipients to partner with local organizations.
- Requires a report to Congress with survey data from the cleaner air spaces programs and recommendations on if and how the programs should be modified or expanded.
- The bill was modeled on several existing programs:
 - [Portside Air Quality Improvement and Relief \(PAIR\) Program](#) – San Diego.
 - [Clean Air Filtration Program](#) – San Francisco Bay Area.
 - [Clean Air Room Pilot Program](#) – San Joaquin Valley.
 - [Clean Air Rooms Pilot Program](#) – Santa Barbara County.
 - [Wildfire Smoke Clean Air Center Grant](#) – State of California.

119TH CONGRESS
1ST SESSION

H. R. 566

To direct the Administrator of the Environmental Protection Agency to provide grants to air pollution control agencies to implement a cleaner air space program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 20, 2025

Mr. PETERS (for himself, Ms. JACOBS, Ms. TITUS, Mr. MOULTON, Mr. KHANNA, Mr. PANETTA, Mr. COSTA, Mr. NEGUSE, Ms. PETTERSEN, Mr. MULLIN, Mr. GARAMENDI, Mr. SWALWELL, Ms. DEGETTE, and Ms. SCHRIER) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To direct the Administrator of the Environmental Protection Agency to provide grants to air pollution control agencies to implement a cleaner air space program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Cleaner Air Spaces
5 Act of 2025”.

1 **SEC. 2. CLEANER AIR SPACE PROGRAM GRANT.**

2 (a) IN GENERAL.—Subject to the availability of ap-
3 propriations, the Administrator shall provide grants to air
4 pollution control agencies to implement a cleaner air space
5 program in accordance with this section.

6 (b) GRANT REQUIREMENTS.—

7 (1) AMOUNTS.—Under this section, the Admin-
8 istrator may not provide a grant to an air pollution
9 control agency in an amount that exceeds
10 \$3,000,000.

11 (2) GRANTS FOR TRIBES.—The Administrator
12 shall provide at least one grant to a Tribal agency
13 that has jurisdiction over air quality.

14 (c) APPLICATION.—

15 (1) IN GENERAL.—To apply for a grant pro-
16 vided under this section, an air pollution control
17 agency shall submit to the Administrator an applica-
18 tion at such time, in such manner, and containing
19 such information as the Administrator determines
20 appropriate, including a proposal for the implemen-
21 tation of a cleaner air space program.

22 (2) PROPOSAL FOR CLEANER AIR SPACE PRO-
23 GRAM REQUIREMENTS.—A proposal for the imple-
24 mentation of a cleaner air space program under
25 paragraph (1) shall include the following:

1 (A) Certification of partnering with a com-
2 munity-based organization.

3 (B) Details on the responsibilities of all
4 parties involved with the cleaner air space pro-
5 gram, including the responsibilities of—

6 (i) the air pollution control agency;

7 and

8 (ii) any community-based organiza-
9 tions for which the air pollution control
10 agency is partnering with under subpara-
11 graph (A).

12 (C) Information regarding which geo-
13 graphic population or community of covered
14 households may be receiving eligible air filtra-
15 tion units under such cleaner air space pro-
16 gram.

17 (D) Information on how the air pollution
18 control agency plans to—

19 (i) distribute educational materials re-
20 lated to eligible air filtration units; and

21 (ii) advertise the availability of clean
22 air centers.

23 (E) Information on how such air pollution
24 control agency plans to establish a clean air
25 center, including—

1 (i) the facility in which a clean air
2 center may be established; and

3 (ii) the capacity and ventilation char-
4 acteristics of such facility.

5 (F) A description of the costs that may be
6 associated with the program, including any ad-
7 ministrative costs.

8 (d) CLEANER AIR SPACE PROGRAM REQUIRE-
9 MENTS.—Subject to partnership requirement under sub-
10 section (e), an air pollution control agency implementing
11 a cleaner air space program pursuant to subsection (a)
12 shall—

13 (1) establish at least one clean air center that
14 is—

15 (A) located in an area at risk of being ex-
16 posed to wildland fire smoke;

17 (B) accessible to individuals that reside in
18 covered households; and

19 (C) open, accessible, and staffed during
20 wildland fire smoke events with the option of
21 being open, accessible, and staffed before or
22 after wildland fire smoke events;

23 (2) advertise to the public—

24 (A) during a wildland fire smoke event, the
25 availability of a clean air center; and

1 (B) the local cleaner air space program
2 that such air pollution control agency is imple-
3 menting, including information about such local
4 cleaner air space program, the availability of
5 free air filtration units (if applicable), eligibility
6 requirements to receive such free air filtration
7 unit, and information on who to contact for
8 more information with respect to such local
9 cleaner air space program;

10 (3) at no cost to covered households—

11 (A) distribute a minimum of 1,000 eligible
12 air filtration units to such covered households;
13 and

14 (B) provide one air filter replacement for
15 each eligible air filtration unit distributed under
16 subparagraph (A);

17 (4) distribute educational materials that include
18 information on how to best utilize an eligible air fil-
19 tration unit to create a clean air room in a home;

20 (5) collect, and provide to the Administrator,
21 information on—

22 (A) each type of eligible air filtration unit
23 distributed under such cleaner air space pro-
24 gram;

1 (B) the number of eligible air filtration
2 unit so distributed; and

3 (C) the cost of each type of eligible air fil-
4 tration unit so distributed; and

5 (6) not later than 6 months after providing an
6 eligible air filtration unit to a covered household,
7 conduct an anonymous survey of an individual of
8 such covered household that received the eligible air
9 filtration unit through the cleaner air space program
10 on—

11 (A) whether such individual understood
12 how to properly set up a clean air room and
13 how to utilize the air filtration unit;

14 (B) how often such individual utilized the
15 air filtration unit;

16 (C) the largest barriers to properly uti-
17 lizing the air filtration unit or creating a clean
18 air room;

19 (D) whether such individual reported bet-
20 ter air conditions in the clean air room of such
21 individual compared to other parts of the home
22 of such individual; and

23 (E) how the implementation of the cleaner
24 air space program could improve.

1 (e) PARTNERSHIP.—In implementing a cleaner air
2 space program under subsection (a), an air pollution con-
3 trol agency shall partner with at least one community-
4 based organization to carry out the requirements of such
5 cleaner air space program under subsection (d).

6 (f) REPORT.—Not later than 3 years after the date
7 of the enactment of this Act, the Administrator shall sub-
8 mit to Congress a report that includes—

9 (1) information on each cleaner air space pro-
10 gram implemented using a grant provided under
11 subsection (a), including—

12 (A) the name of the air pollution control
13 agency that received such grant; and

14 (B) the information described in subsection
15 (d)(5) collected by such air pollution control
16 agency;

17 (2) responses from the survey described in sub-
18 section (d)(6); and

19 (3) recommendations on—

20 (A) whether the cleaner air space program
21 should be expanded; and

22 (B) how the cleaner air space program can
23 be improved.

24 (g) DEFINITIONS.—In this section:

1 (1) ADMINISTRATOR.—The term “Adminis-
2 trator” means the Administrator of the Environ-
3 mental Protection Agency.

4 (2) AIR POLLUTION CONTROL AGENCY.—The
5 term “air pollution control agency” has the meaning
6 given such term in section 302 of the Clean Air Act
7 (42 U.S.C. 7602).

8 (3) CLEAN AIR CENTER.—The term “clean air
9 center” means one or more clean air rooms in a pub-
10 licly accessible building.

11 (4) CLEAN AIR ROOM.—The term “clean air
12 room” means a room that is designed to keep levels
13 of harmful air pollutants as low as possible during
14 wildland fire smoke events.

15 (5) COVERED HOUSEHOLD.—The term “covered
16 household” means a household that—

17 (A) is located in a low-income community;

18 and

19 (B) includes a person who—

20 (i) is at high risk of experiencing a
21 wildland fire smoke event; and

22 (ii) is vulnerable to negative health ef-
23 fects caused by wildland fire smoke due to
24 factors such as an underlying health condi-
25 tion, a disability, or age.

1 (6) ELIGIBLE AIR FILTRATION UNIT.—The
2 term “eligible air filtration unit” means an air filtra-
3 tion unit that—

4 (A) is certified by Association of Home Ap-
5 pliance Manufacturers to have a Clean Air De-
6 livery Rate of at least 97 for smoke;

7 (B) is certified under the Energy Star pro-
8 gram established by section 324A of the Energy
9 Policy and Conservation Act (42 U.S.C.
10 6294a);

11 (C) does not emit ozone; and

12 (D) uses a true high-efficiency particulate
13 air filter rated to remove 99.97 percent of par-
14 ticles measuring 0.3 micrometers or greater.

15 (7) LOW-INCOME COMMUNITY.—The term “low-
16 income community” has the meaning given such
17 term in section 45D of the Internal Revenue Code
18 (26 U.S.C. 45D).

19 (h) AUTHORIZATION OF APPROPRIATIONS.—

20 (1) IN GENERAL.—There is authorized to be
21 appropriated to the Administrator to carry out this
22 section \$30,000,000 for the period of fiscal years
23 2026 through 2028.

24 (2) ADMINISTRATIVE EXPENSES.—Of the funds
25 made available under paragraph (1), the Adminis-

1 trator may use not more than 10 percent of such
2 funds on expenses relating to administering the
3 cleaner air space program.

○

119TH CONGRESS
1ST SESSION

S. 147

To direct the Administrator of the Environmental Protection Agency to provide grants to air pollution control agencies to implement a cleaner air space program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 17, 2025

Mr. BENNET (for himself, Mr. BLUMENTHAL, Ms. CORTEZ MASTO, Mrs. GILLIBRAND, Mr. MERKLEY, Ms. ROSEN, Mr. PADILLA, and Mr. WYDEN) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

A BILL

To direct the Administrator of the Environmental Protection Agency to provide grants to air pollution control agencies to implement a cleaner air space program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Cleaner Air Spaces
5 Act of 2025”.

6 **SEC. 2. CLEANER AIR SPACE PROGRAM GRANTS.**

7 (a) DEFINITIONS.—In this section:

1 (1) ADMINISTRATOR.—The term “Adminis-
2 trator” means the Administrator of the Environ-
3 mental Protection Agency.

4 (2) AIR POLLUTION CONTROL AGENCY.—The
5 term “air pollution control agency” has the meaning
6 the term given in section 302 of the Clean Air Act
7 (42 U.S.C. 7602).

8 (3) CLEAN AIR CENTER.—The term “clean air
9 center” means 1 or more clean air rooms in a pub-
10 licly accessible building.

11 (4) CLEAN AIR ROOM.—The term “clean air
12 room” means a room that is designed to keep levels
13 of harmful air pollutants as low as possible during
14 wildland fire smoke events.

15 (5) COVERED HOUSEHOLD.—The term “covered
16 household” means a household that—

17 (A) is located in a low-income community;

18 and

19 (B) includes a person who—

20 (i) is at high risk of experiencing a
21 wildland fire smoke event; and

22 (ii) is vulnerable to negative health ef-
23 fects caused by wildland fire smoke due to
24 factors such as an underlying health condi-
25 tion, a disability, or age.

1 (6) ELIGIBLE AIR FILTRATION UNIT.—The
 2 term “eligible air filtration unit” means an air filtra-
 3 tion unit that—

4 (A) is certified by the Association of Home
 5 Appliance Manufacturers to have a Clean Air
 6 Delivery Rate of at least 97 for smoke;

7 (B) is certified under the Energy Star pro-
 8 gram established by section 324A of the Energy
 9 Policy and Conservation Act (42 U.S.C.
 10 6294a);

11 (C) does not emit ozone; and

12 (D) uses a true high-efficiency particulate
 13 air filter rated to remove 99.97 percent of par-
 14 ticles measuring 0.3 micrometers or greater.

15 (7) LOW-INCOME COMMUNITY.—The term “low-
 16 income community” has the meaning given the term
 17 in section 45D(e) of the Internal Revenue Code.

18 (b) GRANTS AUTHORIZED.—Subject to the avail-
 19 ability of appropriations, the Administrator shall provide
 20 grants to air pollution control agencies to implement a
 21 cleaner air space program in accordance with this section.

22 (c) GRANT REQUIREMENTS.—

23 (1) AMOUNTS.—Under this section, the Admin-
 24 istrator may not provide a grant to an air pollution

1 control agency in an amount that exceeds
2 \$3,000,000.

3 (2) GRANTS FOR TRIBES.—The Administrator
4 shall provide at least 1 grant under this section to
5 a Tribal agency that has jurisdiction over air qual-
6 ity.

7 (d) APPLICATION.—

8 (1) IN GENERAL.—To apply for a grant under
9 this section, an air pollution control agency shall
10 submit to the Administrator an application at such
11 time, in such manner, and containing such informa-
12 tion as the Administrator determines appropriate,
13 including a proposal for the implementation of a
14 cleaner air space program.

15 (2) PROPOSAL FOR CLEANER AIR SPACE PRO-
16 GRAM REQUIREMENTS.—A proposal for the imple-
17 mentation of a cleaner air space program of an air
18 pollution control agency under paragraph (1) shall
19 include the following:

20 (A) Certification of partnering with a com-
21 munity-based organization.

22 (B) Details on the responsibilities of all
23 parties involved with the cleaner air space pro-
24 gram, including the responsibilities of—

1 (i) the air pollution control agency;

2 and

3 (ii) any community-based organiza-
4 tions with which the air pollution control
5 agency is partnering under subparagraph
6 (A).

7 (C) Information with respect to which geo-
8 graphic population or community of covered
9 households may be receiving eligible air filtra-
10 tion units under the cleaner air space program.

11 (D) Information on how the air pollution
12 control agency plans—

13 (i) to distribute educational materials
14 related to eligible air filtration units; and

15 (ii) to advertise the availability of
16 clean air centers.

17 (E) Information on how the air pollution
18 control agency plans to establish a clean air
19 center, including—

20 (i) the facility in which a clean air
21 center may be established; and

22 (ii) the capacity and ventilation char-
23 acteristics of that facility.

1 (F) A description of the costs that may be
 2 associated with the cleaner air space program,
 3 including any administrative costs.

4 (e) CLEANER AIR SPACE PROGRAM REQUIRE-
 5 MENTS.—Subject to satisfaction of the partnership re-
 6 quirement described in subsection (f), an air pollution con-
 7 trol agency implementing a cleaner air space program pur-
 8 suant to a grant provided under subsection (b) shall—

9 (1) establish at least 1 clean air center that
 10 is—

11 (A) located in an area at risk of being ex-
 12 posed to wildland fire smoke;

13 (B) accessible to individuals that reside in
 14 covered households;

15 (C) open, accessible, and staffed during
 16 wildland fire smoke events with the option of
 17 being open, accessible, and staffed before or
 18 after wildland fire smoke events;

19 (2) advertise to the public—

20 (A) during a wildland fire smoke event, the
 21 availability of a clean air center; and

22 (B) the cleaner air space program that the
 23 air pollution control agency is implementing, in-
 24 cluding information about the cleaner air space
 25 program, the availability of free air filtration

1 units (if applicable), eligibility requirements to
2 receive those free air filtration units, and infor-
3 mation on who to contact for more information
4 with respect to the cleaner air space program;
5 (3) at no cost to covered households—

6 (A) distribute not less than 1,000 eligible
7 air filtration units to those covered households;
8 and

9 (B) provide 1 air filter replacement for
10 each eligible air filtration unit distributed under
11 subparagraph (A);

12 (4) distribute educational materials that include
13 information with respect to how to best utilize an el-
14 igible air filtration unit to create a clean air room
15 in a home;

16 (5) collect, and provide to the Administrator,
17 information on—

18 (A) each type of eligible air filtration unit
19 distributed under the cleaner air space pro-
20 gram;

21 (B) the number of eligible air filtration
22 units so distributed; and

23 (C) the cost of each type of eligible air fil-
24 tration unit so distributed; and

1 (6) not later than 6 months after providing an
2 eligible air filtration unit to a covered household,
3 conduct an anonymous survey of an individual of the
4 covered household that received the eligible air filtra-
5 tion unit through the cleaner air space program with
6 respect to—

7 (A) whether the individual understood how
8 to properly set up a clean air room and how to
9 utilize the air filtration unit;

10 (B) how often the individual utilized the
11 air filtration unit;

12 (C) the largest barriers to properly uti-
13 lizing the air filtration unit or creating a clean
14 air room;

15 (D) whether the individual reported better
16 air conditions in the clean air room compared
17 to other parts of the home of that individual;
18 and

19 (E) how the implementation of the cleaner
20 air space program could improve.

21 (f) PARTNERSHIP.—In implementing a cleaner air
22 space program pursuant to a grant provided under sub-
23 section (b), an air pollution control agency shall partner
24 with at least 1 community-based organization to carry out

1 the requirements of the cleaner air space program de-
2 scribed in subsection (e).

3 (g) REPORT.—Not later than 3 years after the date
4 of enactment of this Act, the Administrator shall submit
5 to Congress a report that includes—

6 (1) information on each cleaner air space pro-
7 gram implemented using a grant provided under
8 subsection (b), including—

9 (A) the name of the air pollution control
10 agency that received the grant; and

11 (B) the information described in subsection
12 (e)(5) collected by the air pollution control
13 agency;

14 (2) responses from the surveys described in
15 subsection (e)(6); and

16 (3) recommendations with respect to—

17 (A) whether the grant program under this
18 section should be expanded; and

19 (B) how the grant program under this sec-
20 tion can be improved.

21 (h) AUTHORIZATION OF APPROPRIATIONS.—

22 (1) IN GENERAL.—There is authorized to be
23 appropriated to the Administrator to carry out this
24 section \$30,000,000 for the period of fiscal years
25 2026 through 2028.

1 (2) ADMINISTRATIVE EXPENSES.—Of the funds
2 made available under paragraph (1), the Adminis-
3 trator may use not more than 10 percent for ex-
4 penses relating to administering the grant program
5 under this section.

○

		02/18/2025 - Referred to Com. on NAT. RES.			02/18/2025 - Assembly U. & E.	
		02/03/2025 - Referred to Com. on NAT. RES.			02/03/2025 - Assembly NAT. RES.	
ing.		02/18/2025 - Referred to Coms. on U. & E. and P. & C.P.			02/18/2025 - Assembly U. & E.	
		01/24/2025 - From printer. May be heard in committee February 23.			01/23/2025 - Assembly PRINT	
		01/24/2025 - From printer. May be heard in committee February 23.			01/23/2025 - Assembly PRINT	
		02/18/2025 - Referred to Com. on H. & C.D.			02/18/2025 - Assembly H. & C.D.	
ards.		02/04/2025 - From printer. May be heard in committee March 6.			02/03/2025 - Assembly PRINT	
		02/05/2025 - From printer. May be heard in committee March 7.			02/04/2025 - Assembly PRINT	
		02/15/2025 - From printer. May be heard in committee March 17.			02/14/2025 - Assembly PRINT	
		02/19/2025 - From printer. May be heard in committee March 21.			02/18/2025 - Assembly PRINT	
		02/19/2025 - Read first time. To print.			02/19/2025 - Assembly PRINT	
		01/29/2025 - Referred to Com. on E.Q.			01/29/2025 - Senate E.Q.	
		02/10/2025 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on E.Q.	2/10/2025		01/29/2025 - Senate E.Q.	
ion Hub Program.		01/29/2025 - Referred to Coms. on B. P. & E.D. and E., U & C.			01/29/2025 - Senate B., P. & E.D.	
nd HVAC: installations.		02/14/2025 - Referred to Coms. on E., U & C. and L. GOV.			02/14/2025 - Senate E. U., & C.	Board Approval 2/5/2025
velopment Commission:		02/19/2025 - Referred to Coms. on E., U & C. and E.Q.			02/19/2025 - Senate E. U., & C.	
tandard.		02/19/2025 - Referred to Com. on RLS.			02/12/2025 - Senate RLS.	
on: application: analysis of		02/14/2025 - From printer. May be acted upon on or after March 16.			02/13/2025 - Senate RLS.	
		02/14/2025 - From printer. May be acted upon on or after March 16.			02/13/2025 - Senate RLS.	
		01/07/2025 - From printer. May be heard in committee February 6.			01/06/2025 - Assembly PRINT	
		02/10/2025 - Referred to Com. on L. GOV.			02/10/2025 - Assembly L. GOV	

ASSEMBLY BILL

No. 14

Introduced by Assembly Members Hart, Bennett, and Connolly
(Coauthors: Assembly Members Addis, Boerner, Davies, and
Pellerin)
(Coauthor: Senator Blakespear)

December 2, 2024

An act to add Chapter 3.3 (commencing with Section 35640) to Division 26.5 of the Public Resources Code, relating to coastal resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 14, as introduced, Hart. Coastal resources: Protecting Blue Whales and Blue Skies Program.

Existing law establishes the Ocean Protection Council in state government to, among other things, establish policies to coordinate the collection, evaluation, and sharing of scientific data related to coastal and ocean resources among agencies. Existing law requires the council to develop and implement a voluntary sustainable seafood promotion program for the state, to consist of specified components, including a competitive grant and loan program for eligible entities, including, but not limited to, fishery groups and associations, for the purpose of assisting California fisheries in qualifying for certification to internationally accepted standards for sustainable seafood.

This bill would, subject to the availability of funding, require the council to participate as a stakeholder, and in an advisory capacity, to the Protecting Blue Whales and Blue Skies Program with air pollution control districts and air quality management districts along the coast and other stakeholders to support, in an advisory capacity, coastal air

districts in their efforts to implement a statewide voluntary vessel speed reduction and sustainable shipping program for the California coast in order to reduce air pollution, the risk of fatal vessel strikes on whales, and harmful underwater acoustic impacts. The bill would authorize the expansion of the existing Protecting Blue Whales and Blue Skies Program to include specified components, including incentives to program participants based on a percentage of distance traveled by a participating vessel at a reduced speed, as provided. The bill would limit application of the program to vessels that are 300 gross tons or greater. The bill would require the participating air pollution control districts and air quality management districts, on or before December 31, 2029, to submit a report to the Legislature regarding the implementation of the program.

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. Chapter 3.3 (commencing with Section 35640)
2 is added to Division 26.5 of the Public Resources Code, to read:

3
4 CHAPTER 3.3. PROTECTING BLUE WHALES AND BLUE SKIES
5 PROGRAM
6

7 35640. The Legislature finds and declares all of the following:
8 (a) California’s seaports are North America’s primary intermodal
9 gateway to Asia and Transpacific trade. Maritime industry activities
10 at California’s public seaports are responsible for employing more
11 than 500,000 people in the state. Nationwide, more than 2,000,000
12 jobs are linked to maritime industry business conducted at
13 California’s public seaports, contributing to California having the
14 largest state economy in the United States.
15 (b) Every year, the oceangoing vessels make thousands of
16 transits along the California coast, with an estimated 185 tons per
17 day of nitrogen oxides, an ozone precursor, being emitted along
18 the coast. These emissions negatively affect the public health of
19 coastal communities and contribute to causing some areas of the
20 coast to be in nonattainment with the national ambient air quality
21 standards for ozone and particulate matter.

1 (c) Since 2014, the Santa Barbara County Air Pollution Control
2 District, the Ventura County Air Pollution Control District, the
3 Bay Area Air Quality Management District, the Monterey Bay Air
4 Resources District, and the San Luis Obispo County Air Pollution
5 Control District, with the federal Office of National Marine
6 Sanctuaries, marine sanctuary foundations, and environmental
7 groups, have administered and promoted the Protecting Blue
8 Whales and Blue Skies Program, a voluntary vessel speed reduction
9 program off the Santa Barbara, Ventura, and Bay Area coasts to
10 encourage transit speeds of 10 knots or less to reduce air pollution,
11 the risk of harmful whale strikes, and the level of ocean noise.

12 (d) Since its inception through 2024, the Protecting Blue Whales
13 and Blue Skies Program has provided small incentives and
14 publicity to program participants and has achieved over 1,167,000
15 slow speed miles, a reduction of more than 4,500 tons of nitrogen
16 oxides, a reduction of over 153,000 metric tons of regional
17 greenhouse gas emissions, and an estimated 58 percent decreased
18 risk of whale strikes during prime migration season in the affected
19 coastal areas.

20 (e) This highly cost-effective voluntary pollution reduction
21 program benefits public health, protects the marine ecosystem,
22 and showcases the beneficial partnership between shipping
23 companies, public health agencies, marine sanctuaries, and
24 environmental organizations.

25 (f) Expansion of the vessel speed reduction program to other
26 areas of the California coast, including the San Diego coast and
27 the North Coast, would yield additional public health and
28 ecosystem benefits.

29 35641. (a) The Legislature finds and declares that expansion
30 of the Protecting Blue Whales and Blue Skies Program by local
31 air pollution control districts and air quality management districts
32 and stakeholders is a critical strategy in advancing protection of
33 marine mammals through partnerships that also support the
34 maritime industry and local public health.

35 (b) Subject to the availability of funding, the council shall
36 participate as a stakeholder, and in an advisory capacity, to the
37 Protecting Blue Whales and Blue Skies Program with air pollution
38 control districts and air quality management districts along the
39 coast and other stakeholders, including the federal Office of
40 National Marine Sanctuaries, the United States Environmental

1 Protection Agency, the United States Navy, the United States Coast
2 Guard, and the maritime industry, to support, in an advisory
3 capacity, coastal air districts in their efforts to implement a
4 statewide voluntary vessel speed reduction and sustainable shipping
5 program for the California coast in order to reduce air pollution,
6 the risk of fatal vessel strikes on whales, and harmful underwater
7 acoustic impacts.

8 (c) Expansion of the existing Protecting Blue Whales and Blue
9 Skies Program by local air pollution control districts and air quality
10 management districts shall be a single unified program, and may
11 include all of the following components developed in a manner
12 that is consistent with how the program components were
13 developed for the Protecting Blue Whales and Blue Skies Program:

14 (1) A marketing program to engage cargo owners and other
15 commercial interests to promote voluntary vessel speed reduction
16 and sustainable shipping, and an acknowledgment of the program's
17 participants.

18 (2) Data collection on ship speeds along the California coast in
19 order to analyze the program for future refinement, expansion, or
20 both.

21 (3) Data collection on underwater acoustic impacts or fatal
22 vessel strikes on whales, to the extent data is available.

23 (4) Data collection on the regional air quality impacts on the
24 coast and impacts to air quality in coastal disadvantaged
25 communities from oceangoing vessel traffic, as collected and
26 provided by the regional air pollution control districts and air
27 quality management districts.

28 (5) Incentives to program participants based on a percentage of
29 distance traveled by a participating vessel at a reduced speed,
30 including speed zones at 10 knots or less, to the extent that local
31 or federal funding is available.

32 (6) Development of vessel speed reduction zones along the coast
33 that take into account navigational safety, protected marine
34 mammal migration and breeding seasons, federal marine
35 sanctuaries and state marine protected areas, shipping lanes, and
36 any other relevant variables.

37 (7) Seasonality of the program.

38 (8) Description of covered vessels.

39 (d) The program shall exclude any ocean territories that are
40 covered by any vessel speed reduction program other than the

1 Protecting Blue Whales and Blue Skies Program or a memorandum
2 of understanding entered into before January 1, 2026.

3 (e) The program shall only apply to vessels that are 300 gross
4 tons or greater.

5 (f) (1) On or before December 31, 2029, the participating air
6 pollution control districts and air quality management districts
7 shall submit a report to the Legislature regarding the
8 implementation of the program.

9 (2) The report required in paragraph (1) shall be submitted in
10 compliance with Section 9795 of the Government Code.

11 (3) Pursuant to Section 10231.5 of the Government Code, the
12 requirement for submitting a report imposed by paragraph (1) is
13 inoperative on December 31, 2033.

14 (g) The program and each component of the program are based
15 upon voluntary actions initiated by entities pursuant to this section
16 and are not regulations as defined in Section 11342.600 of the
17 Government Code, and shall not be implemented in a way that
18 conflicts with federal law and regulations.

O

Introduced by Senator Wiener

February 5, 2025

An act to add Section 4737 to the Civil Code, and to add Chapter 7.5 (commencing with Section 51297.50) to Part 1 of Division 1 of Title 5 of the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 282, as introduced, Wiener. Residential heat pump systems: water heaters and HVAC: installations.

(1) Existing law establishes the State Energy Resources Conservation and Development Commission and prescribes the authorities, duties, and responsibilities of the commission pertaining to energy matters. Existing law requires the commission, on or before January 1, 2019, in consultation with the Contractors State License Board, local building officials, and other stakeholders, to approve a plan that promotes compliance with specified regulations relating to building energy efficiency standards in the installation of central air conditioning and heat pumps, as specified. Existing law authorizes the commission to adopt regulations to increase compliance with permitting and inspection requirements for central air conditioning and heat pumps, and associated sales and installations, consistent with the above-described plan.

This bill would require the commission, on or before January 1, 2027, to establish a statewide certification program for licensed contractors of residential heat pump water heaters and heat pump heating, ventilation, and air conditioning (HVAC) systems to obtain a heat pump installation certification, and would require the commission to create a state training program, as described, on residential heat pump water heaters and heat pump HVAC systems for purposes of the certification program, as specified.

The bill would authorize a licensed contractor to obtain a heat pump installation certification through the above-described program by completing specified tasks, including completion of the state training program described above. The bill would authorize a licensed contractor with a heat pump system installation certification described above to self-certify that the installation of a residential heat pump water heater or heat pump HVAC system meets all relevant code requirements without any requirement that an inspector be present for the installation, and would require a city, including a charter city, county, or city and county to accept the certification for those purposes, as specified. The bill would require a local entity described above to adopt and offer one or more alternative inspection options that do not require a licensed contractor and an inspector to be simultaneously present during the installation of a heat pump water heater or heat pump HVAC system, to be available to licensed contractors who do not have a certification described above. The bill, notwithstanding any local law to the contrary, would also authorize a licensed contractor who successfully completes a specified number of heat pump water heater or heat pump HVAC system in-person inspections of installations that did not require any permits to use an above-described alternative inspection option, and would require the local jurisdiction to accept the alternative inspection option for those purposes, as specified. The bill would require the local entity, if the local entity has an internet website, to publish all requirements for contractors to obtain the above-described certification, or to complete inspections without a certification pursuant to the above-described alternative inspection option.

The bill would authorize a city, including a charter city, county, or city and county, except as specified, to issue up to one nondiscretionary permit per installation of a residential heat pump water heater or heat pump HVAC system in which the local entity administratively approves an application to install the residential heat pump water heater or heat pump HVAC system and the application is subject to a limited review.

The bill would prohibit a local entity described above from applying additional standards on the installation of residential heat pump water heater or residential heat pump HVAC systems as specified, and would require those standards to be null and void, except as specified. The bill would, notwithstanding those provisions, authorize additional standards to be applied that conform to local laws designed to require the adoption of zero-emission equipment, or improvement of building efficiency.

The bill would prohibit a local entity from requiring a permit or inspection for any low voltage plug-in appliance, as defined.

The bill would require a city, including a charter city, county, or city and county, on or before July 1, 2027, and except as specified, to implement an online automated permitting platform that verifies code compliance and issues permits in real time, or allows the local entity to issue permits in real time, to a licensed contractor for the installation of a residential heat pump water heater or residential heat pump HVAC system. The bill would require a permit to be issued, upon discretion of the administering jurisdiction, if the installation complies with specified checklist requirements. The bill would require a local entity described above to report to the commission when it implements the above-described automated permitting platform. The bill would require an above-described local entity, in developing the above-described automated permitting process, to create the checklist described above of all requirements for a residential heat pump water heater or residential HVAC system to be eligible for the above-described expedited review, and, if the local entity has an internet website, publish and make publicly available, among other things, that checklist on their internet website. The bill would, upon confirmation by the local entity that the application and supporting documents are complete and meets specified requirements, deem the application complete and require the local entity to approve the application and issue all required permits or authorizations. The bill would, upon receipt of an incomplete application, require the local entity to issue a written correction notice, as specified.

The bill would, except as specified, prohibit a city, including a charter city, county, or city and county from charging a residential permit fee for heat pump water heaters and heat pump HVAC systems that exceeds the estimated reasonable cost of providing the service for which the fee is charged, subject to specified requirements, including that the residential permit fee for a heat pump water heater system does not exceed \$50. The bill would, notwithstanding that provision, authorize a local entity described above to charge a residential permit fee for the installation of a heat pump water heater or heat pump HVAC system that exceeds the above-described fee limit, as specified, if the local entity, as part of a written finding and an adopted resolution or ordinance, provides substantial evidence of the reasonable cost to issue the permit, and would prohibit the local entity from applying additional charges above the advertised fee schedule.

The bill would include findings and declarations related to these provisions.

(2) Existing law, the Davis-Stirling Common Interest Development Act, defines and regulates common interest developments. Among other things, the act makes a provision of the governing documents, as defined, or architectural or landscaping guidelines or policies void and unenforceable if, among other things, the provision prohibits, or includes conditions that have the effect of prohibiting, the use of low water-using plants as a group or as a replacement of existing turf.

This bill would additionally make any provision of the governing documents, architectural guidelines, or policies void and unenforceable if the provision prevents the replacement of a fuel-gas-burning appliance with an electric appliance. The bill would also make any covenant, restriction, or condition contained in any, among other specified agreements, deed, and any provision of a governing document, that effectively prohibits or restricts the installation or use of a residential heat pump water heater or heat pump HVAC system, void and unenforceable.

(3) 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.

(4) 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.

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

- 1 SECTION 1. Section 4737 is added to the Civil Code, to read:
- 2 4737. (a) Notwithstanding any other law, any provision of the
- 3 governing documents, architectural guidelines, or policies shall
- 4 be void and unenforceable if the provision prevents the replacement
- 5 of a fuel-gas-burning appliance with an electric appliance.
- 6 (b) Any covenant, restriction, or condition contained in any
- 7 deed, contract, security instrument, or other instrument affecting

1 the transfer or sale of, or any interest in, real property, and any
 2 provision of a governing document, that effectively prohibits or
 3 restricts the installation or use of a residential heat pump water
 4 heater or heat pump heating, ventilation, and air conditioning
 5 (HVAC) system is void and unenforceable.

6 SEC. 2. Chapter 7.5 (commencing with Section 51297.50) is
 7 added to Part 1 of Division 1 of Title 5 of the Government Code,
 8 to read:

9

10 CHAPTER 7.5. RESIDENTIAL HEAT PUMP SYSTEM INSTALLATION
 11 CERTIFICATION

12

13 51297.50. The Legislature finds and declares all of the
 14 following:

15 (a) The oversight of permitting for residential heat pump water
 16 heater and heat pump heating, ventilation, and air condition
 17 (HVAC) systems is a matter of statewide concern and not a
 18 municipal affair. Nothing in this chapter is intended to imply the
 19 approval of any other local fees for heat pump permitting not
 20 specified in this chapter.

21 (b) It is the intent of the Legislature that local agencies do not
 22 adopt ordinances that create unreasonable barriers to the installation
 23 of heat pumps and not unreasonably restrict the ability of home
 24 and residential property owners to install heat pumps.

25 (c) It is the policy of the state to promote and encourage the use
 26 of zero-emission water heating and space heating and cooling
 27 systems, and to limit obstacles to their use.

28 (d) It is the intent of the Legislature that local agencies comply
 29 not only with provisions declared in this section, but also the
 30 legislative intent to encourage the installation of residential heat
 31 pump systems by removing obstacles to, and minimizing costs of,
 32 permitting, so long as the action does not supersede the building
 33 official’s authority to identify and address higher priority life-safety
 34 situations.

35 (e) Each state entity should streamline codes and standards
 36 compliance processes with the intent of increasing permitted work
 37 without undermining the integrity of the code measures, especially
 38 when it comes to appliance retrofits.

39 51297.51. For purposes of this chapter, the following
 40 definitions apply:

1 (a) “Commission” means the State Energy Resources
2 Conservation and Development Commission, which is also known
3 as the Energy Commission.

4 (b) “Heat pump system installation certification” means a state
5 certification issued pursuant to this chapter for residential heat
6 pump water heater and heat pump HVAC system installations.

7 (c) “HVAC” means heating, ventilation, and air conditioning.

8 (d) “Low voltage plug-in appliance” means an appliance with
9 a voltage rating of 120 volts or less.

10 51297.52. (a) (1) On or before January 1, 2027, the
11 commission shall establish a statewide certification program for
12 licensed contractors of residential heat pump water heater and heat
13 pump HVAC systems to obtain a heat pump system installation
14 certification.

15 (2) The commission shall create a state training program on
16 residential heat pump water heater and heat pump HVAC systems
17 for purposes of the statewide certification program. Any training
18 program created pursuant to this paragraph shall not exceed seven
19 hours in length.

20 (b) A licensed contractor may obtain a heat pump system
21 installation certification through the statewide certification program
22 by completing any of the following:

23 (1) Obtaining certifications for residential heat pump water
24 heater or heat pump HVAC systems, as applicable, through the
25 Technology and Equipment for Clean Heating (TECH) Initiative,
26 developed pursuant to Section 922 of the Public Utilities Code.

27 (2) Successful completion of a number, to be determined by the
28 local jurisdiction, but not to exceed 5 per system type, of heat
29 pump water heaters and for heat pump HVAC systems, as
30 applicable, without requiring any cures.

31 (3) Completion of a state training program created by the
32 commission pursuant to paragraph (2) of subdivision (a).

33 51297.53. (a) (1) Notwithstanding any local law to the
34 contrary, a licensed contractor with a heat pump system installation
35 certification issued pursuant to this chapter, may self-certify that
36 the installation of a residential heat pump water heater or heat
37 pump HVAC system meets all relevant code requirements without
38 any requirement that an inspector be present for the installation.
39 A city, including a charter city, county, or city and county shall

1 accept a heat pump system installation certification for these
2 purposes.

3 (2) Subject to the local jurisdiction’s discretion, a licensed
4 contractor with a heat pump system installation certification shall
5 remain subject to spot check inspections at a rate not to exceed
6 one inspection per every 10 installations.

7 (b) (1) A city, including a charter city, county, or city and
8 county shall adopt and offer one or more alternative inspection
9 options that do not require a licensed contractor and an inspector
10 to be simultaneously present during the installation of a heat pump
11 water heater or heat pump HVAC system, which shall be available
12 to licensed contractors who do not have a heat pump system
13 installation certification described in subdivision (a).

14 (2) Notwithstanding any local law to the contrary, a city,
15 including a charter city, county, or city and county, a licensed
16 contractor who successfully completes a number, to be determined
17 by the local jurisdiction but not to exceed five per system type, of
18 residential heat pump water heater or heat pump HVAC system
19 in-person inspections of installations, as applicable, that did not
20 require any cures may use an alternative inspection option offered
21 pursuant to paragraph (1). A city, including a charter city, county,
22 or city and county shall accept an alternative inspection option for
23 these purposes.

24 (c) If the city, county, or city and county has an internet website,
25 the local entity shall publish all requirements for contractors to
26 obtain a heat pump system installation certification as described
27 in subdivision (a), or to complete inspections without a certification
28 as described in subdivision (b), on a publicly accessible internet
29 website.

30 51297.54. (a) Except as otherwise provided in subdivision (b),
31 a city, including a charter city, county, or city and county may
32 issue up to one nondiscretionary permit per installation of a
33 residential heat pump water heater or heat pump HVAC system
34 in which the city, county, or city and county administratively
35 approves an application to install the residential heat pump water
36 heater or heat pump HVAC system and the application is subject
37 to a limited review.

38 (b) Notwithstanding subdivision (a), a city, including a charter
39 city, county, or city and county may issue more than one
40 nondiscretionary permit requested by a licensed contractor for the

1 installation of a residential heat pump water heater or heat pump
2 HVAC system in the following circumstances:

- 3 (1) The first inspection requires a cure.
- 4 (2) The city, county, or city and county makes written findings
5 based upon substantial evidence that the proposed installation
6 would have a specific, adverse impact on public health or safety,
7 and there is no feasible method to satisfactorily mitigate or avoid
8 the specific, adverse impact.

9 (c) An applicant may appeal a denial of an additional
10 nondiscretionary permit described in subdivision (b) to the local
11 planning commission of the city, county, or city and county.

12 51297.55. (a) A city, including a charter city, county, or city
13 and county, shall not apply additional standards on the installation
14 of residential heat pump water heater or residential heat pump
15 HVAC systems beyond statutory provisions or regulations relating
16 to the installation of those heat pump systems in a residence,
17 including the California Building Standards Code (Title 24 of the
18 California Code of Regulations).

19 (b) Any additional standards that exceed statutory provisions
20 or regulations relating to the installation of a residential heat pump
21 water heater or heat pump HVAC system in a residence shall be
22 considered null and void unless the city, county, or city and county
23 provides substantial evidence that the standard is designed to
24 mitigate the specific, adverse impact upon the public health or
25 safety at the lowest cost possible.

26 (c) Notwithstanding subdivisions (a) and (b), additional
27 standards may be applied that conform to local laws designed to
28 require the adoption of zero-emission equipment or improvement
29 of building efficiency.

30 (d) A city, including a charter city, county, or city and county,
31 shall not require a permit or inspection for any low voltage plug-in
32 appliance.

33 51297.56. (a) (1) On or before July 1, 2027, a city, including
34 a charter city, county, or city and county, other than a city, county,
35 or city and county described in paragraph (2), shall implement an
36 online, automated permitting platform that verifies code compliance
37 and issues permits in real time, or allows the city, county, or city
38 and county to issue permits in real time, to a licensed contractor
39 for the installation of a residential heat pump water heater or
40 residential heat pump HVAC system. A permit authorized by this

1 section shall be issued, upon discretion of the administering
2 jurisdiction, if the installation of a residential heat pump water
3 heater or residential heat pump HVAC system complies with the
4 checklist requirements created pursuant to subdivision (b).

5 (2) Paragraph (1) shall not apply to a city, including a charter
6 city, with a population of fewer than 5,000 or a county with a
7 population of fewer than 150,000, including each city or charter
8 city within that county.

9 (3) A city, including a charter city, county, or city and county
10 shall report to the commission when it implements the online,
11 automated permitting platform described in paragraph (1).

12 (b) (1) In developing the automated permitting process
13 described in subdivision (a), the city, county, or city and county
14 shall create a checklist of all requirements for installations of
15 residential heat pump water heater and HVAC systems to be
16 eligible for expedited review pursuant to this section.

17 (2) The city, county, or city and county, if the city, county, or
18 city and county has an internet website, shall publish and make
19 publicly available a list of the requirements described in paragraph
20 (1) of subdivision (a), the checklist described in paragraph (1) of
21 this subdivision, any required permitting documentation, and a list
22 of all relevant fees and fee amounts that may be imposed by the
23 city, county, or city and county on a heat pump HVAC or water
24 heater installation, including, but not limited to, permit fees and
25 inspection fees, on a publicly accessible internet website.

26 (3) The city, county, or city and county shall allow an applicant
27 to submit an automated permit application and associated
28 documentation electronically, and shall authorize the applicant to
29 submit an electronic signature on all forms, applications, and other
30 documentation instead of a wet signature by an applicant.

31 (c) (1) Upon confirmation by the city, including a charter city,
32 county, or city and county of the application and supporting
33 documents being complete and meeting the requirements described
34 in subdivision (a), the application shall be deemed complete and
35 the local entity shall approve the application and issue all required
36 permits or authorizations.

37 (2) Upon receipt of an incomplete application, a city, including
38 a charter city, county, or city and county shall issue a written
39 correction notice detailing all deficiencies in the application and

1 any additional information required to be eligible for expedited
2 permit issuance.

3 51297.57. (a) (1) A city, including a charter city, county, or
4 city and county, except as specified in subdivision (b), shall not
5 charge a residential permit fee for heat pump water heater and heat
6 pump HVAC systems that exceeds the estimated reasonable cost
7 of providing the service for which the fee is charged, subject to
8 the following limitations:

9 (A) The residential permit fee for a heat pump water heater
10 system shall not exceed fifty dollars (\$50).

11 (B) The residential permit fee for a heat pump HVAC system
12 shall not exceed one hundred fifty dollars (\$150).

13 (2) The residential permit fee shall be waived for the installation
14 of a heat pump water heater or heat pump HVAC system where a
15 qualified contractor self-certifies code compliance, unless the
16 building official of the local jurisdiction determines that additional
17 cures are required.

18 (3) Paragraph (1) shall not apply to a city, including a charter
19 city, with a population of fewer than 5,000 and a county with a
20 population of fewer than 150,000, including each city or charter
21 city within that county.

22 (b) (1) Notwithstanding subdivision (a), a city, including a
23 charter city, county, or city and county may charge a residential
24 permit fee for the installation of a heat pump water heater or a heat
25 pump HVAC system that exceeds the fee limits specified in
26 subdivision (a) if the city, including a charter city, county, or city
27 and county, as part of a written finding and an adopted resolution
28 or ordinance, provides substantial evidence of the reasonable cost
29 to issue the permit.

30 (2) A residential permit fee described in paragraph (1) shall be
31 subject to all of the following requirements:

32 (A) The fee shall correspond to the typical reasonable cost
33 demonstrated by the city, county, or city and county for the
34 equipment type.

35 (B) The fee shall be set at a regular fixed amount per appliance
36 type.

37 (C) The fee shall be listed publicly.

38 (3) A city, county, or city and county shall not apply additional
39 charges above the publicly listed fee.

1 SEC. 3. The Legislature finds and declares that the oversight
2 of permitting for residential heat pump water heater and heat pump
3 heating, ventilation, and air conditioning (HVAC) systems is a
4 matter of statewide concern and is not a municipal affair as that
5 term is used in Section 5 of Article XI of the California
6 Constitution. Therefore, Section 2 of this act, adding Chapter 7.5
7 (commencing with Section 51297.50) to Part 1 of Division 1 of
8 Title 5 of the Government Code, applies to all cities, including
9 charter cities.

10 SEC. 4. If the Commission on State Mandates determines that
11 this act contains costs mandated by the state, reimbursement to
12 local agencies and school districts for those costs shall be made
13 pursuant to Part 7 (commencing with Section 17500) of Division
14 4 of Title 2 of the Government Code.

O

ASSEMBLY BILL

No. 907

Introduced by Assembly Member Chen

February 19, 2025

An act to amend Section 39512.5 of the Health and Safety Code, relating to the State Air Resources Board.

LEGISLATIVE COUNSEL'S DIGEST

AB 907, as introduced, Chen. State Air Resources Board: board members: compensation.

Existing law establishes the State Air Resources Board consisting of 14 members with 12 members appointed by the Governor, with the consent of the Senate. Existing law provides that, of the 12 members appointed by the Governor, 6 of those members are to be from certain air quality management districts or air pollution control districts, as provided. In addition to the 14 members of the state board, existing law provides that 2 Members of the Legislature serve on the state board as ex officio, nonvoting members of the state board. Existing law provides that members appointed as members from the air districts serve on the state board without compensation. Existing law provides that the elected official members of the state board receive \$100 for each day, or a portion of that amount, but not to exceed \$1,000 in any month, attending meetings of the state board or its committees, or upon authorization of the state board while on official business of the state board (per diem amount). Existing law specifies the annual salary of each member of the state board.

This bill would repeal the prohibition on compensation of the members of the state board from air districts and would specify that those members are to receive the annual salary provided to other members

of the state board. The bill would repeal the per diem amount provided to elected official members of the state board.

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

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

1 SECTION 1. Section 39512.5 of the Health and Safety Code
2 is amended to read:

3 39512.5. (a) With respect to the members appointed pursuant
4 to subdivision (d) of Section 39510, those members shall ~~serve~~
5 ~~without compensation but shall~~ be reimbursed for actual and
6 necessary expenses incurred in the performance of their duties to
7 the extent that reimbursement for expenses is not otherwise
8 provided or payable by another public agency or agencies. ~~Each~~
9 ~~elected public official member of the state board shall receive one~~
10 ~~hundred dollars (\$100) for each day, or portion thereof, but not to~~
11 ~~exceed one thousand dollars (\$1,000) in any month, attending~~
12 ~~meetings of the state board or committees thereof, or upon~~
13 ~~authorization of the state board while on official business of the~~
14 ~~state board.~~

15 (b) Reimbursements made pursuant to subdivision (a) shall be
16 made as follows:

17 (1) A member appointed from a district that is specifically
18 named in subdivision (d) of Section 39510 shall be reimbursed by
19 the district from which the person qualified for membership.

20 (2) The member appointed as a board member of a district that
21 is not specifically named in subdivision (d) of Section 39510 shall
22 be reimbursed by the state board.

23 (c) *Each member described in subdivision (a) shall receive the*
24 *salary specified in Section 11564 of the Government Code to be*
25 *paid by the state board.*

O

ASSEMBLY BILL

No. 222

Introduced by Assembly Member Bauer-Kahan

January 8, 2025

An act to add Chapter 4.4 (commencing with Section 25345) to Division 15 of the Public Resources Code, and to add Section 451.10 to the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 222, as introduced, Bauer-Kahan. Data centers: energy usage reporting and modeling.

Existing law, on or before January 1, 2026, and before each time thereafter that a generative artificial intelligence system or service, as defined, or a substantial modification to a generative artificial intelligence system or service, released on or after January 1, 2022, is made available to Californians for use, regardless of whether the terms of that use include compensation, requires a developer of the system or service to post on the developer's internet website documentation regarding the data used to train the generative artificial intelligence system or service.

This bill would require a data center that provides computing resources to a developer for the purpose of developing a covered model, as defined, to estimate the total energy used to develop the covered model and to report that information to the developer, as specified. The bill would require a developer, before using the computing resources of a data center to develop a covered model, to inform the data center of the developer's intent to develop a covered model. The bill would require a developer, before using a covered model or covered system commercially or making a covered model or covered system available

for use by a third party, to request its energy usage data from all data centers involved in developing the covered model and to estimate and publish on its internet website the total energy used to develop the covered model, as specified.

Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to biennially adopt an integrated energy policy report, as specified, and to make the reports accessible to state, local, and federal entities and to the general public.

This bill would require the Energy Commission to require operators of data centers to annually report energy consumption and performance data, as specified. The bill would require the Energy Commission to include energy consumption trends for data centers in its integrated energy policy reports. The bill would require the Energy Commission to adopt energy efficiency performance standards, as described, for data centers. The bill would require the Energy Commission to adopt regulations to implement these requirements on or before January 1, 2027.

Existing law vests the Public Utilities Commission (PUC) with regulatory authority over public utilities, including electrical corporations. Existing law authorizes the PUC to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable.

This bill would require the PUC to determine whether those costs and expenses in an application by an electrical corporation to recover costs and expenses arising from, or incurred as a result of, the construction of a new data center or a substantial alteration to an existing data center are just and reasonable. The bill would require the PUC to minimize the shifting of costs attributable to the construction or alteration of the data center to ratepayers who do not directly benefit from the data center.

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. Chapter 4.4 (commencing with Section 25345)
- 2 is added to Division 15 of the Public Resources Code, to read:

1 CHAPTER 4.4. DATA CENTER MODELING AND ENERGY-USAGE
2 REPORTING

3
4 25345. For purposes of this chapter, the following definitions
5 apply:

6 (a) “Artificial intelligence” or “AI” means an engineered or
7 machine-based system that varies in its level of autonomy and that
8 can, for explicit or implicit objectives, infer from the input it
9 receives how to generate outputs that can influence physical or
10 virtual environments.

11 (b) “Covered model” means an AI model developed using a
12 quantity of computing power exceeding 10^{25} integer or
13 floating-point operations.

14 (c) “Covered system” means an AI system that incorporates a
15 covered model.

16 (d) (1) “Data center” means a facility that houses computing
17 infrastructure, including graphics and central processing units,
18 servers, storage devices, networking equipment, and associated
19 power and cooling systems, for the primary purpose of processing,
20 storing, or distributing electronic data.

21 (2) “Data center” does not include a facility with an annual
22 energy consumption of 10 megawatthours or less.

23 (e) “Developer” means a person, partnership, state or local
24 government agency, or corporation that designs, codes, trains, or
25 otherwise produces a covered model.

26 25345.1. A data center that provides computing resources to
27 a developer for the purpose of developing a covered model shall
28 do both of the following:

29 (a) Estimate the total energy, in megawatthours, used to develop
30 the covered model.

31 (b) Report the estimated total energy used to develop the covered
32 model to the developer under both of the following circumstances:

33 (1) Upon the termination of a contract facilitating the transfer
34 of computing resources from the data center to the developer.

35 (2) Upon receiving a request from the developer pursuant to
36 paragraph (1) of subdivision (b) of Section 25345.2.

37 25345.2. (a) Before using the computing resources of a data
38 center to develop a covered model, a developer shall inform the
39 data center of the developer’s intent to develop a covered model.

1 (b) Before using a covered model or covered system
2 commercially, or before making a covered model or covered system
3 available for use by a third party, a developer shall do both of the
4 following:

5 (1) Request the developer’s energy usage data from all data
6 centers involved in developing the covered model.

7 (2) Estimate and publish on the developer’s internet website the
8 total energy, in megawatthours, used to develop the covered model.

9 (c) Energy data published pursuant to subdivision (b) shall be
10 all of the following:

11 (1) Publicly available for as long as the developer continues to
12 use the covered model or covered system, or continues to make
13 the covered model or covered system available for use by a third
14 party.

15 (2) Provided at no cost to a user of the developer’s internet
16 website.

17 (3) Accessible and comprehensible to a natural person with
18 ordinary cognitive abilities.

19 25345.3. (a) (1) The commission shall require operators of
20 data centers to annually report energy consumption and
21 performance data to the commission.

22 (2) Reports submitted to the commission pursuant to this
23 subdivision shall include all of the following:

24 (A) Total annual energy consumption, including electricity
25 usage from grid and nongrid sources, peak factors, and load
26 profiles.

27 (B) Energy usage effectiveness or equivalent energy efficiency
28 metrics.

29 (C) The percentage of energy supplied by renewable or
30 carbon-free resources.

31 (D) Annual energy consumption resulting from the development
32 of covered models.

33 (E) Any other information deemed necessary by the commission
34 to assess grid impacts.

35 (3) Data centers reporting pursuant to this section shall submit
36 data in a form and manner prescribed by the commission.

37 (b) The commission shall include energy consumption trends
38 for data centers in its integrated energy policy report prepared
39 pursuant to Section 25302.

1 (c) On or before January 1, 2027, the commission shall adopt
2 regulations to implement this section.

3 25345.4. (a) The commission shall adopt energy efficiency
4 performance standards for data centers.

5 (b) The standards adopted pursuant to this section shall do all
6 of the following:

7 (1) Prioritize cost effectiveness, technological feasibility, and
8 alignment with California’s greenhouse gas emission reduction
9 targets.

10 (2) Consider best practices for energy usage effectiveness,
11 energy management systems, and the use of renewable energy
12 resources.

13 (3) Require new data centers and substantial alterations to
14 existing data centers to incorporate load-management and
15 load-shifting capabilities, including the ability to participate in
16 demand response programs.

17 (c) (1) On or before January 1, 2027, the commission shall
18 adopt regulations to implement this section.

19 (2) In adopting regulations pursuant to this subdivision, the
20 commission shall consult with data center operators, utilities,
21 technical experts, and other industry stakeholders.

22 SEC. 2. Section 451.10 is added to the Public Utilities Code,
23 to read:

24 451.10. (a) For purposes of this section, “data center” has the
25 same meaning as defined in Section 25345 of the Public Resources
26 Code.

27 (b) In an application by an electrical corporation to recover costs
28 and expenses arising from, or incurred as a result of, the
29 construction of a new data center or a substantial alteration to an
30 existing data center, the commission shall determine whether those
31 costs and expenses are just and reasonable in accordance with
32 Section 451.

33 (c) In determining whether costs and expenses are just and
34 reasonable pursuant to subdivision (b), the commission shall
35 minimize the shifting of costs attributable to the construction or
36 alteration of the data center to ratepayers who do not directly
37 benefit from the data center.

O

ASSEMBLY BILL

No. 339

Introduced by Assembly Member Ortega

January 28, 2025

An act to add Section 3504.1 to the Government Code, relating to public employment.

LEGISLATIVE COUNSEL'S DIGEST

AB 339, as introduced, Ortega. Local public employee organizations: notice requirements.

Existing law, the Meyers-Milias-Brown Act, contains various provisions that govern collective bargaining of local represented employees and delegates jurisdiction to the Public Employment Relations Board to resolve disputes and enforce the statutory duties and rights of local public agency employers and employees. Existing law requires the governing body of a public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee organizations.

Existing law requires the governing body of a public agency, and boards and commissions designated by law or by the governing body, to give reasonable written notice, except in cases of emergency, as specified, to each recognized employee organization affected of any ordinance, rule, resolution, or regulation directly relating to matters within the scope of representation proposed to be adopted by the governing body or the designated boards and commissions.

This bill would require the governing body of a public agency, and boards and commissions designated by law or by the governing body of a public agency, to give the recognized employee organization no less than 120 days' written notice before issuing a request for proposals,

request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization. The bill would require the notice to include specified information, including the anticipated duration of the contract. The bill would also require the public agency, if an emergency or other exigent circumstance prevents the public agency from providing the written notice described above, to provide as much advance notice as is practicable under the circumstances. If the recognized employee organization demands to meet and confer within 30 days of receiving the written notice, the bill would require the public agency and recognized employee organization to promptly meet and confer in good faith, as specified. By imposing new duties on local public agencies, 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 no reimbursement shall be made pursuant to these statutory provisions for costs mandated by the state pursuant to this act, but would recognize that a local agency or school district may pursue any available remedies to seek reimbursement for these costs.

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

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

- 1 SECTION 1. Section 3504.1 is added to the Government Code,
- 2 immediately following Section 3504, to read:
- 3 3504.1. (a) Except as provided in subdivision (c), the
- 4 governing body of a public agency, and boards and commissions
- 5 designated by law or by the governing body of a public agency,
- 6 shall give the recognized employee organization no less than 120
- 7 days' written notice before issuing a request for proposals, request
- 8 for quotes, or renewing or extending an existing contract, to
- 9 perform services that are within the scope of work of the job
- 10 classifications represented by the recognized employee
- 11 organization.
- 12 (b) The written notice specified in subdivision (a) shall include
- 13 all of the following:

- 1 (1) The anticipated duration of the contract.
- 2 (2) The scope of work under the contract.
- 3 (3) The anticipated cost of the contract.
- 4 (4) The draft solicitation, or if not yet drafted, any information
- 5 that would normally be included in a solicitation.
- 6 (5) The reason the public agency believes the contract is
- 7 necessary.
- 8 (c) If an emergency or other exigent circumstance prevents the
- 9 public agency from providing the amount of notice required by
- 10 subdivision (a), the public agency shall provide as much advance
- 11 notice as is practicable under the circumstances.
- 12 (d) If the recognized employee organization demands to meet
- 13 and confer within 30 days of receiving the written notice, the public
- 14 agency and recognized employee organization shall promptly meet
- 15 and confer in good faith relating to the public agency’s proposed
- 16 decision to enter into the contract and any negotiable effects
- 17 thereof.
- 18 (e) At the request of the exclusive representative, the parties
- 19 shall reopen negotiations on all or a part of a memorandum of
- 20 understanding to reach a mutual agreement concerning the subjects
- 21 set forth in subdivisions (a) and (b).
- 22 (f) (1) This section shall not diminish any rights of an employee
- 23 or recognized employee organization provided by law or a
- 24 memorandum of understanding.
- 25 (2) This section shall not invalidate any provision of a
- 26 memorandum of understanding in effect on the operative date of
- 27 this section.
- 28 SEC. 2. No reimbursement shall be made pursuant to Part 7
- 29 (commencing with Section 17500) of Division 4 of Title 2 of the
- 30 Government Code for costs mandated by the state pursuant to this
- 31 act. It is recognized, however, that a local agency or school district
- 32 may pursue any remedies to obtain reimbursement available to it
- 33 under Part 7 (commencing with Section 17500) and any other law.

O

ASSEMBLY BILL

No. 546

**Introduced by Assembly Member Caloza
(Principal coauthor: Assembly Member Rivas)**

February 11, 2025

An act to add Section 1367.56 to the Health and Safety Code, and to add Section 10123.63 to the Insurance Code, relating to health care coverage, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 546, as introduced, Caloza. Health care coverage: portable HEPA purifiers and filters.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act's requirements a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law sets forth specified coverage requirements for plan contracts and insurance policies, and limits the copayment, coinsurance, deductible, and other cost sharing that may be imposed for specified health care services.

This bill would require a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2026, to include coverage for portable high-efficiency particulate air (HEPA) purifiers and filters for enrollees or insureds who are pregnant or diagnosed with asthma or chronic obstructive pulmonary disease. The bill would prohibit a portable HEPA purifier and filter covered pursuant to these provisions from being subject to a deductible, coinsurance, or copayment requirement.

Because a willful violation of these provisions by a health care service plan would be a crime, this 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 no reimbursement is required by this act for a specified reason.

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

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

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

1 SECTION 1. Section 1367.56 is added to the Health and Safety
2 Code, to read:

3 1367.56. (a) A health care service plan contract issued,
4 amended, or renewed on or after January 1, 2026 , shall include
5 coverage for portable high-efficiency particulate air (HEPA)
6 purifiers and filters for enrollees who are pregnant and enrollees
7 diagnosed with asthma or chronic obstructive pulmonary disease
8 (COPD).

9 (1) A portable HEPA purifier and filter pursuant to this section
10 shall not be subject to a deductible, coinsurance, or copayment
11 requirement.

12 (2) If a health care service plan contract is a high deductible
13 health plan, as defined in Section 223(c)(2) of Title 26 of the
14 United States Code, the contract shall not impose cost sharing as
15 specified in this section, unless not applying cost sharing would
16 conflict with federal requirements for high deductible health plans.

17 (b) (1) For purposes of this section, a portable HEPA purifier
18 and filter uses a mechanical air filter that can remove at least 99%
19 of airborne particles that are 10 microns in size or have a minimum
20 efficiency reporting value (MERV) of 13 or higher.

21 (2) A HEPA filter includes a filter used for air purification
22 systems for home use or portable use.

23 (c) This section shall apply to enrollees of a Public Employees'
24 Retirement System (CalPERS) sponsored health plan and members

1 of the State Teachers' Retirement System (CalSTRS) who receive
2 a health care benefit under CalSTRS.

3 (d) (1) This section shall not apply to a Medicare supplement
4 policy or a specialized health care service plan contract that covers
5 only dental or vision benefits.

6 (2) This section shall not apply to Medi-Cal managed care plans
7 that contract with the State Department of Health Care Services
8 pursuant to Chapter 7 (commencing with Section 14000) of, and
9 Chapter 8 (commencing with Section 14200) of, Part 3 of Division
10 9 of the Welfare and Institutions Code.

11 (3) This section shall not apply with respect to self-insured
12 employer plans governed by the Employee Retirement Income
13 Security Act of 1974 (ERISA) (Public Law 93-406).

14 SEC. 2. Section 10123.63 is added to the Insurance Code, to
15 read:

16 10123.63. (a) A health insurance policy issued, amended, or
17 renewed on or after January 1, 2026 , shall include coverage for
18 portable high-efficiency particulate air (HEPA) purifiers and filters
19 for insureds who are pregnant and insureds diagnosed with asthma
20 or chronic obstructive pulmonary disease (COPD).

21 (1) A portable HEPA purifier and filter pursuant to this section
22 shall not be subject to a deductible, coinsurance, or copayment
23 requirement.

24 (2) If a health insurance policy is a high deductible health plan,
25 as defined in Section 223(c)(2) of Title 26 of the United States
26 Code, the contract shall not impose cost sharing as specified in
27 this section, unless not applying cost sharing would conflict with
28 federal requirements for high deductible health plans.

29 (b) (1) For purposes of this section, a portable HEPA purifier
30 and filter uses a mechanical air filter that can remove at least 99%
31 of airborne particles that are 10 microns in size or have a minimum
32 efficiency reporting value (MERV) of 13 or higher.

33 (2) A HEPA filter includes a filter used for air purification
34 systems for home use or portable use.

35 (c) This section shall apply to insureds of a Public Employees'
36 Retirement System (CalPERS) sponsored health plan and members
37 of the State Teachers' Retirement System (CalSTRS) who receive
38 a health care benefit under CalSTRS.

1 (d) (1) This section shall not apply to a Medicare supplement
2 policy or a specialized health insurance policy that covers only
3 dental or vision benefits.

4 (2) This section shall not apply with respect to self-insured
5 employer plans governed by the Employee Retirement Income
6 Security Act of 1974 (ERISA) (Public Law 93-406).

7 SEC. 3. No reimbursement is required by this act pursuant to
8 Section 6 of Article XIII B of the California Constitution because
9 the only costs that may be incurred by a local agency or school
10 district will be incurred because this act creates a new crime or
11 infraction, eliminates a crime or infraction, or changes the penalty
12 for a crime or infraction, within the meaning of Section 17556 of
13 the Government Code, or changes the definition of a crime within
14 the meaning of Section 6 of Article XIII B of the California
15 Constitution.

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

20 Pregnant women who are exposed to particulate matter from
21 wildfire smoke face a higher risk of preterm birth than women
22 who were not exposed. Wildfire smoke can additionally trigger
23 asthma attacks or chronic obstructive pulmonary disease (COPD).
24 To mitigate these outcomes, it is necessary that this act take effect
25 immediately.

O

Introduced by Senator Cortese

December 2, 2024

An act to add Section 99153.5 to the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 30, as amended, Cortese. ~~Transportation: diesel trains and rolling stock: Diesel-powered on-track equipment: decommissioning: resale and transfer~~ restrictions.

Existing law provides various provisions applicable to all public transit and transit ~~districts: districts and includes specific requirements applicable to public entities that operate commuter rail or rail transit systems.~~

This bill would ~~state the intent of the Legislature to enact subsequent legislation to restrict the resale of decommissioned diesel trains and rolling stock for continued use: prohibit a public entity that owns diesel-powered on-track equipment from selling, donating, or otherwise transferring that equipment for continued use after the public entity decommissions the equipment.~~

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

1 (a) Diesel-powered locomotives emit multiple air pollutants,
2 including diesel particulate matter, fine particulate matter, oxides
3 of nitrogen, and greenhouse gases.

4 (b) Locomotives travel throughout the state to seaports,
5 railyards, and other locations that are near where people work
6 and live.

7 (c) Exposure to toxic and harmful diesel emissions is known to
8 lead to cancer and increases in asthma, cardiopulmonary illness,
9 hospitalizations, and premature mortality.

10 (d) Communities near rail operations bear a disproportionate
11 health burden due to their proximity to harmful emissions.

12 (e) In 2023, the State Air Resources Board approved the In-Use
13 Locomotive Regulation (Sections 2478 to 2478.17, inclusive, of
14 Title 13 of the California Code of Regulations) to achieve emission
15 reductions from diesel-powered locomotives and increase the use
16 of zero-emission technology.

17 (f) In 2023, the California Senate passed Senate Resolution 34
18 to formally recognize the obligation to future generations to restore
19 a safe climate, and declare climate restoration, along with
20 achieving net-zero and net-negative carbon dioxide emissions, a
21 climate policy priority.

22 (g) The state has made significant investments in efforts to
23 reduce greenhouse gas emissions. It has an obligation to continue
24 contributing to global goals regarding the reduction of greenhouse
25 gas emissions.

26 SEC. 2. Section 99153.5 is added to the Public Utilities Code,
27 to read:

28 99153.5. (a) For purposes of this section, the following
29 definitions apply:

30 (1) "Continued use" means the continued operation of the diesel
31 engine from the diesel-powered on-track equipment as an internal
32 combustion engine to provide power for on-track equipment or
33 any other purpose.

34 (2) "Decommission" means to permanently cease the service
35 of on-track equipment when the public entity owning that on-track
36 equipment replaces it with lower emission on-track equipment.

37 (3) "Diesel-powered on-track equipment" means any locomotive
38 or any other car, rolling stock, equipment, or other device that,
39 alone or coupled to others, is operated on stationary rails and has
40 a diesel engine.

1 **(b)** *A public entity that owns diesel-powered on-track equipment*
2 *shall not sell, donate, or otherwise transfer that diesel-powered*
3 *on-track equipment for continued use after the public entity*
4 *decommissions the diesel-powered on-track equipment.*

5 ~~SECTION 1. It is the intent of the Legislature to enact~~
6 ~~subsequent legislation to restrict the resale of decommissioned~~
7 ~~diesel trains and rolling stock for continued use.~~

O

Introduced by Senator RichardsonDecember 2, 2024

An act to add Section 39619.3 to the Health and Safety Code, relating to ports.

LEGISLATIVE COUNSEL'S DIGEST

SB 34, as introduced, Richardson. Ports: emissions: intermodal goods movement stakeholder group.

Existing law regulates the operation of ports and harbors. Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources and generally designates the State Air Resources Board as the state agency with primary responsibility for the control of vehicular air pollution.

This bill would require the state board to establish an intermodal goods movement stakeholders group consisting of, among others, a member from each specified port district. By requiring a port district to participate in the group, the bill would impose a state-mandated local program. The bill would require the group to develop a plan that specifies short-term thresholds of yellow, orange, and red for port emissions and specifies actions to be taken to reduce port emissions and port-related emissions when the thresholds are reached, as specified. The bill would require the group to submit a report to the Legislature, on or before January 31, 2027, with its findings, recommendations, and the plan.

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.

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

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

3 (a) California has 12 ports through which goods are imported
4 to and exported from international markets.

5 (b) The Port of Oakland’s highest value exports are food related,
6 including, but not limited to, fruits, nuts, meats, wines, and spirits.
7 In contrast, the Humboldt Bay Harbor District primarily imports
8 and exports logs and wood chips due to the lumber businesses in
9 its region.

10 (c) The Port of Los Angeles is considered the busiest container
11 port in the Western Hemisphere. It handles around 10,000,000
12 cargo containers annually. In June 2024, the Port of Los Angeles
13 processed 827,757 twenty-foot equivalent units (TEUs), a
14 10-percent increase from the previous month. And in the third
15 quarter of 2024, the Port of Los Angeles processed 2,850,000
16 TEUs, its best quarter in over 116 years. Each year, the cargo
17 flowing through this port generates over \$200 billion in economic
18 activity and sustains nearly 3,000,000 jobs in the United States.

19 (d) The Port of Los Angeles is part of the San Pedro Complex,
20 which is the container hub for both the Port of Los Angeles and
21 the Port of Long Beach. The San Pedro Complex is the largest
22 container hub in the United States and accounts for over 30 percent
23 of the TEUs in the United States. It is also the fifth largest container
24 hub in the world.

25 (e) Vehicles and equipment at ports are significant sources of
26 air pollution. Ships, trucks, and cargo handling equipment at ports
27 and offsite goods movement systems are often fueled by diesel
28 and emit air pollutants such as particulate matter and nitrogen
29 oxides. In recent years, California ports have faced several
30 challenges, including, but not limited to, onsite and offsite port
31 congestion and air pollution from associated facilities and vehicles.

1 Both the State of California and the federal government have
2 engaged in legislative, regulatory, and budgetary efforts to help
3 ports address these challenges.

4 (f) State involvement with ports in California is distributed
5 across several agencies, including the Department of
6 Transportation, the Transportation Agency, the State Air Resources
7 Board, the Governor’s Office of Business and Economic
8 Development, and the local South Coast Air Quality Management
9 District. Each entity has different responsibilities regarding ports
10 and goods movement.

11 (g) The long term plan to reduce port emissions requires ports
12 to adopt new zero-emission technologies. However, ports face
13 several barriers, including, but not limited to, the following:

- 14 (1) Certain electric vehicles are not yet widely available.
- 15 (2) Barriers to siting and building a sufficient electrical grid to
16 power zero-emission technologies.
- 17 (3) High and unbudgeted costs.
- 18 (4) Unsuitability of current batteries for port operations.

19 (h) As a result of these barriers and others, the timeline for
20 implementing zero-emission technologies at ports remains unclear
21 and the costs remain unknown but are believed to exceed \$1 billion.

22 (i) To reduce port emissions in the short term, while 2035
23 zero-emission goals are implemented, an intermodal goods
24 movement stakeholders group shall be created to develop a plan
25 to reduce port emissions when damaging levels arise.

26 SEC. 2. Section 39619.3 is added to the Health and Safety
27 Code, to read:

28 39619.3. (a) The state board shall establish an intermodal
29 goods movement stakeholders group, consisting of each of the
30 following individuals:

- 31 (1) An individual representing each of the following:
 - 32 (A) International Longshore and Warehouse Union Local 13.
 - 33 (B) International Longshore and Warehouse Union Local 63.
 - 34 (C) International Longshore and Warehouse Union Local 94.
 - 35 (D) International Longshore and Warehouse Union Southern
36 California District Council.
- 37 (2) An individual representing terminal and tenant operations.
- 38 (3) An individual representing ship and vessel operations.
- 39 (4) An individual representing rail and locomotive operations.

- 1 (5) An individual representing freight forwarders, as defined in
- 2 Section 220 of the Public Utilities Code.
- 3 (6) An individual representing warehouse distribution centers.
- 4 (7) An individual representing the California Association of
- 5 Port Authorities.
- 6 (8) An individual representing each of the following:
- 7 (A) The Port of Benicia.
- 8 (B) The Port of Hueneme.
- 9 (C) The Port of Long Beach.
- 10 (D) The Port of Los Angeles.
- 11 (E) The Port of Oakland.
- 12 (F) The Port of Redwood City.
- 13 (G) The Port of Richmond.
- 14 (H) The Port of San Diego.
- 15 (I) The Port of San Francisco.
- 16 (J) The Port of Stockton.
- 17 (K) The Port of West Sacramento.
- 18 (L) The Humboldt Bay Harbor District.
- 19 (9) An individual representing the Department of Transportation.
- 20 (10) An individual representing the state board.
- 21 (b) The intermodal goods movement stakeholders group shall
- 22 develop a plan that specifies short-term thresholds of yellow,
- 23 orange, and red for port emissions and specifies actions to be taken
- 24 to reduce port emissions and port-related emissions when the
- 25 thresholds are reached. An action in the plan shall be agreed to by
- 26 the entity that would be required to perform the action under the
- 27 plan.
- 28 (c) In developing the plan described in subdivision (b), the
- 29 intermodal goods movement stakeholders group shall do both of
- 30 the following:
- 31 (1) Hold monthly meetings in person or by video conference.
- 32 (2) Meet with appropriate state agencies to do all of the
- 33 following:
- 34 (A) Determine escalating emission impact levels for the yellow,
- 35 orange, and red thresholds.
- 36 (B) Discuss a draft of the plan.
- 37 (C) Provide and obtain recommendations relating to the
- 38 performance of the plan, if any.
- 39 (d) (1) On or before January 31, 2027, the intermodal goods
- 40 movement stakeholders group shall submit a report to the

1 Legislature and the Governor with its findings, recommendations,
2 and the plan.

3 (2) (A) The requirement for submitting a report imposed under
4 this subdivision is inoperative on January 1, 2031, pursuant to
5 Section 10231.5 of the Government Code.

6 (B) A report to be submitted pursuant to this subdivision shall
7 be submitted in compliance with Section 9795 of the Government
8 Code.

9 (3) The plan shall not be implemented before July 1, 2027.

10 SEC. 3. If the Commission on State Mandates determines that
11 this act contains costs mandated by the state, reimbursement to
12 local agencies and school districts for those costs shall be made
13 pursuant to Part 7 (commencing with Section 17500) of Division
14 4 of Title 2 of the Government Code.

O



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA:

Federal and State Legislative Updates

**Policy, Grants, and Technology
Special Committee Meeting**

February 26, 2025

Alan Abb

Legislative Office

aabbs@baaqmd.gov

Action Requested

commend to the Board of Directors that the Board adopt the following resolutions on current legislation:

Federal Legislation introduced in the United States House of Representatives (H.R.) or United States Senate (S.):

1. Support H.R.566 (Peters, Scott H. [D-CA-50]) – Cleaner Air Spaces Act
2. Support S.147 (Bennet, Michael F. [D-CO]) – Cleaner Air Spaces Act

State Legislation introduced in the California State Senate (SB) or California State Assembly (AB):

1. Support AB 546 (Caloza) – Health care coverage: portable HEPA purifiers and filters.

resentation Outline

Part I. Federal Updates and Pending Legislation

Part II. State Legislation

Part III. State Budget

Abbreviations: Assembly Bill (AB) | Senate Bill (SB) |
California Air Resources Board (CARB) | Vessel Speed Reduction
(VSR) | California Public Utilities Commission (PUC)

Part I. Federal Updates and Pending Legislation

Recent Federal Updates

Continuing Resolution expires March 14, 2025

New Administration

Executive Orders and Directives

Federal Funding

Pending Legislation - Cleaner Air Spaces Act

Senator Michael Bennet (D-CO) and Representative Scott Peters (D-CA-50) recently introduced companion bills (S.147 and H.R.566, respectively), reintroducing the Cleaner Air Spaces Act.

The proposed legislation would provide grants to expand local clean air programs that provide free air filtration units to households and establish clean air centers in communities with a high risk of wildfire smoke exposure.

Staff Recommendation: Support

Part II. State Legislation

State Legislation Overview

Timelines and Deadlines:

February 21, 2025 – Bill Introduction Deadline

June 6, 2025 – House of Origin Deadline

September 12, 2025 – Last day for each house to pass bills

October 12, 2025 – Last day for the Governor to sign or veto bills

January 1, 2026 – Statutes take effect

Definitions:

Amendatory Bill: A bill that amends a code section in a non-substantive way. May be introduced to assure that a germane vehicle will be available at a later date.

Placeholder Bill: Essentially a placeholder for a bill that will be amended in a later subject area of the bill's stated intent language.

3 14 (Hart)

Coastal resources: Protecting Blue Whales and Blue Skies Program

This bill will expand the existing *Protecting Blue Whales and Blue Skies* program to include ocean territories that are not covered by any VS program – the San Diego region and the North Coast. The expansion of *Protecting Blue Whales and Blue Skies* program to other areas of the California coast yields additional public health and ecosystem benefits.

Status: Introduced on December 2, 2024, and has been double-referred to Assembly Water, Parks, and Wildlife Committee and the Assembly Natural Resources Committee – hearing dates pending.

Position: Co-Sponsor (approved by the Board on February 5, 2025)

3 282 (Wiener)

Heat Pump Access Act

This bill will make cost-saving, energy efficient heat pump water heater a...
ating, ventilation, and air conditioning (HVAC) installations faster, simp...
and more affordable by streamlining the permitting process.

Status: Introduced on February 5, 2025, and has been double-referred to...
Senate Energy, Utilities, and Communications Committee and the...
Senate Local Government Committee – hearing dates pending.

Position: Co-Sponsor (approved by the Board on February 5, 2025)

3 907 (Chen)

State Air Resources Board: board members: compensation

The bill proposal would provide that CARB board members representing districts receive the same level of compensation as other Governor-appointed voting CARB board members.

Per current statute, Health and Safety Code Section 39512.5, air district CARB Board members only receive \$100 per meeting plus actual and necessary expenses

Status: Introduced on February 19, 2025. Committee referral pending.

Disposition: Support (approved by the Board on February 5, 2025)

AB 222 (Bauer-Kahan)

Key areas: energy usage reporting and modeling

From the bill's press release, this bill is “designed to address the growing energy demands of artificial intelligence (AI) development while protecting California ratepayers from bearing unnecessary costs. AB 222 ensures that developers, data centers, and utility providers work collectively to reduce energy costs for Californians who do not directly benefit from these energy-intensive technologies.”

Status: Introduced on January 8, 2025, and has been double-referred to the Assembly Utilities and Energy Committee and the Assembly Privacy and Consumer Protection Committee – hearing dates pending.

Staff Recommendation: None

SB 339 (Ortega)

Local public employee organizations: notice requirements

This bill would require the governing body of a public agency, and boards and commissions designated by law or by the governing body of a public agency, to give the recognized employee organization no less than 120 days' written notice before issuing a request for proposals, request for quotes, or renewing or amending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization. The bill would require the notice to include specified information, including the anticipated duration of the contract.

Status: Introduced on January 28, 2025, and has been referred to the Assembly Public Employment and Retirement Committee – hearing date pending.

Staff Recommendation: None

SB 546 (Caloza)

Health care coverage: portable HEPA purifiers and filters

This bill would require a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2026, to include coverage for portable high-efficiency particulate air (HEPA) purifiers and filters for enrollees or insureds who are pregnant or diagnosed with asthma or chronic obstructive pulmonary disease. The bill would prohibit a portable HEPA purifier and filter covered pursuant to these provisions from being subject to a deductible, coinsurance, or copayment requirement.

Status: Introduced on February 11, 2025. Committee referral pending.

Staff Recommendation: Support

SB 30 (Cortese)

Self-powered on-track equipment: decommissioning: resale and transfer restrictions

This bill would prohibit a public entity that owns diesel-powered on-track equipment from selling, donating, or otherwise transferring that equipment after the public entity decommissions the equipment.

Status: Introduced on December 2, 2024, as an intent bill and amended on February 11, 2025. The bill has been double-referred to the Senate Transportation Committee and the Senate Environmental Quality Committee – hearing date pending.

Staff Recommendation: None

334 (Richardson)

Parts: emissions: intermodal goods movement stakeholder group

This bill would require the state board to establish an intermodal goods movement stakeholder group consisting of, among others, a member from each specified port district. The bill would require the group to develop a plan that specifies short-term thresholds of yellow, orange, and red for port emissions and specifies actions to be taken to reduce port emissions and port-related emissions when the thresholds are reached, as specified.

Status: Introduced on December 2, 2024, and has been double-referred to the Senate Environmental Quality Committee and the Senate Transportation Committee – hearing dates pending.

Staff Recommendation: None

Part III. State Budget

ate Budget Update

January 10, 2025, Governor Newsom released his initial proposal for fiscal year (FY) 2025-26 Budget.

- AB 227 (Gabriel) and SB 65 (Wiener)

the Assembly’s “Highlights of Governor’s Proposed 2025-26 Budget” released that same day:

- “The Assembly will scrutinize the Governor’s budget proposal in the coming months, but for now, attention remains focused on the wildfires. Issues related to the fires likely will be one reason the May Revision differs significantly from the January 10 budget proposal.”

ate Budget Update (cont.)

The Senate and Assembly have started budget hearings that will continue for several months.

In May, the Governor will release a budget revision (the “May Revise”

The remainder of May and most of June will be spent reconciling priorities and funding of the Administration, Senate, and Assembly.

The budget must be signed by the Governor by July 1.

Recap: Action Requested

Recommend to the Board of Directors that the Board adopt the following resolutions on current legislation:

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Questions / Discussion