

DRAFT

BOARD MEETING DATE: December 4, 2015

AGENDA NO. 23

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a meeting on Friday, November 13, 2015. The next Legislative Committee meeting is scheduled for Friday, December 11, 2015 at 9 a.m. in Conference Room CC8.

The Committee deliberated on the agenda items for Board consideration and recommended the following action:

Agenda Item	Recommendation Action
2016 Federal and State Legislative Goals and Objectives	Approve

RECOMMENDED ACTION:

Receive, file this report, and approve agenda item as specified in this letter.

Judith Mitchell
Chair
Legislative Committee

LBS:GSA:PFC:jf

Attendance [Attachment 1]

The Legislative Committee met on November 13, 2015. Committee Chair Judith Mitchell was present at SCAQMD's Diamond Bar headquarters. Committee Members Michael D. Antonovich, Dr. William A. Burke, Dr. Clark E. Parker, Sr. and Janice Rutherford attended via videoconference. Committee Member Joe Buscaino was absent.

Update on Federal Legislative Issues

Gary Hoitsma of the Carmen Group, SCAQMD federal legislative consultant, provided the Committee with updates on key Washington D.C. issues.

Rep. Paul Ryan of Wisconsin is the new Speaker of the House replacing John Boehner, who has now resigned from Congress. Speaker Ryan seems at the moment to have largely unified backing in the Republican caucus, facing a relatively clean legislative slate going into next year. Rep. Kevin McCarthy remains as Majority Leader. Rep. Steve Scalise of Louisiana remains as Whip. Further, Rep. Kevin Brady of Texas has replaced Speaker Ryan as chairman of the House Ways & Means Committee.

Before leaving, Boehner brokered a comprehensive two-year budget deal with President Obama. It raised the debt ceiling through March of 2017 and lifted the government-wide spending caps by \$50 billion in FY 16 and by \$30 billion in FY 17. It appears likely that this deal will help avoid any government shutdowns through next year's election. The deal passed in the House by a vote of 266-167, with all Democrats voting yes, but only 79 of the 246 Republicans voting yes, demonstrating a split that remains in the Republican ranks.

Last week the House passed its version of the MAP-21 bill -- the Surface Transportation Reauthorization and Reform Act (the STRR Act) -- by a vote of 363-64. The Senate passed its version -- the DRIVE Act -- in July. Now the bills go to a House-Senate conference to resolve differences, with the hope and expectation of reaching agreement to pass a final bill by Nov. 20, when current authorizations expire.

The House bill -- like the Senate bill-- is a six-year authorization, but only funded for three years through a General Fund transfer, which is offset with a patchwork of tax code adjustments and other measures that raise money over ten years to pay for just three years of funding. The bill maintains current levels of funding. However, this level of funding is short of what many believe is needed to maintain and improve the nation's transportation infrastructure. Congress remains dead set against any gas tax increase for transportation, and neither the House nor the Senate will allow a vote on the tax increase issue.

Both the House and Senate bills include new freight sections, and related language making at least incremental improvements in the air quality area. For example, both bills call for the designation of alternative fueling corridors with infrastructure to support electric and natural gas fueled vehicles.

Finally, Mr. Hoitsma informed the Committee that the Appropriations Committees are now working to negotiate final agreements on the various appropriations bills before the end of the year and before the current Continuing Resolution expires on December 11, 2015. The Carmen Group continues to follow the Interior-U.S. Environmental

Protection Agency appropriations bill in particular; the House version of which includes \$20 million (double the previous year's funding) for the Targeted Airshed Grant Program, which the Carmen Group and SCAQMD staff has worked on extensively with Congressman Calvert.

Mark Kadesh of Kadesh & Associates, SCAQMD federal legislative consultant, also updated the Committee on key Washington D.C. issues.

With the raising of the debt ceiling and the 2-year budget deal that Congress struck in October, it looks more likely that the Continuing Resolution that expires December 11 will be the last one of the fiscal year and that instead there will be an omnibus appropriations bill.

Unresolved is how Congress would deal with possible controversial policy provisions (a.k.a. riders) involving issues such as appropriations-related funding of Planned Parenthood. However, overall it appears unlikely that there will be a government shutdown this year.

In conclusion, Mr. Kadesh added that there is optimism that SCAQMD may benefit from Diesel Emission Reduction Act (DERA) funding in the Senate Interior Appropriations bill. The Senate DERA program proposes \$15 million, which includes \$5 million to address wood-fired stove emissions. SCAQMD staff and consultants will continue to work towards trying to maintain and/or increase funding beneficial to air quality in the final version of the bill.

Update on Final Status of Legislation Introduced in 2015 [Attachment 2]

Lisha B. Smith, Deputy Executive Officer, presented a written report which provided an update on the Governor's final actions on bills of interest to SCAQMD.

Update on State Legislative Issues

Will Gonzalez of Gonzalez, Quintana & Hunter, SCAQMD state legislative consultant, briefed the Committee on key Sacramento issues.

In the 2016 legislative year, similar to 2015, there will remain a focus on climate change. A number of prominent climate change bills became two year bills and follow-up on other failed bills or other unaddressed issues will likely occur in 2016, including the following:

- SB 32 (Pavley) California Global Warming Solutions Act of 2006 - This two-year bill would codify Governor Brown's Executive Order regarding new greenhouse gas (GHG) targets. Significant conflict is expected regarding this legislation;

- A re-introduction of AB 1288 (Atkins) Air Resources, which would have removed the 2020 sunset date on the California Air Resources Board's (CARB) cap-and-trade program;
- "Clean-up" bills, including those relating to SB 350 (de León) Clean Energy and Pollution Reduction Act of 2015 and the Renewable Portfolio Standard (RPS); and
- Determining how to allocate the approximately \$3 billion in funding accumulated in the Greenhouse Gas Reduction Fund (GGRF) for greenhouse gas reduction programs.

There is renewed interest by state elected officials in criteria pollutant emission reduction because of the realization in the Capitol that the focus on GHGs has diverted attention away from more traditional forms of unhealthy air pollution, i.e. "smog." The new attention to criteria pollution and other local impacts has been driven by this Agency's advocacy efforts as well as efforts by environmental justice (EJ) advocates and the Assembly and Senate leaders who represent EJ communities.

SCAQMD staff and consultants are planning to seize on this opportunity through their education and outreach efforts. First will be a new focus on enhanced briefing of the SCAQMD delegation and the Administration on the work of SCAQMD and the challenges ahead. Such meetings would include discussion of the new Federal Clean Air Act standards and what it means for the South Coast; identifying SCAQMD needs in 2016; and discussion on the use of GGRF and other possible funding sources.

Paul Gonsalves of Joe A. Gonsalves & Son, SCAQMD state legislative consultant, also briefed the Committee on key Sacramento issues.

Regarding the 2015 legislative session:

- 2,354 bills were introduced;
- Governor considered 941 bills, signing 808 and vetoing 133; and
- 1,400 2-year bills remained, however many of those died in appropriations.

Upcoming legislative deadlines:

- Jan. 1 - Statutes take effect;
- Jan. 4 - Legislature reconvenes;
- Jan. 10 - Budget bill must be submitted by Governor;
- Jan. 15 - Last day for policy committees to hear and report 2-year bills out of their house;
- Jan. 22 - Last day for any committee to hear and report to the Floor 2-year bills; and
- Jan. 31 - Last day for each house to pass 2-year bills.

Not much activity has come out of the special legislative session on transportation. Two informational hearings on the special session bills were held, one in Sacramento and one in Carson, CA. The Governor released his proposal on addressing California's transportation needs over the next 10 years; however, the Democrats do not feel that it goes far enough. The Governor's plan includes: taxes, fees, and cap-and-trade funding, and amounts to about \$3.6 billion in total, with 50% to the state and 50% to local governments. Of this total, \$1 billion comes from an excise tax on diesel, \$2 billion comes from a highway user fee; \$500 million from the cap-and-trade program; and \$100 million from new efficiencies from Caltrans. A CEQA exception is also included to help speed up some of these projects.

The Democrats agree with the funding sources, but would like the total increased to \$6 billion. The largest hurdle in the debate is finding enough Republican votes for a tax increase. The Republicans have their own \$6.6 billion plan that gets some of its funding from eliminating 3500 "redundant" positions at Caltrans. Overall, there appears little likelihood that a deal can be reached in the near term.

Mr. Gonsalves concluded his report stating that currently a majority of state senators are still under the old term limits law, however the State Assembly will soon be fully under the new law. With this transition, more committee members and chairs in the Assembly are showing a willingness to stay in their current positions in order to gain expertise in their policy fields.

Recommend 2016 Legislative Goals and Objectives [Attachment 3]

Lisha B. Smith, presented to the Committee the staff recommendations for SCAQMD's 2016 state and federal Legislative Goals and Objectives.

Supervisor Rutherford suggested amendments to both the state and federal list, including making explicit the funding request language in the state list and adding a new item to both lists relating to assisting the regulated community to comply with regulations in a cost efficient manner that encourages job retention and creation, while working towards attainment of clean air standards. (These amendments are highlighted in Attachments 3a and 3b.)

The Legislative Committee approved staff's recommendation for Federal and State Legislative Goals and Objectives for 2016 as amended.

Report from SCAQMD Home Rule Advisory Group [Attachment 4]

Please refer to Attachment 4 for written report.

Other Businesses:

None

Public Comment Period:

None

Attachments

1. Attendance Record
2. Final Status of Legislation Introduced in 2015
3. Proposed 2016 Legislative Goals and Objectives
4. SCAQMD Home Rule Advisory Group Report

ATTACHMENT 1

ATTENDANCE RECORD –November 13, 2015

SCAQMD BOARD MEMBERS:

Councilmember Judith Mitchell, Chair
Supervisor Michael Antonovich (Videoconference)
Dr. Clark E. Parker, Sr. (Videoconference)
Supervisor Janice Rutherford (Videoconference)

STAFF TO COMMITTEE:

Lisha B. Smith, Deputy Executive Officer
Derrick Alatorre, Assistant Deputy Executive Officer/Public Advisor
Guillermo Sanchez, Senior Public Affairs Manager
Julie Franco, Senior Administrative Secretary

SCAQMD STAFF:

Barry R. Wallerstein, Executive Officer
Barbara Baird, Chief Deputy Counsel
Amir Dejbakhsh, Assistant Deputy Executive Officer
Bayron Gilchrist, Assistant Chief Deputy Counsel
Chris Marlia, Assistant Deputy Executive Officer
Matt Miyasato, Deputy Executive Officer
Mary Reichert, Senior Deputy District Counsel
Laki Tisopulos, Assistant Deputy Executive Officer
Jill Whynot, Assistant Deputy Executive Officer
Bill Wong, Principal Deputy District Counsel
Leeor Alpern, Senior Public Information Specialist
Daniela Arellano, Senior Public Information Specialist
Marc Carrel, Program Supervisor
Tina Cherry, Senior Public Information Specialist
Philip Crabbe, Community Relations Manager (Teleconference)
Robert Paud Telecommunications Supervisor
Todd Warden, Senior Public Affairs Specialist (Videoconference)
Kim White, Public Affairs Specialist
Patti Whiting, Staff Specialist
Rainbow Yeung, Senior Public Information Specialist (Videoconference)

OTHERS PRESENT:

Mark Abramowitz, Governing Board Member Consultant (Lyou)
Jason Gonsalves, Joe A. Gonsalves & Son (Teleconference)
Will Gonzalez, Gonzalez, Quintana & Hunter, LLC (Teleconference)
Stewart Harris, The Carmen Group (Teleconference)
Gary Hoitsma, The Carmen Group (Teleconference)
Mark Kadash, Kadash & Associates (Teleconference)
Chris Kierig, Kadash & Associates (Teleconference)
Rita Loof, RadTech
David Rothbart, Los Angeles County Sanitation Districts
Andy Silva, Governing Board Member Consultant (Rutherford)
Warren Weinstein, Kadash & Associates (Teleconference)

ATTACHMENT 2

Final Status of 2015 Legislation Relevant to SCAQMD

OVERVIEW

In Sacramento, the state's legislative session concluded just after midnight of Friday, September 11. The final week of hearings and floor sessions saw big changes to some of the year's most watched and most controversial legislation. Several rounds of late amendments were taken to the Pro Tem's Clean Energy and Pollution Reduction Act of 2015, while Senator Pavley's bill to set interim greenhouse gas emission targets was unable to pass off the Assembly Floor. As evidenced by the number of two year bills listed below, this session is notable for the extent of unfinished business. Most dramatically, the Legislature has not settled policy disputes regarding the disposition of the forty percent of the Greenhouse Gas Reduction Fund subject to its discretion. The fund is approximately at \$950 million and growing.

STATE BILLS SCAQMD TOOK POSITIONS ON

AB 156 (Perea) California Global Warming Solutions Act of 2006: Investment Plan

SCAQMD's position was based on the version of the bill requiring the California Department of Finance (Finance) to provide technical assistance to disadvantaged communities to assist them in proposing projects for inclusion in the 3-year Greenhouse Gas Reduction Fund investment plan. The final version of the bill required the Air Resources Board to prepare and post on its Internet Web site a specified report on the projects funded to benefit disadvantaged communities.

POSITION: Support

STATUS: 2 year bill.

AB 678 (O'Donnell) Energy Efficiency & Greenhouse Gas Reductions Ports Program.

This bill would have required the California Air Resources Board (ARB), in conjunction with the State Energy Resources Conservation and Development Commission (Commission), to develop and implement the Energy Efficient Ports Program (Ports Program) to fund energy efficiency upgrades and investments at public ports.

POSITION: Support with Amendments.

STATUS: 2 year bill.

SCAQMD's suggested language was intended to maximize the benefit of the state investment by prioritizing criteria and toxics emission reduction co-benefits and identifying additional types of projects eligible for investment.

SB 32 (Pavley) California Global Warming Solutions Act of 2006

This bill would have required the ARB to approve a statewide greenhouse gas (GHG) emission limit that is equivalent to 80% below the 1990 level, to be achieved by 2050. The bill would also have authorized ARB to adopt interim GHG emissions level targets to be achieved by 2030 and 2040.

POSITION: Support with Amendments.

STATUS: 2 year bill.

SCAQMD's suggested language was intended to maximize the benefit of the state investment by prioritizing criteria and toxics emission reduction co-benefits and to ensure the simultaneous achievement of national ambient air quality standards by the applicable deadlines.

SB 350 (DeLeon) Clean Energy and Pollution Reduction Act of 2015

As introduced, this bill would implement new "50-50-50" benchmark standards by raising California's Renewable Portfolio Standard (RPS) from 33% to 50%, striving for a 50% reduction in petroleum use, and doubling energy efficiency in buildings by the year 2030. In its final version, the provisions regarding petroleum use were stricken.

POSITION: Support

STATUS: Chaptered

SB 398 (Leyva) Green Assistance Program

SB 398 establishes the Green Assistance Program, administered by the Secretary for Environmental Protection, to provide technical assistance to small business, small non-profits, and disadvantaged communities in applying for an allocation of moneys from the Greenhouse Gas Reduction Fund (GGRF).

POSITION: Support

STATUS: 2 year bill.

SB 400 (Lara) CA Global Warming Solutions Act of 2006: GHG Reduction Fund

This bill requires the California High-Speed Rail Authority (HSRA) to allocate not less than 25% of the cap-and-trade funds appropriated from the GGRF to projects that either reduce or offset GHG emissions directly associated with the construction of the high-speed rail project and provide a co-benefit of improving air quality. The bill also required priority to be given within this expenditure category to measures and projects located in areas designated as extreme nonattainment.

POSITION: Support with Amendments.

STATUS: 2 year bill.

SCAQMD's suggested language clarified that "improving air quality" co-benefits was to mean "reducing criteria pollutant and/or toxic air contaminant emissions."

SB 513 (Beal) Carl Moyer Memorial Air Quality Standards Attainment Program: fees

SB 513 updates and refines the Carl Moyer program to improve program efficiencies and outcomes pursuant to “The Five Pillars” approved by the ARB and subsequently adopted by the SCAQMD Governing Board in February 2015. This bill will allow locally directed funding to provide increased opportunities for projects such as school buses, trucks certified to lower emission standards, and fueling/charging infrastructure, as well as encourage renewable fueled, hybrid, battery electric, fuel cell and fuel efficiency improvement projects

POSITION: Support

STATUS: Chaptered

OTHER STATE BILLS OF INTEREST

Air Resources Board

AB 1288 (Atkins) California Air Resources Board.

Adds two additional members to the ARB board. The two would serve as representatives of the interests of disadvantaged communities and are to be appointed by the Senate and the Assembly, respectively.

STATUS: Chaptered

AB 335 (Patterson) Air Quality: Minor Violations

AB 335 requires the ARB and the local air districts to adopt regulations limiting their actions to issuing a Notice to Comply for violations deemed to be minor in terms of the dangers they pose to human health, safety, welfare, or the environment.

STATUS: 2 year bill

Renewables Portfolio Standard (RPS)

AB 645 (Williams) Electricity: California Renewables Portfolio Standard.

Increases the current RPS requirement from 33% by 2020 to 50% by 2030 for the state’s retail energy providers.

STATUS: 2 year bill.

AB 197 (E Garcia) Public utilities: Renewable resources.

Requires the CPUC to modify RPS procurement by adjusting the least-cost, best fit paradigm and requires both IOUs/POUs to consider the statewide GHG cap capacity and reliability as part of procurement planning. Double joined with AB 645 (Williams).

STATUS: 2 year bill

AB 1144 (Rendon) California Renewables Portfolio Standard Program: unbundled renewable energy credits.

Would provide, under the RPS Program, that renewable energy credits may be used to meet the

first category of the portfolio content requirements (Bucket 1) for a wastewater treatment facility owned by a public entity. The bill also clarifies that the facility cannot participate in a certain bioenergy tariff and that improvements to existing facilities can count.

STATUS: 2 year bill.

AB 1511 (Perea) Energy.

Requires the CPUC to authorize electrical corporations and gas corporations to recover in rates the reasonable costs of a program that provides financial incentives or rebates to customers of the utility to increase energy efficiency in existing buildings based on all estimated energy savings and energy usage reductions, taking into consideration overall reduction in normalized metered energy consumption as a measure of energy savings. Also allows distributed generation to meet RPS and allows utilities to own EV charging infrastructure.

STATUS: 2 year bill

Greenhouse Gas

AB 1110 (Ting) Greenhouse gases emissions intensity reporting: retail electricity suppliers.

Requires a retail supplier, including an electrical corporation, local publicly owned electric utility, electric service provider, and community choice aggregator to also disclose the greenhouse gases emissions intensity associated with its electricity sources.

STATUS: 2 year bill.

SB 246 (Wieckowski) Climate change adaptation.

Requires the Natural Resources Agency, no later than January 1, 2019, to update the 2009 California Climate Adaptation Strategy, as specified. Also requires the Office of Planning and Research, no later than January 1, 2017, to update the Adaptation Planning Guide, as specified. Establish an advisory council, as specified, to support those goals of the Office of Planning and Research.

STATUS: Chaptered

AB 156 (Perea) California Global Warming Solutions Act of 2006: disadvantaged communities.

Requires Department of Finance to include in the 3-year GGRF investment plan an allocation to provide technical assistance to disadvantaged communities to assist them in proposing specified projects for inclusion in the 3-year investment plan.

STATUS: 2 year bill

SB 400 (Lara) California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund.

Requires the High-Speed Rail Authority to allocate not less than 25% of the moneys continuously appropriated to the authority from the GGRF to projects that either reduce or offset greenhouse gas emissions directly associated with the construction of the high-speed rail project and provide a co-benefit of improving air quality. Requires priority to be given within

this expenditure category to measures and projects that are located in communities in areas designated as extreme nonattainment. STATUS: 2 year bill

SB 180 (Jackson) Electricity: emissions of greenhouse gases.

Replaces the GHG emission performance standards for baseload generation with GHG emission performance standards for nonpeaking generation and peaking generation. The bill would require the CPUC to establish a GHG emission performance standard for all nonpeaking generation of load-serving entities, and a separate standard for peaking generation.

STATUS: 2 year bill

SB 687 (Allen) Renewable gas standard.

Requires the state board to adopt a carbon-based renewable gas standard that requires all gas sellers, as defined, to provide specified percentages of renewable gas meeting certain deliverability requirements, to retail end-use customers for use in California that increases over specified compliance periods.

STATUS: 2 year bill

Energy Efficiency

AB 88 (Gomez) Sales and use taxes: exemption: energy or water efficient home appliances.

Exempts from sales and use taxes the gross receipts from the sale of, and the storage, use, or other consumption in this state of, an energy or water efficient home appliance purchased by a public utility that is provided at no cost to a low-income participant in a federal, state, or ratepayer-funded energy efficiency program for use by that low-income participant in the energy efficiency program.

STATUS: Vetoes

AB 793 (Quirk) Energy efficiency.

Requires current weatherization services/programs to include home energy management technology if determined to be feasible by the CPUC.

STATUS: Chaptered

AB 802 (Williams) Public utilities: energy efficiency savings.

Requires the CPUC, by July 1, 2016, to authorize electrical corporations and gas corporations to recover in rates the reasonable costs of programs providing incentives or rebates or both incentives and rebates to their customers to increase the energy efficiency of existing buildings. Requires the CPUC to authorize electrical corporations and gas corporations to count all energy savings achieved toward overall energy efficiency goals or targets established by the PUC. Amended to add benchmarking and aggregate data access.

STATUS: Chaptered

SB 765 (Wolk) California Market Transformation Administrator.

This bill requires the CPUC to consolidate all of its marketing transformation activities into a single program so that it is clear what is and what is not within this program, how much ratepayer funding has already been allocated in this area, and whether the programs are delivering results. The CalMTA would coordinate all existing MTA activities.

STATUS: 2 year bill

AB 450 (McCarty) Greenhouse gas: energy efficiency: financing.

Authorizes the use of the moneys in the GGRF to provide funding for the implementation of the PACE Reserve program. STATUS: 2 year bill

Generation

AB 1530 (Levine) Electricity: distributed generation.

Requires the CPUC to promote the deployment of clean distributed energy resources in order to provide a stable and reliable supply of electricity. The bill would require the CPUC to prioritize deployment of smart grids, microgrids, and reliable energy resources that reduce emissions of greenhouse gases to promote specified benefits. Also, requires each electrical corporation to (1) collect all applicable nonbypassable charges based only on the actual metered consumption of electricity, and (2) calculate a reservation capacity for standby service based on the capacity needed. STATUS: 2 year bill

AB 674 (Mullin) Electricity: distributed generation.

Requires the CPUC, to the extent authorized by federal law, by July 1, 2016, to do both of the following for those electrical corporation customers that have installed clean distributed energy resources, as defined, prior to January 1, 2016: (1) require each electrical corporation to collect all applicable nonbypassable charges fixed, implemented, administered, or imposed by the commission based only on the actual metered consumption of electricity delivered to the customer through the electrical corporation's transmission or distribution system, which charges are to be at the same rate per kilowatt hour as paid by other customers that do not employ a clean distributed energy resource, and (2) calculate a reservation capacity for standby service, if applicable, based on the capacity needed by an electrical corporation to serve a customer's electrical demand during an outage of the clean distributed energy resource providing electric service for that customer. STATUS: 2 year bill

SB 286 (Hertzberg) Electricity: direct transactions.

Requires the CPUC to adopt and implement a schedule that implements a 2nd phase-in period for expanding direct transactions for individual retail nonresidential end-use customers over a period of not more than 3 years, raising the allowable limit of kilowatt hours that can be supplied by other providers in each electrical corporation's distribution service territory to 2 times the amount determined by the commission for the first phase-in period. Requires the CPUC to ensure that 100% of the new direct transactions are for electricity products from eligible renewable energy resources. STATUS: 2 year bill

SB 550 (Hertzberg) Net energy metering: co-energy metering.

Requires local publicly owned utilities to modify how their net energy metering cap is calculated to match that of the investor owned utilities and also requires all local publicly owned utilities to offer such a net metering program. STATUS: 2 year bill

SB 793 (Wolk) Green Tariff Shared Renewables Program.

Requires the CPUC to additionally require that a participating utility's green tariff shared renewables program permit a participating customer to subscribe to the program and be provided with a nonbinding estimate of reasonably anticipated bill credits and bill charges, as determined by the commission, for a period of up to 20 years. STATUS: 2 year bill

Transportation

AB 692 (Quirk) Low-carbon transportation fuels.

Requires commencing January 1, 2017, Caltrans, the Department of General Services, and any other state agency that is a buyer of transportation fuels to each procure an unspecified percentage of the total amount of fuel purchased from very low carbon transportation fuel sources. Requires the percentage to be increased each year thereafter. Defines low carbon transportation fuel for these purposes. STATUS: Chaptered

AB 857 (Perea) California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program.

Reserves 50% or \$100 million annually, whichever is greater, of GGRF monies that are allocated to the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program (AB 1204 program) to support the commercial deployment of existing zero- and nearzero emission heavy-duty truck technology that meets or exceeds the ARB's optional low NOx standard between 2018 and 2023.

STATUS: 2 year bill

AB 904 (Perea) Air Quality Improvement Program: Clean Reused Vehicle Rebate Project.

Requires the ARB to establish a Clean Reused Vehicle Rebate Project (CRVRP) within the Air Quality Improvement Program (AQIP) by July 1, 2017 to provide rebates or incentives for eligible consumers for the acquisition of used clean vehicles, or for extended warranties or batteries and related components for eligible used vehicles.

STATUS: 2 year bill

AB 1236 (Chiu) Local ordinances: electric vehicle charging stations.

Requires a city or county to approve the installation of electric vehicle charging stations, as defined, through the issuance of specified permits unless the city or county makes specified written findings based upon substantial evidence in the record that the proposed installation would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

STATUS: 2 year bill

Utilities

AB 33 (Quirk) Electrical corporations: procurement plans.

Amended to be a vehicle for large scale storage, namely pumped hydro storage. Would have required the CPUC to study large scale storage for cost-effectiveness and integration purposes and if beneficial, would require utilities to include it in a utility's LTPP.

STATUS: 2 year bill

AB 853 (Hernandez) Electrical and gas corporations: security of plant and facilities.

Requires an electrical corporation or gas corporation to utilize employees of that corporation for any work associated with the design, engineering, and operation of its nuclear, electrical, and gas infrastructure, including all computer and information technology systems, unless the utility files a request to contract to utilize persons who will replace those employees with the commission as a part of the utility's general rate case application.

STATUS: 2 year bill

AB 1453 (Rendon) Electrical corporations: underground electrical facilities: worker safety.

Requires the CPUC to adopt a rule regulating work performed in underground electrical facilities by, or on behalf of, an electrical corporation that is consistent with certain worker safety protections.

STATUS: 2 year bill

AB 577 (Bonilla) Biomethane: grant program.

Requires the CEC to develop and implement a grant program for projects related to biomethane production.

STATUS: 2 year bill

Drones

AB 14 (Waldron) Unmanned aircraft systems.

AB 14 creates the Unmanned Aircraft Systems Task Force. The task force will be responsible for formulating a comprehensive plan consistent with the Federal Aviation Administration (FAA) guidelines for operation of unmanned aircraft systems (drones) in California.

STATUS: 2 year bill

AB 56 (Quirk) Unmanned aircraft systems.

Prohibits generally all public agencies from using unmanned aircraft systems, with certain exceptions applicable to law enforcement agencies and in certain other cases, including when the use or operation of the unmanned aircraft system achieves the core mission of the agency and the purpose is unrelated to the gathering of criminal intelligence.

STATUS: 2 year bill

AB 856 (Calderon) Invasion of privacy.

Expands liability for physical invasion of privacy to additionally include a person knowingly entering into the airspace of another person without permission, as provided.

STATUS: Chaptered

SB 142 (Jackson) Civil law: unmanned aerial vehicles.

Extends liability for wrongful occupation of real property and damages to a person who without permission operates an unmanned aerial vehicle below the navigable airspace overlaying the real property.

STATUS: Vetoed



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
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ATTACHMENT 3a

SCAQMD's Federal Legislative Goals & Objectives for 2016

The following goals and objectives are identified to facilitate attainment of federal clean air standards within the South Coast region by statutory deadlines, while working with and serving as a resource to Congress, the White House; federal, state, and local agencies; business, environmental and community groups; and other stakeholders:

Technology Advancement

Maintain and/or expand funding opportunities for advanced clean technologies and clean air research, development, demonstration and deployment programs, including those related to:

- Zero and near-zero emission technologies;
- Clean vehicles (such as light-, medium- and heavy-duty vehicles, locomotives, marine vessels, and aircraft technologies), clean fuels and refueling technologies and infrastructure;
- Clean energy sources;
- Implementation of Board-approved Air Quality Management Plan (AQMP); and
- Implementation of the Clean Communities Plan.

Marine Vessels

Pursue legislative and/or administrative policies that will further reduce marine vessel emissions and will ensure, through regulatory and/or incentive-based policies that the cleanest vessels come to U.S. ports.

Surface Transportation & Goods Movement

Enhance the provisions of surface transportation reauthorization legislation (i.e., successor legislation to the MAP-21 law) to better include air quality considerations, particularly with respect to goods movement and energy issues.

Locomotives

Pursue efforts to reduce locomotive emissions, through regulatory and/or incentive-based policies.

Reduction of Toxic Emissions

Expand funding under the Diesel Emission Reduction Act (DERA), and through other legislative and administrative programs, to reduce toxic emissions, and the public's exposure to toxic emissions, within the South Coast region.

Clean Air Act

Ensure adequate SCAQMD authority under the federal Clean Air Act (CAA) and extend or enhance SCAQMD's subvention funding under CAA Sections 103 and 105.

National Ambient Air Quality Standards and SIP

Support policies, legislation and/or administrative efforts that protect science-driven and health-based determinations of national ambient air quality standards; and efforts to streamline and provide flexible implementation of SIP requirements, as needed, to ensure feasibility of attainment.

Demand that the federal government do its fair share to reduce air pollution in order for the South Coast Air Basin region to meet national ambient air quality standards.

Climate Change

Seek to influence climate change initiatives and facilitate their implementation at local levels, to promote co-benefits with NAAQS and air toxics reduction, consistent with the Board's policy.

New Source Review Offsets

Modernize federal New Source Review offset requirements for areas where the supply of offsets is inadequate, while furthering the pursuit of clean air objectives.

Environmental Justice

Support legislation which promotes environmental justice initiatives that will reduce localized health risks, develop clean air technologies that directly benefits disproportionately impacted communities, and enhance community participation in decision-making.

Business/Jobs Climate

Support legislation, policies or administrative actions that support and assist the regulated community to comply with rules and regulations in the most efficient and cost-effective manner that protects and encourages job retention and creation, and promotes economic growth, while working toward attainment of clean air standards.



South Coast Air Quality Management District

South Coast
AQMD

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ATTACHMENT 3b

SCAQMD's State Legislative Goals & Objectives for 2016

The following goals and objectives are identified to facilitate attainment of clean air standards within the South Coast region by statutory deadlines, while working with and serving as a resource to Sacramento legislators; federal, state, and local agencies; business, environmental and community groups; and other stakeholders:

SCAQMD Authority / Policy Implementation

Ensure adequate SCAQMD authority for implementation of the Board's clean air policies and programs, as required by state and federal law, including the Air Quality Management Plans (AQMPs).

Air Quality Funding

Increase funding for clean air programs that protect public health, particularly incentive programs and research and development projects that create opportunities to partner with local businesses, communities and residents.

Environmental Justice

Support legislation to promote environmental justice initiatives to reduce localized health risks, to develop clean air technology that directly benefits disproportionately impacted communities, and to enhance community participation in decision-making.

Climate Change

Seek to influence climate change initiatives and facilitate their implementation consistent with Board policy. In particular, support efforts directing that Greenhouse Gas Reduction Fund investments maximize criteria and toxics emission reduction co-benefits, promote near-zero and zero-emission vehicles, and address air quality and public health impacts.

Surface Transportation & Goods Movement

Support and expand air quality policy and funding considerations regarding the implementation of state and federal surface transportation and goods movement policies and programs, including those relating to MAP-21 and its successor legislation.

Energy

Support legislation that advances the Board's Energy Policy which promotes reliable, cost effective and clean energy for all consumers in the District facilitating attainment of clean air standards and support for a healthy economy.

ATTACHMENT 4

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

LEGISLATIVE REPORT FROM HOME RULE ADVISORY GROUP MEETING OF OCTOBER 21, 2015

HRAG members present:

Dr. Joseph Lyou, Chairman

Dr. Philip Fine, SCAQMD

Elizabeth Adams, EPA (participated by phone)

Patrick Au on behalf of Chris Gallenstein, CARB (participated by phone)

Mike Carroll, Latham & Watkins on behalf of the Regulatory Flexibility Group

Curt Coleman, Southern California Air Quality Alliance

Jaelyn Ferlita, Air Quality Consultants

Sue Gornick, WSPA

Bill LaMarr, California Small Business Alliance

Rongsheng Luo, SCAG (participated by phone)

Art Montez, AMA International

Terry Roberts, American Lung Association of California

David Rothbart, Los Angeles County Sanitation Districts

Larry Smith, Cal Portland Cement

TyRon Turner, WCAY

Lee Wallace, So Cal Gas and SDG&E

Others: Mark Abramowitz (Board Consultant to Dr. Lyou); Earl Elrod (Board Consultant to Mayor Yates); Mark Taylor (Board Consultant to Supervisor Rutherford); Rita Loof (RadTech); Noel Muyco (SoCalGas/SDG&E); and Susan Stark (Tesoro).

SCAQMD Staff: Philip Crabbe, Cristina Lopez, Jill Whynot, Bill Wong, and Marilyn Traynor

LEGISLATIVE UPDATE

Philip Crabbe reported on the following items that were discussed at the Legislative Committee meeting on October 9, 2015:

State

The legislative session ended on September 11, 2015, which started the 30-day deadline for the Governor to act on bills sent to him. Overall, 941 bills were sent to the Governor. Although the Legislature is not scheduled to reconvene until January 4, 2016, the Governor called two extraordinary sessions—one on transportation and one on health care. Prior to adjournment, the Legislature created legislative vehicles to handle actions resulting from the extraordinary sessions; and conference committees were set up. However, action on these two issues would likely require a two-thirds majority vote to pass, and there is little optimism that such a vote would happen.

Since 2016 is the second year of the two-year legislative session, a few bills will be carried over from 2015. These bills will need to pass out by August 31, 2016, with the exception of urgency bills. For the 2016 election year, there are currently five initiatives that qualified for the 2016

ballot with an additional 75 initiatives pending at various stages of the qualification process. Beginning in 2016, the entire State Assembly will fall under the new 12-year term limit rule. In the State Senate, 31 of the 40 Senators fall under the old term limit law of two 4-year terms. The remaining 9 Senators fall under the new 12-year term limit rule.

In February 2015, the Senate Republicans elected Senator Jean Fuller to be the first female Republican leader in the state's history. Senator Fuller, who will replace Senate Republican leader Bob Huff, will term out in 2018. On September 1, 2015, the Assembly Republicans elected Assemblymember Chad Mayes as their Republican leader. Assemblymember Mayes has 11 years remaining under the term limits. On September 3, 2015, Assemblymember Anthony Rendon was elected to be the next Assembly Speaker, replacing current Speaker Toni Atkins. Assemblymember Rendon was not slated to take over the position until late 2016; however, the transition may be expedited due to Speaker Atkins announced run for Senate. Because of the new term limit rules, Assemblymember Rendon could be Speaker until 2024.

The following bills were discussed at the Legislative Committee meeting on October 9, 2015:

SB 350 (de León) - Clean Energy and Pollution Reduction Act of 2015

The provision to reduce oil use in California by 50% was removed. The bill will double energy efficiency and will increase the renewable portfolio standard to 50% in California by 2030. The bill will allow utilities to claim carbon credits for their investments in electric vehicle (EV) infrastructure, placing electric utilities in direct competition with the oil industry.

SB 32 (Pavley) - California Global Warming Solutions Act

The bill would have codified the Governor's Executive Order of greenhouse gas reduction goals of 40% below 1990 levels by 2030 and 80% below 1990 levels by 2050. The bill failed to pass in 2015. However, because this is a two-year bill, SB 32 is eligible to be taken up again in 2016.

AB 1288 (Speaker Atkins) – CARB Board Members

As originally written, this bill would have removed the cap and trade program's sunset date. However, the bill was gutted and amended to include new language. The bill added two members to the CARB Board who work with EJ communities. One member would be appointed by the Senate Rules Committee, and the other by the Assembly Speaker. The bill was recently signed by the Governor.

SB 513 (Beall) – Carl Moyer Memorial Air Quality Standards Attainment Program

This bill, which was sponsored by CAPCOA and supported by SCAQMD, has been signed by the Governor. The bill updates cost-effectiveness definitions and other provisions relating to the Carl Moyer Program.

GHG Cap and Trade Funding

The Legislature's 40% of greenhouse gas cap-and-trade funding to allocate this past fiscal year amounted to just under \$1 billion. However, the funding remains because the Legislature did not reach consensus on how to spend those funds. Cap-and-trade auctions are continuing, adding to the pot of available funds. The Governor's January budget is expected to include a proposal on how to spend these funds.

Federal

The Legislative Committee interviewed the following candidates for legislative representation in Washington D.C.: (1) The Carmen Group, Inc.; (2) Cassidy & Associates, Inc.; and (3) Kadesh & Associates, Inc. After the interviews were concluded, the Committee members unanimously recommended that the Governing Board authorize the execution of one-year contracts with all three candidates.

Discussion

Mr. Rothbart asked if there will be opportunities available for SCAQMD to seek cap-and-trade funds to help reduce NOx as well as GHG emissions. Mr. Crabbe responded that SCAQMD will be looking into ways to facilitate funds being used to achieve co-benefit emissions reductions. Ms. Ferlita asked if SB 32 extends the deadline for the Cap-and-Trade Program past 2020. Mr. Crabbe responded that AB 1288 was the bill that dealt with this issue; however, it was changed into another bill. This issue will possibly be revisited next year.

Salton Sea

In conjunction with the Imperial County Air Pollution Control District and other stakeholders, work on legislation mitigating the Salton Sea's potential for increased emissions as well as its potential to generate renewable energy.

New Source Review Offsets

Monitor and engage in policy efforts related to New Source Review emission offset requirements for stationary sources, as necessary, while furthering the pursuit of clean air objectives.

Business/Jobs Climate

Support legislation, policies or administrative actions that support and assist the regulated community to comply with rules and regulations in the most efficient and cost-effective manner that protects and encourages job retention and creation, and promotes economic growth, while working toward attainment of clean air standards.