

BOARD MEETING DATE: October 7, 2022

AGENDA NO. 24

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a meeting remotely on Friday, September 9, 2022. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Michael A. Cacciotti, Chair
Legislative Committee

LTO:PFC:DPG:ar

Committee Members

Present: Mayor Michael A. Cacciotti, Committee Chair
Board Member Veronica Padilla-Campos
Council Member Nithya Raman
Supervisor Janice Rutherford

Absent: Senator Vanessa Delgado (Ret.)
Supervisor V. Manuel Perez

Call to Order

Chair Michael Cacciotti called the meeting to order at 9:00 a.m.

DISCUSSION ITEMS:

1. End-of-Year Summary Report on State Legislature's and Governor's Actions during 2022 Legislative Session

Philip Crabbe, Senior Public Affairs Manager/Legislative, Public Affairs & Media, presented an end-of-legislative-year summary report. The state legislative session ended on August 31, and the Governor has until September 30 to act on bills sent to him.

AB 1749 (C. Garcia) would extend the time to develop a Community Emission Reduction Plan for an AB 617 community from 1 to 2 years. The bill was passed by

the Legislature with amendments by South Coast AQMD, the author's office, CARB and other stakeholders. It was sent to the Governor for his consideration.

AB 2836 (E. Garcia) sponsored by South Coast AQMD would reauthorize the Carl Moyer and AB 923 incentive programs until 2034. The bill was passed by the Legislature and sent to the Governor.

AB 2910 (Santiago), formerly sponsored by South Coast AQMD, would have increased civil penalties for air quality violations. However, the bill contained a problematic community mitigation provision that would impact the South Coast AQMD's compliance programs. Ultimately, the author did not move the bill forward and it is now dead.

Council Member Raman asked for more details on why AB 2910 died and whether there are plans to move this bill forward again in the future. Wayne Nastri, Executive Officer provided background and information on potential future legislative efforts. For additional information, please refer to the [Webcast](#) beginning at 17:40. There were no public comments.

2. Update and Discussion on Federal Legislative Issues

South Coast AQMD's federal legislative consultants (Kadesh & Associates, Carmen Group, Cassidy & Associates) provided written reports on key Washington, D.C. issues.

Mark Kadesh, Kadesh & Associate, reported that Congress is focusing on passing a continuing resolution (CR) to fund the government before the end of the fiscal year on September 30. The CR is expected to extend existing funding levels through early to mid-December.

Gary Hoistma, Carmen Group, reported that President Biden nominated Richard Revesz, a New York University Law Professor, to be the next administrator of the Office of Management and Budget's Office of Information and Regulatory Affairs (OIRA). OIRA reviews the implementation of rules drafted by federal agencies.

Amelia Morales, Cassidy & Associates, shared leadership changes at the White House's Office of Domestic Policy. Gina McCarthy left the office and was replaced by Ali Zaidi. John Podesta is now a Senior Advisor to President Biden, focusing on the implementation of climate provisions of the Inflation Reduction Act (IRA).

Chair Cacciotti inquired about whether cities or local municipalities are eligible for electric vehicle tax credits through IRA. Staff will follow-up with details on the IRA provisions related to clean vehicles for cities and municipalities. For additional

information, please refer to the [Webcast](#) beginning at 9:43. There were no public comments.

3. Update and Discussion on State Legislative Issues

South Coast AQMD's state legislative consultants (Joe A. Gonsalves & Son, Resolute, California Advisors, LLC) provided written reports on key issues in Sacramento.

Ross Buckley, California Advisors, LLC, reported that discussions on the 2022-23 budget lasted until late August. The Legislature passed 13 budget trailer bills prior to the end of session.

Board Member Padilla-Campos inquired about whether South Coast AQMD's 2022 AQMP would have a socio-economic report like CARB's Advanced Clean Cars II rule. Staff confirmed that a socio-economic report would be completed. For additional information, please refer to the [Webcast](#) beginning at 13:30.

Chair Cacciotti inquired about pursuing a bill to increase incentive funds generated through the AB 2766 program. For additional information, please refer to the [Webcast](#) beginning at 21:32.

Board Member Padilla-Campos inquired about current energy generation issues in California. For additional information, please refer to the [Webcast](#) beginning at 25:32. There were no public comments.

OTHER MATTERS:

4. Other Business

There was no other business to report.

5. Public Comment Period

There was no public comment to report.

6. Next Meeting Date

The next regular Legislative Committee meeting is scheduled for Friday, October 14, 2022 at 9:00 a.m.

Adjournment

The meeting adjourned at 9:41 a.m.

Attachments

1. Attendance Record
2. Update on Federal Legislative Issues – Written Reports
3. Update on State Legislative Issues – Written Reports

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE MEETING ATTENDANCE RECORD – September 9, 2022

Mayor Michael Cacciotti	South Coast AQMD Board Member
Board Member Veronica Padilla-Campos	South Coast AQMD Board Member
Council Member Nithya Raman.....	South Coast AQMD Board Member
Supervisor Janice Rutherford	South Coast AQMD Board Member

Ken Chawkins	Board Consultant (Cacciotti)
Debra Mendelsohn.....	Board Consultant (Rutherford)
Mark Taylor.....	Board Consultant (Rutherford)
Amy Wong	Board Consultant (Padilla-Campos)
Ben Wong.....	Board Consultant (Cacciotti)
Jackson Guze	Board Consultant (Raman)

Ross Buckley	California Advisors, LLC
Paul Gonsalves	Joe A. Gonsalves & Son
Gary Hoitsma	Carmen Group, Inc.
Mark Kadesh	Kadesh & Associates
Amelia Morales	Cassidy & Associates
David Quintana.....	Resolute

Mark Abramowitz.....	Public
Chrissy Anecito	Public
Alan Caldwell.....	Public
Sandra Hernandez.....	Public
Bill La Marr.....	Public
Stephanie Magnien Rockwell.....	Public
Jacqueline Moore.....	Public
Patty Senecal	Public
Peter Whittingham.....	Public

Derrick Alatorre.....	South Coast AQMD Staff
Jason Aspell.....	South Coast AQMD Staff
Barbara Baird	South Coast AQMD Staff
Cindy Bustillos	South Coast AQMD Staff
Philip Crabbe.....	South Coast AQMD Staff
Bayron Gilchrist	South Coast AQMD Staff
Sheri Hanizavareh.....	South Coast AQMD Staff
Anissa Cessa Heard-Johnson.....	South Coast AQMD Staff
Mark Henninger.....	South Coast AQMD Staff
Kathryn Higgins	South Coast AQMD Staff
Sujata Jain	South Coast AQMD Staff
Alicia Lizarraga	South Coast AQMD Staff
Jason Low	South Coast AQMD Staff

Terrence Mann.....	South Coast AQMD Staff
Ron Moskowitz	South Coast AQMD Staff
Susan Nakamura	South Coast AQMD Staff
Wayne Nastri	South Coast AQMD Staff
Denise Peralta Gailey.....	South Coast AQMD Staff
Sarah Rees	South Coast AQMD Staff
Mary Reichert	South Coast AQMD Staff
Aisha Reyes	South Coast AQMD Staff
Walter Shen	South Coast AQMD Staff
Lisa Tanaka O'Malley	South Coast AQMD Staff
Anthony Tang	South Coast AQMD Staff
Kristina Voorhees	South Coast AQMD Staff
Paul Wright	South Coast AQMD Staff

ATTACHMENT 2A

KADESH & ASSOCIATES

South Coast AQMD Report for the September 2022
Legislative Meeting covering August 2022
Kadesh & Associates

After the President's agenda had seemingly stalled earlier this summer, the House and Senate rapidly checked several major bills off their "to do" list, some with bipartisan votes and others by very narrow margins. That list of bipartisan votes includes a long-pending competitiveness bill that will invest heavily in federal R&D (including for advanced clean energy technologies), the treaty to expand NATO to include Finland and Sweden, as well as the PACT Act to expand VA coverage for veterans exposed to toxic substances. This bipartisan flurry was followed by the party-line approval of the Inflation Reduction Act, the new name for the Democrats' budget reconciliation bill. After walking this legislative tightrope, both chambers are in recess until September.

The Senate Appropriations Committee majority also released its FY23 draft appropriations bills and reports during this period. However, they do not plan a normal committee process for the bills. Instead, these drafts will serve as the Senate position for eventual conference negotiations. Also, like last year, the topline number for all the FY23 bills (\$1.623T) was not agreed to by the minority. A conference number for FY23 – and subsequent subcommittee allocations – will materialize from bipartisan budget negotiations that have not occurred yet. For context, the final FY22 topline number was \$1.471T and the FY23 President's Budget request was \$1.582T.

The House Freedom Caucus (a large conservative block within the House GOP) has called on Republican leadership to negotiate a freeze on current spending levels until the 118th Congress, on the assumption that a Republican majority can pick up budget negotiations at that point.

As reported last month, Senator Manchin agreed to a significant budget reconciliation bill with Majority Leader Schumer in late July, after nearly a year of negotiation and many dramatic reversals. After some amendments were adopted in the Senate, both the House and Senate approved the bill on party-line votes, and the President has now signed it into law.

The final bill, called the Inflation Reduction Act, includes too many environmental justice and air quality provisions to list here, but highlights include: new tax credits for clean vehicles (both personal and commercial), \$5 billion for competitive grants for state programs and investments to facilitate greenhouse gas emission reductions, a new federal fund to provide capital for "green banks" such as those in California, and a new Neighborhood Access and Equity Grant program to address concerns with existing transportation infrastructure, such as pollution reduction projects. The legislation also includes \$1B in grants to replace medium-duty vehicles with zero-emitting vehicles (\$400M of which is set aside for nonattainment areas), and \$3B to replace polluting equipment at ports (\$750M of which is set aside for nonattainment areas). In addition, the bill includes a \$4B appropriation to respond to the drought in the Western United States, which includes ecosystem restoration, a program that

KADESH & ASSOCIATES

potentially could benefit the Salton Sea. These are all longstanding funding and policy priorities of South Coast AQMD and for the CA delegation.

Kadesh & Associates Activity Summary-

- Analyzed, reported on, and advocated for budget reconciliation provisions of importance to South Coast AQMD
- Worked with South Coast AQMD and the congressional delegation on efforts to encourage federal efforts to address air quality.
- Continued work with the delegation and South Coast AQMD staff to focus attention on air quality implications of FY23 budget request and appropriations.

Contacts:

Contacts included staff and House Members throughout the CA delegation, especially the authors of priority legislation, Senate offices, members of the South Coast House delegation, and members of key committees. We have also been in touch with administration staff.

###

ATTACHMENT 2B



Carmen Group
I N C O R P O R A T E D

To: South Coast AQMD Legislative Committee

From: Carmen Group

Date: August 25, 2022

Re: Federal Update -- Executive Branch

Dems' "Reconciliation" Bill is a Climate/Clean Air Landmark: In record time in August, Congress passed -- and the President signed -- the partisan budget "reconciliation" bill by a vote of 51-50 in the Senate and 220-207 in the House, with not a single Republican voting in favor, and not a single Democrat voting in opposition. The bill was named the "Inflation Reduction Act." In reality, while it includes important health care, tax, and IRS provisions, this 728-page bill is by far the most significant climate and energy spending bill the Congress has ever passed. The bill amends the Clean Air Act in numerous ways and provides clean air related program initiatives and funding opportunities far beyond anything that could have ever been passed in regular order through a bipartisan committee process and a normal 60-vote threshold in the Senate.

"Inflation Act" Responds to Recent Supreme Court Decision: The newly enacted reconciliation bill is also deliberately laced with language directing the EPA to regulate greenhouse gas emissions, while citing carbon dioxide as an air pollutant in a calculated attempt to neutralize the recent Supreme Court decision in *West Virginia v. EPA*. According to press reports and Hill sources, Democratic staffers worked with the backing of Senate EPW Chairman Thomas Carper (D-DE) to ensure that the bill put Congress on record with regard to carbon emission regulations in a way designed to pass the "major questions" test laid out by the Supreme Court in effectively overturning the Obama Administration's proposed Clean Power Plan. In any case, further litigation can be expected before the issue is resolved with regard to any relevant new EPA regulations.

Department of Transportation

DOT Awards RAISE Grants: In August, the Department of Transportation announced the award of \$2.2 billion in FY 22 grant funds to 166 projects under the RAISE program (formerly known as TIGER and BUILD). This is the Department's premier grant program to support road, bridge, rail, transit, port and intermodal projects, where the maximum award is \$25 million. California received eight grants, including \$20 million for the Port of Los Angeles and Long Beach, \$15 million for the City of Inglewood, and \$25 million for the California High Speed Rail Authority.

FTA Awards Bus Grants: In August, the Federal Transit Administration announced the award of \$1.6 billion in FY 22 grant funds to 150 bus fleets and facilities under the agency's two premier bus grant programs: The Bus and Bus Facilities and Low- and No Emission Vehicle programs. California received 19 grants, including \$104.1 million for

Proven Process. Proven Results.™

the Los Angeles County Metropolitan Transportation Authority, \$2.2 million for the City of Gardena, \$2.5 million for the Orange County Transportation Authority, \$9.9 million for Omnitrans in San Bernardino County; \$5.1 million and \$1.6 million for the Riverside Transit Agency; and \$7.1 million and \$7.8 million for the SunLine Transit Agency in Riverside County.

FHWA/FTA Award Transportation Technology Grant to Port of LA: In August, the Federal Highway Administration and the Federal Transit Administration awarded \$49.2 million in FY 21 grant funds to 19 projects under two innovative technology mobility programs: The Advanced Transportation and Congestion Management Technologies Development (ACTMD) and Enhanced Mobility Innovation (EMI) programs. California received four grants, including a \$5 million ACTMD grant for the Port of Los Angeles Gateway project. The Port of Los Angeles Gateway Project will implement cloud-based, artificial intelligence applications to help manage cargo and containers.

FHWA Announces PROTECT Formula Program: The Federal Highway Administration announced the formal beginning of the new PROTECT highway formula grant program established by the Bipartisan Infrastructure Law. Under the program, \$7.3 billion is being apportioned to the states by formula “to help states and communities better prepare for and respond to extreme weather events, like wildfires, flooding and extreme heat.” Funding is to be focused on resilience planning and resilience improvements to transportation infrastructure. Eligible projects include highway, transit, bike, predestination, and port facility projects.

Department of Energy

Notable Appointment:

David Crane, *Undersecretary for Infrastructure*

CEO, Climate Real Impact Solutions; CEO, NRG; Harvard Law; Princeton

DOE Announces Funds Available for Clean Hydrogen and Grid Resilience: In August, the Department of Energy announced \$40 million in funding availability to advance the development and deployment of clean hydrogen technologies and \$20 million for a university research consortium to help states successfully implement grid resilience programs and achieve decarbonization goals. Topic areas include lowering the costs and enhancing the durability of hydrogen fuel cells for medium and heavy-duty transportation. Concept papers due September 23, 2022. Full applications due December 1, 2022.

Environmental Protection Agency

EPA Seeks Input on Phase 3 Rulemaking for Heavy-Duty Vehicles: In August, the EPA invited small businesses to participate as Small Entity Representatives (SERs) for a Small Business Advocacy Review (SBAR) panel to focus on the agency’s development of a rule for the new phase of GHG requirements for heavy-duty engines and trucks that would apply beginning in MY 2030. Similar input was also sought with regard to the rule development surrounding new source performance standards. EPA was seeking self-nominations for both by August 29, 2022

Outreach: Contacts included Senate Environment & Public Works Committee staff on clean air issues and reconciliation.

###

ATTACHMENT 2C



To: South Coast Air Quality Management District
From: Cassidy & Associates
Date: August 24, 2021
Re: August Report

HOUSE/SENATE

Both the House and Senate are out on recess for the rest of August and will return to Washington, DC after Labor Day. Prior to leaving for recess, Congress passed the CHIPS ACT of 2022 (HR 4346), legislation provides \$52 billion for semiconductor manufacturing incentives and research investments, as well as an investment tax credit for semiconductor manufacturing. They also passed the \$740 billion Inflation Reduction Act, also known as the reconciliation package. The package includes prescription drug price reductions; climate and energy tax provisions; a corporate tax increase; subsidies for insurance plans on the Affordable Care Act's marketplace; and other deficit reduction measures.

The House passed its first six Fiscal Year 2023 bills in a "minibus" by a vote of 220 to 207. The six-bill package consists of the Transportation, and Housing & Urban Development, Agriculture, Energy & Water, Financial Services & General Government, Interior, and Military Construction bills. The Senate Appropriations committee released its 12 bills last week, however, the bills are not expected to see committee action as the parties have been unable to reach agreement on topline funding numbers.

When Congress returns in September there will be an 11-day legislative session before they are out in October for midterm election campaigning. In that short session they will need to tackle a continuing resolution (CR) until the beginning of December, National Defense Authorization Act (NDAA), Water Resources Development Act (WRDA), and potentially permitting reform. It will be a very busy September.

EPA

The EPA is accepting nominations for Small Entity Representatives through August 29 for a potential Small Business Advocacy Review (SBAR) Panel. This Panel will focus on the agency's development of a rule that proposes to revise the new source performance standards (NSPS) for greenhouse gas (GHG) emissions from new, modified, and reconstructed electric generating units (EGUs) under Clean Air Act (CAA) section 111(b). On October 23, 2015, EPA finalized performance standards for emissions of carbon pollution from these sources (40 CFR part 60, subpart TTTT). The 2015 rule (i.e., the GHG NSPS for EGUs) determined that the best system of emission reduction (BSER) for natural gas-fired stationary combustion turbines that operate as base load EGUs was efficient generation based on the use of combined cycle technology, and the BSER for non-base load and multifuel-fired combustion turbine EGUs was the use of clean fuels. EPA's review of the GHG NSPS for combustion turbine EGUs includes all aspects of the 2015 rule, including performance standards for new base load and non-base load combustion turbine EGUs.

The Panel will include federal representatives from the Small Business Administration (SBA), the Office of Management and Budget (OMB), and EPA. The Panel members ask a selected group of SERs to provide advice and recommendations on behalf of their company, government, or organization to inform the Panel members about the potential impacts of the proposed rule on small entities.

Nominations for SERs can be made [here](#).

The EPA is also looking for SER nominations for another SBAR, this panel will focus on the agency's development of a rule that proposes to set a new phase of greenhouse gas requirements for heavy-duty engines and trucks that would apply beginning in Model Year 2030.

EPA first adopted GHG requirements for heavy-duty vehicles in 2011. The Phase 1 rule created a new certification and compliance program based on the computer simulation of vehicle CO₂ emissions and fuel efficiency rather than emissions and fuel efficiency testing, set performance-based standards, and adopted interim provisions to address impacts on small businesses. The Phase 1 standards began to apply in Model Year 2014 for heavy-duty vehicles. In 2016, EPA adopted a Phase 2 rule that set more stringent CO₂ standards as well as limits for hydrofluorocarbon, methane, and nitrous oxide – three other greenhouse gases. The Phase 2 standards began to apply in Model Year 2021. The Phase 2 rule also updated the prescribed emission simulation model to account for additional and new fuel saving technologies and

included flexibilities for small businesses that were identified by an SBAR Panel for that rulemaking.

This Phase 3 action will propose to revise the GHG emission limits for heavy-duty vehicles while relying on the same basic certification and compliance structure already in place. The Phase 3 proposed rulemaking changes are expected to include:

- More stringent vehicle emission standards to apply beginning in Model Year 2030, based on revised projections of GHG emission reduction technologies use by engine and vehicle manufacturers, including the penetration of existing greenhouse gas emissions reducing technologies and future technology development. In developing the new standards, EPA will consider the important role of zero-emission vehicle (ZEV) technologies to significantly reduce air pollution from the heavy-duty vehicle sector); and
- Limited and targeted flexibilities for small businesses.

The Panel will include federal representatives from the Small Business Administration (SBA), the Office of Management and Budget (OMB), and EPA. The Panel members ask a selected group of SERs to provide advice and recommendations on behalf of their company, government, or organization to inform the Panel members about the potential impacts of the proposed rule on small entities.

These nominations can be made [here](#).

Cassidy and Associates support in August:

- Tracked and advocated for SCAQMD's IRA priorities with key Committee and leadership staff. Such priorities included funding for clean heavy duty vehicles, zero-emissions port equipment and technology, DERA, air quality monitoring systems, and climate pollution reduction grants.
- Participated in weekly update and strategy sessions with SCAQMD staff.
- Continued to monitor and report on activities in Congress and the Administration that impact the District.

IMPORTANT LEGISLATIVE DATES

August 1, 2022

House out for August Recess

August 8, 2022

Senate out for August Recess

September 30, 2022

Government funding, authorization of Temporary Assistance for Needy Families, National Flood Insurance Program, FDA User Fee programs to fund reviews of prescriptions and medical products, and Livestock Mandatory Price Reporting Act authorization are scheduled to expire.

October 3, 2022

House and Senate out for midterm elections

P PANDEMIC RESPONSE PROGRAMS AND AUTHORITIES

End Date/Program

Sept. 30, 2025

Pandemic Response Accountability Committee, Congressional Oversight Commission

AGENCY RESOURCES

USA.gov is cataloging all U.S. government activities related to coronavirus. From actions on health and safety to travel, immigration, and transportation to education, find pertinent actions [here](#). Each Federal Agency has also established a dedicated coronavirus website, where you can find important information and guidance. They include: Health and Human Services (HHS), Centers of Medicare and Medicaid (CMS), Food and Drug Administration (FDA), Department of Education (DoED), Department of Agriculture (USDA), Small Business Administration (SBA), Department of Labor (DoL), Department of Homeland Security (DHS), Department of State (DOS), Department of Veterans Affairs (VA), Environmental Protection Agency (EPA), Department of the Interior (DOI), Department of Energy (DOE), Department of Commerce (DOC), Department of Justice (DOJ), Department of Housing and Urban Development (HUD), Department of the

Treasury (USDT), Office of the Director of National Intelligence (ODNI), and U.S. Election Assistance Commission (EAC).

Helpful Agency Contact Information:

U.S. Department of Health and Human Services – Darcie Johnston (Office – 202-853-0582 / Cell – 202-690-1058 / Email – darcie.johnston@hhs.gov)

U.S. Department of Homeland Security – Cherie Short (Office – 202-441-3103 / Cell – 202-893-2941 / Email – Cherie.short@hq.dhs.gov)

U.S. Department of State – Bill Killion (Office – 202-647-7595 / Cell – 202-294-2605 / Email – killionw@state.gov)

U.S. Department of Transportation – Sean Poole (Office – 202-597-5109 / Cell – 202-366-3132 / Email – sean.poole@dot.gov)

ATTACHMENT 3A



Joe A. Gonsalves & Son

Anthony D. Gonsalves

Jason A. Gonsalves

Paul A. Gonsalves

PROFESSIONAL LEGISLATIVE REPRESENTATION

925 L ST. • SUITE 250 • SACRAMENTO, CA 95814-3766

916 441-0597 • FAX 916 441-5061

Email: gonsalves@gonsalvi.com

TO: South Coast Air Quality Management District
FROM: Anthony, Jason & Paul Gonsalves
SUBJECT: Legislative Update – August, 2022
DATE: Thursday, August 25, 2022

The Legislature returned from Summer Recess on August 1, 2022 ready to tackle the over 900 bills remaining in the Legislature. All bills had to be passed out of the fiscal committees and to the floors by August 12, 2022. Those that were successful now have until midnight on August 31, 2022 to be adopted by the legislature and sent to the Governor. Governor Newsom has until September 30, 2022 to act on all legislation sent to him.

The following will provide you with updates of interest to the District:

CAP-AND-TRADE

The August 2022 Cap-and-Trade auction results demonstrate strong demand for allowances as all of the 56,956,085 current vintage allowances offered for sale were purchased, resulting in the eighth consecutive sold out auction. The current auction settled at \$27.00 per allowance, which is \$3.85 below the May 2022 settlement price of \$30.85. This is the first time in past 4 auctions that the settlement price was lower than the prior auction.

All of the 7,942,750 future vintage allowances offered for sale were purchased (these allowances can be used for compliance beginning in 2025). This is the second consecutive sellout of future vintage allowances, which settled at \$30.00. This is \$1.87 above the May auction settlement price of \$28.13. This is the second-highest settlement price of an auction after the November 2021 price of \$34.01.

CARB'S NEW EXECUTIVE OFFICER

On August 12, 2022, the California Air Resources Board (CARB) announced the appointment of Dr. Steven Cliff as CARB's new Executive Officer, replacing CARB's previous Executive Officer, Richard Corey, who retired at the end of June. Dr. Cliff's first day at CARB will be September 12, 2022.

Dr. Cliff, whose professional training was in atmospheric chemistry, has extensive experience at the highest levels of state and federal government agencies. He served for four years as CARB's Deputy Executive Officer overseeing mobile sources prior to his current position as

Administrator of the National Highway Traffic Safety Administration (NHTSA). He began his career at CARB in 2008 as an air pollution specialist in the then Office of Climate Change. Since then, he has held a variety of positions at CARB and from 2014 to 2016, he served at the California Department of Transportation as the Assistant Director for Sustainability. He returned to CARB in 2016 when then-Governor Jerry Brown appointed him Senior Advisor to CARB's then Chair.

For nearly two decades, Dr. Cliff was affiliated with the University of California, Davis, joining the school's Applied Sciences Department as a research professor, and later associated with the school's Air Quality Research Center. Through the years, he established independent air quality and climate research programs and served as an approved program coordinator at the Lawrence Berkeley National Laboratory's Advanced Light Source, a specialized particle accelerator that generates bright beams of x-ray light for scientific research.

Dr. Cliff received a bachelor's degree and doctorate in chemistry from the University of California, San Diego. He then completed a postdoctoral fellowship in atmospheric sciences at the University of California, Davis' Department of Land, Air and Water Resources.

100% NEW ZERO-EMISSION VEHICLE SALES BY 2035

On August 25, 2022, CARB approved their Advanced Clean Cars II rule that establishes a year-by-year roadmap so that by 2035 100% of new cars and light trucks sold in California will be zero-emission vehicles, including plug-in hybrid electric vehicles. The regulation reflects the light-duty vehicle goals set out in Governor Newsom's Executive Order N-79-20.

Clean Air and Climate Benefits

By 2037, the regulation delivers a 25% reduction in smog-causing pollution from light-duty vehicles to help meet federal air quality standards. From 2026 through 2040 the regulation will result in cumulative avoided health impacts worth nearly \$13 billion including 1,290 fewer cardiopulmonary deaths, 460 fewer hospital admissions for cardiovascular or respiratory illness, and 650 fewer emergency room visits for asthma.

The regulation delivers multiple benefits that grow year by year. By 2030, there will be 2.9 million fewer new gas-powered vehicles sold, rising to 9.5 million fewer conventional vehicles by 2035. In 2040, greenhouse gas emissions from cars, pickups, and SUVs are cut in half, and from 2026 through 2040 the regulation cuts climate warming pollution from those vehicles a cumulative total of 395 million metric tons. That is equivalent to avoiding the greenhouse gases produced from the combustion of 915 million barrels of petroleum.

General requirements

The new regulation accelerates requirements that automakers deliver an increasing number of zero-emission light-duty vehicles each year beginning in model year 2026. Sales of new ZEVs and PHEVs will start with 35% that year, build to 68% in 2030, and reach 100% in 2035.

Eligibility and Credits

The regulation applies to automakers (not dealers) and covers only new vehicle sales. It does not impact existing vehicles on the road today, which will still be legal to own and drive.

Plug-in hybrid, full battery-electric and hydrogen fuel cell vehicles count toward an automaker's requirement. PHEVs must have an all-electric range of at least 50 miles under real-world driving conditions. In addition, automakers will be allowed to meet no more than 20% of their overall ZEV requirement with PHEVs.

Battery-electric and fuel cell vehicles will need a minimum range of 150 miles to qualify under the program, and will need to include fast-charging ability, come equipped with a charging cord to facilitate charging, and meet new warranty and durability requirements.

Enhanced Durability and Warranty Requirements

The new regulation also takes steps to assure that ZEVs can be full replacements to gasoline vehicles, hold their market value for owners, and that used car buyers are getting a quality vehicle that will not pollute.

By model year 2030, the rules require the vehicle to maintain at least 80% of electric range for 10 years or 150,000 miles. (Phased in from 70% for 2026 through 2029 model year vehicles.) By model year 2031, individual vehicle battery packs are warranted to maintain 75% of their energy for eight years or 100,000 miles. (Phased in from 70% for 2026 through 2030 model years.) ZEV powertrain components are warranted for at least three years or 50,000 miles.

Environmental Justice

As noted, the regulation delivers substantial emission reductions to all Californians, with particular benefits to those who live near roadways and suffer from persistent air pollution. The durability and warranty requirements in the regulation will help establish a viable and dependable used ZEV market to ensure the emission benefits are permanent, and the regulation includes an approach that provides credits to automakers for certain actions that increase access to ZEVs by low-income households and people living in disadvantaged communities.

Increasing Access to Zero-Emission Vehicles for all Californians

Governor Newsom proposed, and the Legislature has approved, \$2.7 billion in fiscal year 2022-23, and \$3.9 billion over three years, for investment in ZEV adoption, as well as clean mobility options for California's most environmentally and economically burdened communities. These programs support the new regulation by increasing access to ZEVs for all Californians, including moderate- and low-income consumers. They include:

- Clean Cars 4 All provides up to \$9,500 to low-income drivers who scrap their older vehicles and want to purchase something that runs cleaner.
- The Clean Vehicle Rebate Project (CVRP) provides up to \$7,000 for income-qualified drivers to buy or lease a ZEV.
- The Clean Vehicle Assistance Program provides low-income car buyers with special financing and up to \$5,000 in down-payment assistance.

The Governor's ZEV budget includes \$400 million over three years for the statewide expansion of Clean Cars 4 All and for a suite of clean transportation equity projects. The budget also includes \$525 million for the Clean Vehicles Rebate Project (CVRP). In addition, there is \$300 million for more charging infrastructure, especially for those consumers who may not have a garage where they can charge their EV.

Consumer Savings

Drivers of full battery-electric vehicles already save money on operation and maintenance compared to cars with internal combustion engines. That's the result of cheaper fuel — charging at home costs about half as much as gasoline for the same number of miles driven — and battery-electric vehicles can save drivers 40% in maintenance costs.

CARB analysis indicates that battery-electric vehicles are likely to reach cost parity with conventional vehicles by 2030. By 2035, consumers are likely to realize as much as \$7,900 in maintenance and operational savings over the first 10 years of ownership. Owners will also see 10-year savings from 2026 model year battery-electric vehicles, though not quite as much.

Stringent Standards for Conventional Cars

As with the original Advanced Clean Cars rules, ACC II includes updated regulations for light- and medium-duty internal combustion engine vehicles as well, to mitigate the air quality impacts from conventional vehicles. These low-emission vehicle standards help deliver real-world emission benefits that complement more significant emission reductions gained by wider ZEV deployment. This will prevent potential emission backsliding by removing ZEVs from the emissions baseline used to calculate new vehicle fleet-average emissions. The regulation also reduces the allowable exhaust emissions under more real-world driving conditions and emissions caused by evaporation.

GOVERNOR'S CLIMATE PROPOSALS

On August 12, 2022 Governor Newsom shared his proposals addressing climate change with the state Legislature. The Governor's climate proposals include:

- Codifying statewide carbon neutrality goal to dramatically reduce climate pollution
 - Establishes a clear, legally binding, and achievable goal for California to achieve statewide carbon neutrality as soon as possible, and no later than 2045.
- Ramping up our 2030 climate ambition
 - Adopts a more aggressive 2030 greenhouse gas emissions reduction target – going from 40% to 55% below the 1990 level.
- Protecting communities from the harmful impacts of the oil industry
 - Establishes a setback distance of 3,200 feet between any new oil well and homes, schools, or parks.
 - Ensures comprehensive pollution controls for existing oil wells within 3,200 feet of these locations.
- Establishing pathway toward state's clean energy future
 - Creates clean electricity targets of 90% by 2035 and 95% by 2040 with the intent of advancing the state's trajectory to the existing 100% clean electricity retail sales by 2045 goal.
- Advancing natural and engineered technologies to remove carbon pollution
 - Establishes a clear regulatory framework for carbon removal and carbon capture, utilization, and sequestration.
 - Requires the state to develop an achievable carbon removal target for natural and working lands.

GOVERNOR'S APPOINTMENTS

Tyson Eckerle, 43, of Sacramento, has been appointed Senior Advisor for Clean Infrastructure and Mobility at the Governor's Office of Business and Economic Development. Eckerle has been Deputy Director of Zero Emission Vehicle Market Development at the Governor's Office of Business and Economic Development since 2016, where he was Zero Emission Vehicle Infrastructure Project Manager from 2014 to 2016. He was Executive Director at Energy Independence Now from 2011 to 2014, where he was Associate Director from 2009 to 2011. He served in several positions at the U.S. Army Corps of Engineers, San Francisco District from 2002 to 2007, including Regulatory Project Manager, Biologist, Recruitment Coordinator and Environmental Planner. Eckerle earned a Master of Science degree in Environmental Science and Management from the University of California, Santa Barbara. This position does not require Senate confirmation and the compensation is \$153,360.

Gia Brazil Vacin, 46, of Oakland, has been appointed Deputy Director of Zero Emission Vehicle Market Development at the Governor's Office of Business and Economic Development. Vacin has been Assistant Deputy Director for Zero Emission Vehicle Market Development at the Governor's Office of Business and Economic Development since 2020, where she was Project Manager for Zero Emission Vehicle Infrastructure from 2016 to 2020. She was Principal of Brazil Vacin Consulting from 2013 to 2019, an Associate at Blue Earth Consultants from 2010 to 2013 and a Project Manager and Environmental Scientist at Leidos from 2002 to 2010. She earned a Master of Science degree in Environmental Science and Management from the University of California, Santa Barbara. This position does not require Senate confirmation and the compensation is \$137,868.

LEGISLATIVE DEADLINES

<u>August 12, 2022:</u>	Last day for fiscal committees to meet and report bills
<u>August 15 – 31, 2022:</u>	Floor session only. No committee may meet for any purpose except Rules Committee.
<u>August 25, 2022:</u>	Last day to amend bills on the floor
<u>August 31, 2022:</u>	Last day for each house to pass bills. Final Recess begins upon adjournment

South Coast Air Quality Management District Legislative and Regulatory Update – August 2022

❖ Important Upcoming Dates

August 31	–	Last day for each house to pass bills. Final recess begins upon adjournment
September 30	–	Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor's possession on or after Sept. 1

❖ **RESOLUTE Actions on Behalf of South Coast AQMD.** RESOLUTE partners David Quintana, Jarrell Cook, and Alfredo Arredondo continued their representation of South Coast AQMD before the State's Legislative and Executive branches. Selected highlights of our recent advocacy include:

- Assisted South Coast staff in confirming and participating in key meetings with staff for legislators for AB 2836 (E. Garcia) as it moved from the Senate Appropriations Suspense file to the Senate floor for a final vote.
- Assisted South Coast in clarifying the status of AB 617 Funding in the Budget Act
- Continued outreach to numerous legislative members and offices regarding South Coast priority legislation and issues.

❖ **SCAQMD Sponsored Legislation.**

- AB 2836 (Eduardo Garcia): Carl Moyer Extension
Senate Appropriations (8/11/2022). Passed with 7 Ayes, 0 Noes, and 0 No Vote Recorded.
 - Ayes: Bates, Bradford, Jones, Laird, McGuire, Portantino, Wieckowski
 - Noes: N/A
 - NVR: N/A

❖ **Chair Randolph makes Appointment for Executive Officer.** California Air Resources Board Chair Liane Randolph announced on August 12, 2022, that the Board is appointing Dr. Steven Cliff as CARB's new Executive Officer, replacing CARB's previous Executive Officer, Richard Corey, who retired at the end of June.

Cliff's first day at CARB will be September 12, 2022.

❖ **Governor Newsom Appoints New CalEPA Secretary.** On August 12, 2022, the Governor announced that Amelia Yana Garcia Gonzalez will serve as California's next Secretary for Environmental Protection after Secretary Jared Blumenfeld steps down in September. Garcia Gonzalez previously served in various leadership roles at CalEPA focused on environmental justice and tribal affairs.

❖ **Politico Pro: Newsom-backed setbacks bill to be introduced in California Legislature** BY: CAMILLE VON KAENEL | 8/24/2022 09:18 PM EDT

California state Sens. Lena Gonzalez (D-Long Beach) and Monique Limón (D-Santa Barbara) will be carrying Gov. Gavin Newsom's proposal to ban oil and gas drilling from neighborhoods, their offices confirmed to POLITICO.

It's another sign that Newsom's last-minute climate requests are making their way into the Legislature, which has only a week and a half to finish negotiations and pass the bills before the end of session.

Why it matters: The proposal, which is expected to be introduced tonight, expands on an unfinished rule from the state's oil and gas regulator that would prohibit new drilling within 3,200 feet of sensitive areas like schools and hospitals starting Jan. 1, 2023, according to draft legislation circulating last week. The bill would also require strict emissions control on existing wells in the same sensitive zone starting Jan. 1, 2025.

Context: The Legislature's previous attempts to codify setbacks into law have failed, but this is the first time such a proposal has Newsom's explicit support.

Community advocates in Kern County and elsewhere have long advocated for the protection because of the public health danger of leaks from wells. They have been frustrated that California Geologic Energy Management Division, or CalGEM, hasn't yet finalized its setbacks rule since Newsom first unveiled a draft in October 2021.

Alex Stack, a Newsom spokesperson, said putting the setbacks into law — rather than just passing a regulation — would strengthen the policy in the face of potential lawsuits from the oil and gas industry.

What's next: The bill will likely face opposition from the oil and gas industry and from some more moderate Democrats, and its fate will ultimately be tied up with the other pieces of Newsom's climate and energy push. Those include Sen. John Laird (D-Santa Cruz)'s Senate Bill 1020 on clean energy, and Assemblymember Al Muratsuchi (D-Torrance)'s Assembly Bill 1395 setting a state goal of carbon neutrality by 2045. Assemblymember Bill Quirk (D-Hayward) amended Assembly Bill 2133 Tuesday to reflect the goal of bringing greenhouse gas emissions 40 percent below 1990 levels in 2030.

One of the most controversial elements remains Newsom's proposal to extend the lifespan of Diablo Canyon Nuclear Power Plant, which is facing pushback from some Assembly Democrats and environmental groups.

❖ **LA Times Editorial: California can't count on Diablo Canyon's nuclear power, so it should spend now on renewables**

BY THE TIMES EDITORIAL BOARD
AUG. 24, 2022 5 AM PT

Gov. Gavin Newsom's proposal to extend the life of California's last remaining nuclear plant has become a major point of contention in negotiations with state lawmakers as the legislative session enters its final days.

But a counterproposal from members of the state Assembly offers another path to avoid power outages. Their plan would allow the Diablo Canyon plant on the Central Coast to retire in 2025 as scheduled and spend at least \$1.4 billion — the same amount Newsom wants to give Pacific Gas & Electric to keep the plant operating through 2035 — on renewable power instead.

That money would be used to accelerate renewable energy, transmission and storage projects, reduce permitting delays for solar, wind and geothermal developments and support programs that pay consumers to use less power on hot summer evenings when the grid is at highest risk for outages. These are common-sense measures to bolster the electrical grid, and they should be taken regardless of whether Newsom's proposal to keep Diablo Canyon open another decade moves forward.

Unlike Newsom's plan, this alternative does not depend on a single aging plant that has been operating since 1985 and sits near several earthquake fault lines. It relies instead on a diverse array of clean energy sources that are less expensive, per kilowatt-hour, and don't pose the safety and environmental hazards of nuclear power. They are the same renewable resources California needs anyway to meet its climate targets, reduce health-damaging air pollution and avoid catastrophic heating of the planet. Reaching the state's goal of 100% renewable and zero-carbon electricity sales by 2045 will require building wind and solar power at roughly triple today's rates, according to a report last year by state agencies.

Proponents of extending the life of Diablo Canyon argue that having 2,240 megawatts of carbon-free electricity available around the clock for a few more years would provide a buffer against blackouts while the state gets more renewable power and storage up and running. State officials have been scrambling to address concerns that extreme heat, drought, wildfires and supply chain shortages will result in power outages in the coming years, particularly during hot evenings in August and September when solar generation drops off but demand for electricity soars.

But the plan to reverse course and keep running Diablo Canyon is full of risks and obstacles and dependent on decisions and agencies outside state lawmakers' control. Which is why the administration's dismissive attitude toward Assembly members' alternative plan — which a governor's spokesman likened to “fantasy and fairy dust” — is concerning.

The governor still hasn't made the case that keeping Diablo Canyon open will avert more environmental risks than it prolongs. Nor does his plan address the full costs to the environment and to ratepayers, the extent of the maintenance and seismic retrofits needed to ensure the plant can operate safely, and whether the extension will reduce the urgency to deploy renewable energy. Those are real concerns that can't be glossed over. Though Newsom's plan would exempt Diablo Canyon from environmental reviews and other requirements, there are no guarantees that the plant will be able to secure the funding and permit approvals and overcome legal challenges to keep operating past 2025. So, for now, state officials need to proceed as if the plant will shut down on schedule.

The governor's office has presented the Diablo Canyon legislation as something of a sixth pillar to his five-part climate proposal, another last-minute push that nonetheless would advance bold and meaningful actions to confront the climate crisis. But it would be terrible if those vital climate measures are scuttled as Diablo Canyon consumes the time and attention of lawmakers in the final days before the legislative session ends on Aug. 31.

The governor's office argues it is moving fast because it doesn't want to miss a September deadline to be considered for \$6 billion in federal funds to help save nuclear plants facing closure. But ramming this through late in the session prevents the type of public scrutiny and transparency that could increase environmental and financial protections.

Ensuring a reliable power grid is going to be crucial to the success of the state's climate programs. Because when the lights go out during a heat wave it doesn't only erode confidence in California's transition from fossil fuels, it poses an immediate threat to people's lives. To reach its greenhouse gas targets, California will need to electrify much of the economy, and state officials expect that will increase power consumption by as much as 68% by 2045.

Whether Diablo Canyon has three more years of life or 13, it is ultimately a stopgap, and no substitute for broader efforts to quickly build clean and affordable energy and storage to power zero-emission cars, homes and buildings needed to fight climate change. Lawmakers have a chance to further those goals with or without nuclear power, and they should act now.

ATTACHMENT 3C



CALIFORNIA ADVISORS, LLC

South Coast AQMD Report
California Advisors, LLC
September 9, 2022, Legislative Committee Hearing

Legislative Update

On August 11, both the Senate and Assembly Appropriations Committees met to hear bills that had been placed on their “Suspense Files.” In doing so, lawmakers decided the fate of hundreds of measures. During the respective hearings, each committee chair announced which bills would be moving forward and which ones were held for the year.

Beginning August 15, the Legislature entered its official end of session stretch. The last two and half weeks before the August 31 constitutional deadline are dedicated solely to floor sessions to finalize the remaining bills. Occasionally, a committee hearing may become necessary to dispense with last minute bill amendments. However, generally lawmakers spend most of their time on the floor of either house of the Legislature.

As the Legislature worked out the final deals of the session, Governor Gavin Newsom urged lawmakers to accelerate the state’s climate and energy goals. To that end, the Governor released a five-point plan focused on tackling climate change. Listed below is a summary of the efforts Governor Newsom called upon the Legislature to take up in the final weeks:

- **Codifying statewide carbon neutrality goal to dramatically reduce climate pollution**
 - Establishes a clear, legally binding, and achievable goal for California to achieve statewide carbon neutrality as soon as possible, and no later than 2045.
- **Ramping up our 2030 climate ambition**
 - Adopts a more aggressive 2030 greenhouse gas emissions reduction target – going from 40% to 55% below the 1990 level.
- **Protecting communities from the harmful impacts of the oil industry**
 - Establishes a setback distance of 3,200 feet between any new oil well and homes, schools, or parks.
 - Ensures comprehensive pollution controls for existing oil wells within 3,200 feet of these locations.
- **Establishing pathway toward state’s clean energy future**
 - Creates clean electricity targets of 90% by 2035 and 95% by 2040 with the intent of advancing the state’s trajectory to the existing 100% clean electricity retail sales by 2045 goal.
- **Advancing natural and engineered technologies to remove carbon pollution**
 - Establishes a clear regulatory framework for carbon removal and carbon capture, utilization and sequestration.

- Requires the state to develop an achievable carbon removal target for natural and working lands.

Regulatory Update

The California Air Resources Board (“CARB”) voted on August 25 to require by 2035 that all new cars sold in state be zero emission. CARB Chair Liane Randolph told reporters that this was one of the most important efforts CARB has ever carried out to clean the air. The rule is a follow-up to Governor Newsom’s executive order that established the target date. The proposal provides CARB with enforcement authority empowering the agency to fine automakers \$20,000 for each car falling short of the requirement.

Budget Update

The Department of Finance (“DOF”) released its July finance bulletin. The DOF’s figures show that cash receipts were \$1.275 billion, or 12.1 percent, below the budget forecast. Preliminary numbers also show that for fiscal year 2021–22 the state was \$2.183 billion short of revenue estimates. The DOF bulletin states that the shortfall is largely driven by a dip in personal income taxes. The state will have to closely monitor the situation after experiencing record surpluses in the last two budget years.

Appointments

Dr. Steven Cliff

CARB Chair Liane Randolph announced the appointment of Dr. Steven Cliff as Executive Officer, replacing Richard Corey who retired in June.

Dr. Cliff previously served as CARB’s Deputy Executive Officer from 2017 to 2021 where he oversaw mobile sources. Currently, Dr. Cliff serves as the Administrator of the National Highway Traffic Safety Administration (“NHTSA”). President Biden appointed Dr. Cliff to head NHTSA in February 2021. As NHTSA’s Administrator, Cliff oversees the nation’s vehicle safety standards, identification of safety defects, management of recalls and more. Dr. Cliff begins his new position at CARB on September 12.

Amelia Yana Garcia Gonzalez

Governor Newsom has appointed Amelia Yana Garcia Gonzalez as the next Secretary of CalEPA. Ms. Garcia Gonzalez previously served in various leadership roles at CalEPA and focused on environmental justice and tribal affairs. Since 2021, Garcia Gonzalez has served as Special Assistant Attorney General under California Attorney General Rob Bonta. Prior to her time leading environmental justice and tribal affairs at CalEPA and her time with the AG’s office, Garcia Gonzalez was an Attorney at Earthjustice from 2015 to 2017 and at Communities for a Better Environment from 2013 to 2015. Ms. Garcia Gonzalez succeeds current CalEPA Secretary Jared Blumenfeld who announced he will step down at the end of the month to lead the Waverley Street Foundation, which was launched by philanthropist Laurene Powell Jobs, and is one of the largest foundations devoted to addressing climate change.