

BOARD MEETING DATE: December 1, 2023

AGENDA NO. 18

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a hybrid meeting on Thursday, November 9, 2023. The following is a summary of the meeting.

RECOMMENDED ACTION:

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

Michael A. Cacciotti, Chair
Legislative Committee

DJA:LTO:PFC:DPG

Committee Members

Present: Councilmember Michael A. Cacciotti, Chair
Supervisor Curt Hagman
Supervisor V. Manuel Perez
Councilmember José Luis Solache
Absent: Mayor Patricia Lock Dawson
Councilmember Nithya Raman

Call to Order

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

Discussion Item No. 2 was called out of order and heard as the first item.

Action/Discussion Item No. 1 was called out of order and heard as the second item.

ACTION/DISCUSSION ITEM:

1. Recommend 2024 State and Federal Legislative Guiding Principles

Philip Crabbe, Senior Public Affairs Manager/Legislative, Public Affairs & Media, presented the proposed State Legislative Guiding Principles for 2024. The state principles provide a broad set of policy and funding priorities that will help guide staff and allow them to adjust in a constantly changing political environment in Sacramento, in line with Board guidance. The principles focus on protecting public

health, facilitating attainment of clean air standards, and addressing South Coast AQMD's policy priorities including increasing clean air funding, protecting air district authority, promoting clean technology, and supporting environmental justice.

Denise Peralta Gailey, Public Affairs Manager/Legislative, Public Affairs & Media, presented the proposed Federal Legislative Guiding Principles for 2024. The federal principles guide strategic representation of South Coast AQMD before Congress, the Administration, and agencies. The principles are drafted to cover a wide range of issues from regulations to funding of zero-emission technologies and infrastructure to environmental justice and other South Coast AQMD's policy priorities. For additional information, please refer to the [Webcast](#) at 25:47.

There was no public comment.

Staff Recommended Approval of State and Federal Legislative Guiding Principles

Moved by: Hagman; Seconded by: Cacciotti, unanimously approved.

Ayes: Cacciotti, Hagman, Perez

Absent: Dawson, Raman, Solache

DISCUSSION ITEMS:

2. Update and Discussion on Federal Legislative Issues

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

Mark Kadesh, Kadesh & Associates, reported on the status of appropriations to fund the federal government before the continuing resolution expires on November 17.

Gary Hoitsma, Carmen Group, provided an update on the U.S. EPA Clean Ports program. The program's Notice of Funding Opportunity is expected in Winter 2024. The program allocates \$2.25 billion, including an additional \$750 million for nonattainment areas, to support the transition to zero-emissions at ports.

Jed Dearborn, Cassidy & Associates, provided an update on the BioWatch program which provides funding to South Coast AQMD to conduct air monitoring for biological threats. South Coast AQMD is working to reauthorize BioWatch by working with the Senate and House Homeland Security Committees and the House Appropriations Committee.

Supervisor Perez inquired about engaging the Southern California delegation on South Coast AQMD's priorities. Mr. Kadesh and staff responded that advocacy efforts are bipartisan. For additional information, please refer to the [Webcast](#) at 7:30.

There was no public comment.

3. Update and Discussion on State Legislative Issues

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

Paul Gonsalves, Joe A. Gonsalves & Son, reported that Caltrans approved \$192 million in California Climate Investment funds for 136 public transportation projects that will cut pollution and create more affordable transportation options, especially for disadvantaged communities.

David Quintana, Resolute, informed the Committee that state income will likely be \$5-\$20 billion lower than the earlier \$230 billion estimate, due to patterns in the labor market that will decrease tax revenues.

Ross Buckley, California Advisors, LLC, provided a summary of the Governor's actions on bills following the end of the 2023 legislative session. The Governor signed 890 bills into law and vetoed 156 bills, many due to budget concerns.

For additional information, please refer to the [Webcast](#) at 29:50.

Harvey Eder, Public Solar Power Coalition, provided public comment regarding accessing the meeting agenda.

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, December 8, 2023, at 9:00 a.m.

Adjournment

The meeting adjourned at 9:36 a.m.

Attachments

1. Attendance Record
2. State and Federal Legislative Guiding Principles
3. Update on Federal Legislative Issues – Written Reports
4. Update on State Legislative Issues – Written Reports

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE MEETING ATTENDANCE RECORD – November 9, 2023

Councilmember Michael Cacciotti.....	South Coast AQMD Board Member
Supervisor Curt Hagman.....	South Coast AQMD Board Member
Supervisor V. Manuel Perez.....	South Coast AQMD Board Member
Councilmember José Luis Solache.....	South Coast AQMD Board Member
Ken Chawkins.....	Board Consultant (Cacciotti)
Guillermo Gonzalez.....	Board Consultant (Perez)
Debra Mendelsohn.....	Board Consultant (McCallon)
Fred Minassian.....	Board Consultant (Padilla-Campos)
Uduak-Joe Ntuk.....	Board Consultant (Solache)
Marisela Santana.....	Board Consultant (Solache)
Mark Taylor.....	Board Consultant (Rodriguez)
Ben Wong.....	Board Consultant (Cacciotti)
Ross Buckley.....	California Advisors, LLC
Jed Dearborn.....	Cassidy & Associates
Paul Gonsalves.....	Joe A. Gonsalves & Son
Gary Hoitsma.....	Carmen Group, Inc.
Mark Kadesh.....	Kadesh & Associates
David Quintana.....	Resolute
Mark Abramowitz.....	Public Member
Harvey Eder.....	Public Solar Power Coalition
Sam Emmersen.....	Public Member
Derrick Alatorre.....	South Coast AQMD Staff
Debra Ashby.....	South Coast AQMD Staff
Barbara Baird.....	South Coast AQMD Staff
Cindy Bustillos.....	South Coast AQMD Staff
Lara Brown.....	South Coast AQMD Staff
Maria Corralejo.....	South Coast AQMD Staff
Philip Crabbe.....	South Coast AQMD Staff
Edward Demovsky.....	South Coast AQMD Staff
Javier Enriquez.....	South Coast AQMD Staff
Joshua Ewell.....	South Coast AQMD Staff
Denise Gailey.....	South Coast AQMD Staff
Scott Gallegos.....	South Coast AQMD Staff
Bayron Gilchrist.....	South Coast AQMD Staff
De Groeneveld.....	South Coast AQMD Staff
Sheri Hanizavareh.....	South Coast AQMD Staff
Anissa (Cessa) Heard-Johnson.....	South Coast AQMD Staff
Maria Corralejo.....	South Coast AQMD Staff
Kathryn Higgins.....	South Coast AQMD Staff
Sujata Jain.....	South Coast AQMD Staff
Aaron Katzenstein.....	South Coast AQMD Staff

Angela Kim..... South Coast AQMD Staff
Howard Lee..... South Coast AQMD Staff
Brisa Lopez..... South Coast AQMD Staff
Cristina Lopez..... South Coast AQMD Staff
Karin Manwaring..... South Coast AQMD Staff
Connie Mejia..... South Coast AQMD Staff
Ron Moskowitz..... South Coast AQMD Staff
Susan Nakamura..... South Coast AQMD Staff
Wayne Nastri..... South Coast AQMD Staff
Robert Paud..... South Coast AQMD Staff
Sarah Rees..... South Coast AQMD Staff
Mary Reichert..... South Coast AQMD Staff
Aisha Reyes..... South Coast AQMD Staff
MaFe Ruivivar..... South Coast AQMD Staff
Lisa Tanaka O'Malley..... South Coast AQMD Staff
Victor Yip..... South Coast AQMD Staff
Mei Wang..... South Coast AQMD Staff
Jillian Wong..... South Coast AQMD Staff
Paul Wright..... South Coast AQMD Staff

ATTACHMENT 2A



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

South Coast AQMD's State Legislative Guiding Principles for 2024

The following guiding principles are identified to protect public health, facilitate attainment of state and federal clean air standards within the South Coast region by statutory deadlines and address other South Coast AQMD needs and policy priorities, while working with and serving as a resource to state legislators and the Governor; state and local agencies; and business, environmental, health, community, and other stakeholders.

Air Quality Funding

Protect and increase existing and identify new funding sources that provide a sustainable revenue stream for South Coast AQMD programs and priorities that support attainment of state and federal ambient air quality standards and reduce toxic air contaminants to protect public health, especially to achieve equitable clean air for disproportionately impacted communities.

South Coast AQMD Authority / Policy Implementation

Defend and ensure adequate South Coast AQMD authority to raise revenue and impose fees as needed and implement the Board's clean air policies and programs, including those required by state and federal laws, to support Air Quality Management Plans (AQMPs) and State Implementation Plans.

State Support

Work to ensure that the State does not impose unfunded mandates on South Coast AQMD and does its fair share to reduce air pollution within the South Coast region. State actions needed in support of air quality include, but are not limited to, funding, legislation, regulatory actions, and support by the Administration. In particular, South Coast AQMD requires State action to: 1) Facilitate implementation of applicable South Coast AQMD AQMPs to attain federal ozone and particulate matter air quality standards in accordance with deadlines; 2) Ensure there are sufficient resources to fully implement air district responsibilities and programs created through AB 617 [Health & Safety Code Sections 39607.1; 40920.6; 40920.8; 42705.5; 44391.2]; and 3) Maximize funding opportunities from the federal government to the State through public laws, such as the Bipartisan Infrastructure Law and Inflation Reduction Act.

Surface Transportation & Goods Movement

Support and expand policy and funding that promotes air quality priorities related to the implementation of state and federal surface transportation, infrastructure and goods movement policies and programs, especially related to the development and deployment of the cleanest technologies for medium- and heavy-duty trucks, locomotives, oceangoing vessels, aircraft, and off-road equipment with a priority for zero-emission where commercially viable at scale.

South Coast AQMD's State Legislative Guiding Principles for 2024

Development and Deployment of Clean Technology

Support and advocate for legislative and administrative policies, programs, and funding, that promote the development and deployment of the cleanest commercially available technologies with prioritization for zero-emission infrastructure, equipment, and vehicles to: 1) protect public health; 2) facilitate attainment of clean air standards; and/or 3) support a healthy economy and promote job retention/creation within the South Coast region.

Environmental Justice

Support and advocate for legislative and administrative policies and funding that: 1) promote and sustain environmental justice initiatives which reduce localized health risks resulting from criteria pollutant and toxic air contaminant emissions; 2) prioritize equitable access to zero-emission or the cleanest technologies available for over-burdened communities; 3) enhance community participation in decision-making; and 4) provide the resources necessary to fully implement local air districts' responsibilities and programs created through AB 617, including adding new communities to the program only if sufficient funding is provided.

Climate Change

Support efforts directing that the Greenhouse Gas Reduction Fund provide funding to maximize criteria pollutant and toxic emission reduction co-benefits that facilitate attainment of clean air standards and reduce public health impacts in the South Coast region, such as through the development and deployment of zero-emission or cleanest commercially available vehicles, equipment, and fueling/charging infrastructure, especially as it relates to mobile sources such as medium- and heavy-duty trucks, locomotives, oceangoing vessels, aircraft, and off-road equipment.

Clean Energy

Support legislative and administrative efforts to promote energy efficiency, demand reduction, and reliable, cost effective and the cleanest energy in the South Coast region, especially in disproportionately impacted environmental justice communities. Also, support production and development of renewable and alternative energy, energy storage, and microgrids, as well as charging and fueling infrastructure, to reduce emissions from transportation and other sources, such as back-up generators.

Business, Job Creation, Workforce Training & Economy

Support legislative policies and administrative actions that promote job retention and creation, workforce training for zero-emission technologies, as well as economic growth, while working toward attainment of clean air standards; and that support and assist the regulated community in complying with rules and regulations in the most efficient and cost-effective manner. Work to ensure job and economic benefits are equitably accessible for environmental justice communities.

Addressing Impacts of Natural and Manmade Events

Support and advocate for legislative and administrative policies, programs, and funding that reduce and/or mitigate air quality-related public health impacts within the South Coast region caused by wildfires, dust/sandstorms, odors, or other events.

Administrative Operations

Support and seek legislative and administrative policies, programs, funding and/or actions

South Coast AQMD's State Legislative Guiding Principles for 2024

that ensure that South Coast AQMD can meet its administrative and operational needs, including, but not limited to, those related to human resources, pensions, and COVID-19.

ATTACHMENT 2B



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

South Coast AQMD's Federal Legislative Guiding Principles for 2023

The following guiding principles are identified to enable South Coast AQMD to seek rules, legislative policies, and funding from the federal government that will help facilitate attainment of National Ambient Air Quality Standards (NAAQS) and the protection of public health in the South Coast region, through practical and innovative strategies. As part of these efforts, it is critical that South Coast AQMD work with and serve as a resource to the federal Administration and agencies, Congress, business, environmental, health, and community groups, and other stakeholders.

Air Quality Funding (Authorization of Program/Policies and Appropriations of Funds)

Increase and protect existing and seek new funding sources that support South Coast AQMD programs and priorities to reach attainment of state and federal ambient air quality standards and reduce hazardous air pollutants to protect public health. Examples of programs are, but not limited to, Targeted Airshed Grants, Diesel Emissions Reduction Act, Clean Ports, Port Infrastructure Development Program, National Electric Vehicle Infrastructure, Charging and Fueling Infrastructure Grants for Corridors and Communities, Clean Heavy-Duty Trucks, Reduction of Emissions at Port, Section 103/105, and annual Appropriations.

South Coast AQMD Authority / Policy Implementation

Defend and ensure adequate South Coast AQMD authority for implementation of the Board's clean air policies and programs, including those required by the federal Clean Air Act and other federal and state laws to support Air Quality Management Plans (AQMP) and State Implementation Plans.

Federal Support -- Clean Air Act, NAAQS, and State Implementation Plan (SIP)

Work to ensure the federal government (Administration, Agencies and Congress) do their fair share to reduce air pollution with a focus on mobile sources, within the South Coast region through funding, regulations, and administration actions. In particular, South Coast AQMD requires federal action to: 1) Maximize funding opportunities under the Bipartisan Infrastructure Law, Inflation Reduction Act, and other public laws 2) Provide incentive funding, policies, and require regulatory actions sufficient to, in combination with state and local actions, attain NAAQS for ozone by 2023, 2031 and 2037 in the South Coast Air Basin, and if standards are not attained due to lack of federal actions, ensure that the Basin is not punished by sanctions, fees or any other penalty for failure to timely attain; 3) Provide support for and protect state and local regulatory authority for nonattainment areas to meet NAAQS for upcoming federal deadlines, and the South Coast AQMD to implement AQMPs and attain federal ozone and particulate matter standards; and, 4) Protect science-driven and health-based determinations of NAAQS, and efforts to streamline and provide flexible implementation of SIP requirements, as needed, to reach attainment.

Surface Transportation & Goods Movement

South Coast AQMD's Federal Legislative Guiding Principles for 2023

Pursue the adoption of legislation and/or policies which will reduce or eliminate air quality impacts from mobile sources with an emphasis on the goods movement sector (for both medium- and heavy-duty vehicles and trucks), as well as off-road vehicles (such as ocean-going vessels, locomotives, aircraft, agricultural vehicles, cargo handling equipment, freight handling equipment, and construction equipment).

Technology Advancement

Expand and secure funding, policies, and tax incentives for advanced clean technology research, development, demonstration, and deployment programs, including those related to:

- Zero and near-zero emission technologies for the cleanest vehicles (such as heavy- and medium-duty trucks, locomotives, marine vessels, aircraft, and off-road technologies) and the cleanest stationary sources (heaters, boilers, furnaces, engines, etc.), with prioritization of zero-emission technologies.
- Infrastructure to support zero-emission and near-zero emission technologies, prioritizing zero-emission technologies where available.
- Renewable energy and alternative energy, energy storage, microgrids and other programs, especially as related to electric and hydrogen infrastructure for transportation and emissions reductions from sources such as back-up generators.
- Technologies, systems and/or processes which reduce ambient concentrations of air pollutants and/or toxic air emissions.
- Establishing programs or policies that incentivize the federal government to purchase and use advanced clean technologies with prioritization for zero-emissions.
- Incentivizing individuals, businesses, states, and local governments to purchase and use advanced clean, zero and near-zero emission technologies.

Environmental Justice

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

Reduction of Toxic Emissions

Pursue efforts through legislative and administrative programs, to reduce toxic emissions, and the public's exposure to toxic emissions, within the South Coast region.

Climate Change

Seek to influence climate change initiatives and facilitate their implementation at local levels, including funding, to promote co-benefits with pollutants needed to achieve NAAQS and to reduce air toxic emissions, consistent with the Board's policy.

Business, Jobs Creation & Economy

Support legislation, policies or administrative actions that support and assist the regulated community in complying 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 AQMD's Federal Legislative Guiding Principles for 2023

Addressing Impacts of Natural and Manmade Events

Support and advocate for legislative and administrative policies, programs, and funding that reduce and/or mitigate air quality-related public health impacts within the South Coast region caused by wildfires, dust/sandstorms, odors, or other events.

Administrative Operations

Support and seek legislative and administrative policies, programs, funding and/or actions that ensure that South Coast AQMD can meet its administrative and operational needs related to human resources, health and safety, COVID-19 or other.

ATTACHMENT 3A

KADESH & ASSOCIATES

South Coast AQMD Report for the November 2023
Legislative Meeting covering October 2023
Kadesh & Associates

Despite little legislative progress, this was a very consequential period in Washington. Senator Dianne Feinstein, who represented California in the Senate since 1992, passed away on September 29 at the age of 90. Her passing marks the end of an era in California, and her funeral service in San Francisco was attended by Vice President Harris, Senate Majority Leader Schumer, Speaker Emerita Pelosi, and many others. After a brief period of speculation, Governor Newsom appointed EMILY's List president Laphonza Butler to serve out the remainder of the Senate term.

Back in Washington, in a burst of unexpected eleventh-hour productivity, the House and Senate voted September 30 on a continuing resolution (CR) to extend FY23 funding levels through Nov. 17, provide \$16 billion in emergency disaster aid, and extend expiring authorities including the FAA.

However, this bipartisan vote on the CR led directly to the end of Kevin McCarthy's term as Speaker and ushered in a historic level of chaos in the chamber. At the beginning of the year, McCarthy had agreed to allow any member of the House to offer a resolution to remove him from office. Following the CR vote, Representative Matt Gaetz forced the vote on the "motion to vacate," and eight House Republicans joined all House Democrats in removing McCarthy.

The rudderless House was plunged into three weeks of chaos, with a series of Speaker candidates who could not secure the necessary 217 votes. Majority Leader Scalise gained a narrow majority vote of the GOP caucus but faced holdouts. Judiciary Chair Jordan was strongly supported by the right wing of the party but faced a rebellion of moderates. Majority Whip Emmer withdrew from the process just hours after winning a caucus vote.

With no Speaker, the House could not debate legislation, nor even refer bills to committees. Some members of Congress who wanted to get the House back on task suggested a bipartisan coalition could elect a Speaker, while others wanted the Speaker Pro Tempore Patrick McHenry (R-NC) to take on additional substantive powers.

Republicans finally agreed on a Speaker candidate the week of October 23: conference vice chair Mike Johnson (R-LA). The new Speaker was first elected to the House in 2017, and is relatively unknown in Washington beyond his role in supporting Trump's challenge to the 2020 election. In his first days in this new role, Speaker Johnson has outlined an active schedule for the House to vote on the remaining FY24 appropriations bills, a list that includes the Interior-EPA bill the week of October 30. He has also offered initial support for a CR that runs through either Jan 15 or April 15.

Meanwhile, the Senate has reached agreement to work through 40 amendments to an appropriations "minibus" comprising the MilCon-VA, Agriculture-FDA, and Transportation-

KADESH & ASSOCIATES

HUD bills; the final vote on that package is likely the week of October 30. In addition, the White House has requested a supplemental appropriation of \$106 billion for Ukraine, Israel, and border security, and \$56 billion for disaster relief and other domestic needs. Speaker Johnson seems likely to maintain House Republican support for a CR, but working with the Democratic Senate and Biden White House on a supplemental and on year-long appropriations are likely to be far more challenging.

Kadesh & Associates Activity Summary-

-Worked with South Coast AQMD and the congressional delegation on whole-of-government efforts to address air quality through BIL and IRA funding programs.

Contacts:

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

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ATTACHMENT 3B



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

To: South Coast AQMD Legislative Committee

From: Carmen Group

Date: October 26, 2023

Re: Federal Update -- Executive Branch

Congress Avoids Shutdown -- New House Speaker Elected: On September 30, then-House Speaker Kevin McCarthy orchestrated the passage of a continuing resolution (CR) to keep government funded through November 17. Three days later, eight members of his party, representing just 4 percent of the GOP caucus, forced a successful vote -- joined by all Democrats -- to “vacate the chair,” thus removing McCarthy as Speaker and setting up a wild scramble to find and elect a replacement. After three weeks of chaos that essentially shut down the House and exposed deep rifts in the GOP ranks, the Republicans unanimously rallied behind little-known Rep. Mike Johnson of Louisiana and elected him as the new Speaker of the House. Johnson immediately sent calming signals that he would work to avoid a future shutdown and would push for passage of a new CR into early next year to allow more time for the bicameral negotiation and passage of individual appropriations bills, thus avoiding the usual Christmas eve omnibus.

Environmental Protection Agency

EPA Proposes Approval of South Coast AQMD’s Warehouse Rule: In October, the Environmental Protection Agency (EPA) proposed the approval of South Coast AQMD’s Warehouse Indirect Source Rule, which is part of a larger strategy to reduce emissions from mobile sources (ships, trucks, trains) and to protect public health in the Southern California region. If finalized, the EPA rule will provide federal enforcement for efforts to control air pollution from large warehouse operations and the truck traffic they attract.

EPA Announces Funds Available for Clean School Bus Rebates: In late September, the EPA announced the availability of \$500 million in the latest competitive round of rebates for the purchase of cleaner school buses, including electric, propane, and compressed natural gas buses. The program will provide a combined funding amount to cover bus, workforce development, and infrastructure costs for awardees selecting electric buses. Applicants can request up to \$345,000 per bus. Selectees may also be eligible for Inflation Reduction Act tax credits worth up to \$40,000. EPA will prioritize applicants in low-income, rural and Tribal communities. Large school districts with areas of concentrated poverty will also be prioritized. Rebate applications will be accepted through January 28, 2024.

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Department of Transportation

FAA Initiates Rulemaking to Reduce Aviation Emissions: In October, the Federal Aviation Administration (FAA) decided to initiate a rulemaking aimed at controlling or eliminating aviation lead emissions from aircraft engines. In the interim, the FAA encourages the early adoption of alternate unleaded fuels. Meanwhile in October, the Senate confirmed the new FAA administrator, Michael Whitaker, to a full five-year term.

FRA Announces National Rail Research Center: In late September, the Federal Railroad Administration (FRA) announced the award of \$5 million to the University of Illinois Urbana-Champaign to establish the National University Rail Center of Excellence in consort with eight other US universities dedicated to advancing research that promotes the safety, efficiency and reliability of passenger and freight rail transportation. Research topics will expressly include “energy efficiency measures” among others.

Department of Energy

DOE Announces \$7 Billion for “Clean Hydrogen Hubs”: In October, the Department of Energy announced an enormous investment of \$7 billion from the Bipartisan Infrastructure Law to launch seven Regional Clean Hydrogen Hubs (H2Hubs) across the nation designed to accelerate the commercial-scale deployment of clean hydrogen for the purpose of reducing (primarily GHG) emissions. One of the seven selected projects is the California Clean Hydrogen Hub (Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES); California). It will focus on producing hydrogen exclusively from renewable sources and biomass, and provide a blueprint for decarbonizing public transportation, heavy duty trucking, and port operations. The Hubs initiative envisions that the federal investment will eventually be matched by recipients to leverage nearly \$50 billion in the overall national effort.

DOE Grid Investment Includes Wildfire Mitigation Project: In October, the Department of Energy announced a \$3.5 billion investment in the nation’s electric grid under the Grid Resilience and Innovation Partnerships (GRIP) Program. This amount represents the first round of project selections under the broader \$10.5 billion program. One of the selected projects here is the Wildfire Assessment and Resilience for Networks (WARN) project, covering California and 15 other states. It will enable deploying fire-resistant grid infrastructure, undergrounding lines, or upgrading overhead lines, to reduce the risk of catastrophic wildfires and to increase wildfire resilience.

Outreach: In October, Carmen Group coordinated -- and participated in meetings -- with staff and officials at the Federal Railroad Administration, the Maritime Administration and the Departments of Energy & Transportation Joint Office during the trip to Washington, DC by South Coast AQMD staff. We also coordinated with staff and officials at the Department of Energy’s Office of Energy Efficiency & Renewable Energy (EERE) in preparation for a future virtual meeting with South Coast AQMD staff, likely in November.

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ATTACHMENT 3C



To: South Coast Air Quality Management District
From: Cassidy & Associates
Date: October 26, 2023
Re: October Report

HOUSE/SENATE

Congress

On October 25th the House elected Rep. Mike Johnson (R-LA) as Speaker. His election comes after a 22-day period where the GOP conference put up several candidates that could not secure the votes needed to ascend to the Speakership. Speaker Johnson has been a member of the House since 2016. Prior to the House he spent over two decades practicing constitutional law and served in the Louisiana Legislature from 2015-2017. He is widely viewed as a social conservative and close ally of former President Trump. Soon after his election he sent a letter to all House members indicating that the House will quickly get to work on passing appropriations and other must-pass bills before the end of the year.

In the Senate, members have started to move a minibus bill comprised of appropriations for Military Construction and Veterans Affairs; Transportation, Housing, and Urban Development; and Agriculture, Rural Development, and Food and Drug Administration. The Senate is also focused on foreign policy issues, with a group of members led by Majority Leader Chuck Schumer (D-NY) recently visiting Israel and China. Also, Minority Leader Mitch McConnell (R-KY) has publicly supported President Biden's \$100 billion emergency funding request for Israel, Ukraine, and the Indo-Pacific, as well as the President's decision to send humanitarian aid to Gaza. However, some Republicans continue to argue that the portions of the legislation should be voted on separately and have criticized the President for his response to the Gaza crisis.

EPA

At the end of September, the Environmental Protection Agency (EPA) announced \$500 million in funding through the Clean School Bus Program, building on the \$1 billion in funding awarded in 2022. This round of funding can be used to cover buses, workforce development costs, and infrastructure costs for awardees requesting electric school buses. Established by the Infrastructure Investment and Jobs Act, the program aims to improve air quality in and around schools, reduce greenhouse gas pollution, and accelerate U.S. leadership in developing clean vehicles. Learn more about the program [here](#).

On October 5, the EPA released data from 2022 collected under the Greenhouse Gas Reporting Program. According to the data, reported emissions from large industrial sources were about 1% lower than in 2021. The largest stationary source of greenhouse gas emissions was power plants, followed by petroleum and natural gas systems. The data is available [here](#).

On October 6, the EPA announced a final Technology Transitions rule which will guide the transition away from hydrofluorocarbons (HFCs), restricting the use of certain HFCs in over 40 types of products and banning HFCs in certain equipment. The EPA additionally proposed a rule which aims to manage emissions reduction and reclamation of HFCs while maximizing the reuse of existing HFCs. Both actions are under the American Innovation and Manufacturing Act and come a year after President Biden signed the Kigali Amendment, an international agreement to phase down HFCs to combat global warming. Read more about the rule [here](#).

On October 12, the EPA proposed to approve South Coast AQMD's rule serving to protect communities from air pollution caused by warehouse operations. The Warehouse Indirect Source Rule, adopted by South Coast AQMD in 2021, will become federally enforceable if finalized as proposed. Read more [here](#).

Also on October 12, the EPA announced the 24 recipients who will receive about \$16 million in pollution prevention grants funded by the Infrastructure Investment and Jobs Act. The funding will support programs for states and state colleges to provide businesses with technical assistance to adopt practices which prevent pollution in local communities. See the list of grantees [here](#).

On October 18, the EPA announced its final determination that lead from aircraft which operate on leaded fuel cause or contribute to air pollution and may endanger public health and welfare under the Clean Air Act. The EPA is now obligated to propose regulatory standards for lead emission from certain aircraft engines, and the Federal Aviation Administration must develop standards to address the composition and properties of aircraft fuel or fuel additives to control or eliminate lead emissions. Read more about the final finding [here](#).

On October 20, the EPA finalized a rule eliminating exemptions which allowed facilities to avoid reporting PFAS information to the Toxics Release Inventory if used in small concentrations. This

rule will require covered industry sectors and federal facilities to disclose the quantities of PFAS they manage or release into the environment. Learn more about the rule [here](#).

Cassidy and Associates support in October:

- Worked with South Coast AQMD staff to strategize on DC outreach
- Planned and executed schedule for South Coast AQMD staff October fly-in
- Advised staff on House and Senate Appropriations markups, focusing on South Coast AQMD priorities
- Continued to monitor and report on activities in Congress and the Administration that impact the District

IMPORTANT LEGISLATIVE DATES

September 30, 2023:

The Farm Bill, an omnibus package of legislation that supports US agriculture and food industries expires; the bill is reauthorized on a five-year cycle.

November 17, 2023:

FY 2023 appropriations expire.

November 17, 2023:

National Flood Insurance Program reauthorization deadline.

December 31, 2023:

Deadline for the Federal Aviation Administration reauthorization.

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 (USDIT), 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)

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ATTACHMENT 4A



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TO: South Coast Air Quality Management District
FROM: Anthony, Jason & Paul Gonsalves
SUBJECT: Legislative Update – October 2023
DATE: Thursday, October 26, 2023

The Legislature adjourned for interim recess on September 14, 2023 and will return on January 3, 2024 for the second half of the 2023-24 legislative session. This year, the Legislature introduced 2,690 bills. Of those, 1,046 were sent to the Governor for his consideration. The Governor had until October 14, 2023 to take action on all bills before him. This year, Governor Newsom signed 890 bills into law and vetoed 156.

The following will provide you with an end of session recap on legislative issues of interest to the District:

- AB 1216 (Muratsuchi): Our office worked with the Author and the sponsors of the bill on amendments that would ensure the District is reimbursed for all costs associated with the bill. AB 1216 was passed by the Legislature on September 7, 2023 and was signed by the Governor on October 10, 2023.
- AB 1465 (Wicks): Our office has been supporting this measure on behalf of the District throughout the legislative process. The bill is currently on the Senate Floor and was moved to the inactive file on September 6, 2023. This is now a 2-year bill.
- AB 1638 (Fong): Our office worked with the Author's office on amendments to exclude the District from the requirements in the bill. The Author agreed to our amendments and amended the bill on September 1, 2023 in the Senate Appropriations Committee. The Legislature passed this bill on September 6, 2023 and the Governor signed the bill on October 8, 2023.
- SB 410 (Becker): Our office has been supporting this measure on behalf of the District throughout the legislative process. The bill was passed by the Legislature on September 14, 2023 and was signed by the Governor on October 7, 2023.
- SB 842 (Bradford): Our office worked with the author's office to submit a Letter to the Journal that ensured air districts' autonomy in relation to the California Energy Commissions refinery turnarounds and maintenance process. The Legislature passed the bill, however, Governor Newsom vetoed the bill.

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

GOVERNOR NEWSOM APPOINTS LAPHONZA BUTLER TO THE U.S. SENATE

On October 1, 2023, Governor Newsom announced the selection of Laphonza Butler, the President of EMILY's List, the nation's largest organization dedicated to electing women, to complete the United States Senate term of the late Senator Dianne Feinstein, which runs through 2024.

Butler, a longtime senior adviser to Vice President Kamala Harris, labor leader, and advocate for women and working people, will be the first openly LGBTQ person to represent California in the Senate. She will also be the first Black lesbian to openly serve in Congress in American history and the second Black woman to represent California in the Senate following Vice President Kamala Harris.

With her selection to the Senate, Butler will step down from her role as president of EMILY's List, where she was the first woman of color and mother to lead the organization. Prior to joining EMILY's List, Butler ran political campaigns and led strategy efforts for numerous companies, organizations, and elected leaders, including for Vice President Kamala Harris and Secretary of State Hillary Clinton. Butler was a key leader of Vice President Harris's presidential campaign. For more than a decade, she served as the president of the largest labor union in California, SEIU Local 2015, a union representing more than 325,000 nursing home and home-care workers throughout the state.

Previously, Butler served as President of SEIU United Long Term Care Workers (ULTCW) and also as SEIU's Property Services Division Director, in which she was responsible for the strategic direction of organizing on behalf of more than 250,000 janitors, security officers, window cleaners, and food service workers across the country. Butler also served as an SEIU International Vice President and president of the SEIU California State Council.

Butler was the former director of the Board of Governors of the Los Angeles branch of the Federal Reserve System. In 2018, she was appointed to the University of California Board of Regents by Governor Jerry Brown, where she served until 2021. She served in various other roles, including as a board member for the National Children's Defense Fund, BLACK PAC, and the Bay Area Economic Council Institute, and as a fellow for the MIT Community Innovators Lab.

On October 19, 2023, Butler announced she will not be seeking reelection to the US Senate seat.

CALIFORNIA - A NATIONAL HYDROGEN HUB

On October 13, 2023, Governor Newsom announced that California will receive up to \$1.2 billion from the U.S. Department of Energy to accelerate the development and deployment of

clean renewable hydrogen, critical to cutting pollution and expanding the clean energy economy statewide.

This means California will receive up to \$1.2 billion to build or expand hydrogen projects that will power public transportation, heavy-duty trucks, port operations, and more. Additionally, it will leverage the state's leadership in clean energy technology to produce hydrogen exclusively from renewable energy and biomass.

This is a significant investment, as it is projected to cut up to 2 million metric tons of carbon emissions every year, which is equivalent to the pollution of 445,000 gasoline-powered cars annually. It will create an estimated 220,000 new jobs, including 130,000 in construction and 90,000 permanent jobs, along with an estimated \$2.95 billion per year in economic value from better health and health cost savings. 40% of the benefits from projects will flow to disadvantaged communities.

AT-BERTH REGULATIONS

On October 18, 2023, CARB received authorization from the U.S. EPA under the Clean Air Act for its 2020 At-Berth Regulation, which further reduces pollution from ocean-going vessels while docked at California's busiest ports.

The new regulation was passed by the CARB Board in 2020 and adds new vessel categories and additional ports and marine terminals. Under the new regulation, vessels are required to control pollution when they run auxiliary engines while docked. The two vessel categories added to the new regulation, auto carriers and tankers, produce 56% of all PM 2.5 from ocean-going vessels at berth.

Vessels covered under the original regulation include container ships, refrigerated cargo ships, and cruise ships. Once the new regulation is fully implemented, it will deliver a 90% reduction in pollution from vessels at berth. This includes an expected additional 2,300 vessel visits per year and will result in a 55% reduction in potential cancer risk for communities near the Ports of Los Angeles, Long Beach, and Richmond.

The regulation requires that vessels coming into a regulated California port either use shore power or a CARB-approved control technology to reduce harmful emissions like a capture-and-control technology.

CARB WORKSHOP: POTENTIAL AMENDMENTS TO CAP-AND-TRADE

On October 24, 2023, CARB invited interested parties to participate in a public workshop on potential updates to the linked California Cap-and-Trade Program and Québec Cap-and-Trade System. Two modeling teams, one contracted by CARB and the other an internal team from the government of Québec, will present initial results from independent modeling efforts for

allowance prices under different allowance budget scenarios. Staff may also present information and concepts related to joint-market rules and cost-containment.

The workshop will be held remotely on November 16, 2023, from 9:30 a.m. – 12:30 p.m. Staff will request written feedback following the workshop through 11:59 p.m. Pacific Time on December 1, 2023. A link to submit written feedback will be posted to the Cap-and-Trade Meetings & Workshops webpage.

2023 LEGISLATIVE DEADLINES

October 14 – Last day for Governor to take action on bills.

January 3, 2024 – Legislature reconvenes.

South Coast Air Quality Management District Legislative and Regulatory Update –October 2023

❖ Important Upcoming Dates

Jan 3, 2024 –Legislature Reconvenes

❖ RESOLUTE Actions on Behalf of South Coast AQMD. RESOLUTE partners David Quintana 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:

- Provided ongoing updates as the Legislature stayed in interim recess and the Governor finalized decisions on bills at this desk.
- Set and attended meetings with legislative offices regarding bill proposals for the 2024 legislative session.

❖ Bill Proposal Meetings: Resolute set the following meetings with legislative staff for the following members regarding bill proposals for the 2024 legislative session:

- Asm. McKinnor
- Asm. Chen
- Senator Min
- Asm. Calderon
- Senator Blakespear
- Asm. Carrillo
- Asm. Ramos
- Asm. Petrie-Norris
- Asm. Santiago
- Asm. Quirk-Silva
- Asm. Friedman
- Asm. Luz Rivas

❖ Tax Deadline Extended: This year, the deadline for filing 2022 taxes with the state and federal government had been set for October 16th due to the large storms and extreme weather events that impacted most of California in the beginning of 2023. This deadline was subsequently extended by one more month to November 16th.

Tax receipts that the State was expecting in November may now impact the ability to develop more accurate budget projections by the Department of Finance as they work to finalize their estimates that will inform the Governor’s proposed budget in January 2024.

The Franchise Tax Board released data on tax receipts for October showing that collections are \$28 billion below the projections for the month of October in the 2023 Budget. It is difficult to estimate whether this gap will remain, expand, or contract when the November 16 deadline brings in the last remaining tax receipts.

Ultimately, the tax collection outcomes in November (and likely December) will have a big impact on how the Governor structures his January Budget Proposal. However, the delayed deadline provides nothing but uncertainty until then.



CALIFORNIA ADVISORS, LLC

South Coast AQMD Report
California Advisors, LLC
November 9, 2023, Legislative Committee Hearing

Legislative Update

The 2023 legislative session ended in the early hours of September 15. Governor Gavin Newsom took his final actions on bills on October 13, a day ahead of the deadline.

In total, Governor Newsom acted on 1,046 measures. Of those bills, he signed 890 and vetoed 156 – which amounts to a veto rate of 14.9%. For comparison, in 2022, the Legislature sent 1,166 bills to Newsom for consideration, he signed 997 into law and vetoed 169 bills. This was a veto rate of 14.49%.

As with previous years, Newsom was again cautious regarding new spending amid an uncertain revenue outlook. The Governor signaled in several veto messages that his aim is fiscal responsibility. Specifically, he vetoed many bills because lawmakers sought funding that was not included in the adopted budget. According to POLITICO, the Governor cited budget concerns in 64 of his 156 veto messages and cost was the most common rationale offered.

With the California Legislature adjourned and the Governor's period to act on bills behind us, the focus on 2024 has begun. The 2024 Legislative Deadline Calendar is now available on both the Senate and Assembly websites. Among the key dates, the Legislature will reconvene on Wednesday, January 3. Also, the Governor must submit his budget proposal to the Legislature by Wednesday, January 10. Finally, the last day to submit bill requests to the Office of Legislative Counsel is Friday, January 19.

Further, it should be noted that the Legislature convenes in a two-year cycle and this year was the first year of the 2023-2024 Legislative session. Under the state Constitution, bills introduced in the first year of the Session can be carried over to the following year and are referred to as “two-year” bills. Therefore, several of the January dates noted in the 2024 Legislative Deadline Calendar relate specifically to these two-year bills. This includes:

- Friday, January 12 is the last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house in the odd-numbered year.
- Friday, January 19 is the last day for any committee to hear and report to the floor bills introduced in that house in the odd-numbered year.
- Wednesday, January 31 is the last day for each house to pass bills introduced in that house in the odd-numbered year.

Budget Update

According to the October 2023 Department of Finance’s monthly bulletin, the state collected \$796 million, or 5.7 percent, above the forecast of \$13.974 billion in September largely due to Pass-Through Entity Elective Tax (PTET) payments exceeding the forecast by \$918 million for the month. Receipts for the first three months of the 2023-24 fiscal year were \$879 million, or 2.4 percent, above the forecast of \$35.881 billion. General Fund agency cash receipts for the entire 2022-23 fiscal year were \$980 million above the 2023-24 Budget Act forecast of \$167.627 billion.

According to the bulletin, the Budget Act monthly cashflow assumes an extended payment and filing deadline for Californians in most counties to October 16. The delay affects personal and corporate income tax categories other than withholding, however, the extent to which variance relative to the forecast is caused by taxpayers’ behavior differing from assumptions is unknown. On October 16, the delayed filing and payment deadline was further extended to November 16.

It has been noted by Assembly budget staff that if significant segments of high-income Californians delay submitting 2022 returns or 2022 and 2023 payments to November, this likely will significantly limit the information available for the next round of the Legislative Analyst’s Office (LAO) and Department of Finance state revenue forecasts. Accordingly, the Governor’s January 10 budget proposal may have to be based on significantly limited revenue data.

Governor Update

On Monday, October 23, Governor Newsom embarked on a weeklong international trip to China. According to the Governor’s Office press release, the trip was focused on advancing concrete climate collaborations with key national and subnational partners, promoting economic development and tourism, and encouraging a cultural exchange between countries. Further, it was noted that Newsom met with leaders who share California’s commitment to addressing the global climate crisis while fostering a low-carbon, green growth agenda.

More specifically, on Tuesday, October 24, Newsom spent the day in a region known as China’s Greater Bay Area – a megalopolis of millions of people consisting of Hong Kong, Macao and nine major cities. There he visited the world’s first zero-emission city bus fleet. He also signed a new climate partnership with the Guangdong Province focused on carbon markets, industrial and power sector decarbonization, and climate adaptation. Included in the Governor’s Office press release was a mention that California leads the nation in electric vehicle adoption and is set to phase out the sale of new gas-powered vehicles by 2035. Further, it was noted that earlier this year, California became the first jurisdiction in the world to set a date to end the sales of traditional combustion trucks, creating a path to 100% zero emission medium- and heavy-duty trucks on the roads in California by 2045. The Governor also announced that California surpassed its ZEV truck sales goal two years ahead of schedule.