

BOARD MEETING DATE: July 11, 2014

AGENDA NO. 30

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a meeting on Friday, June 13, 2014. The next Legislative Committee meeting is scheduled for Friday, July 18, 2014 at 9 a.m. in Conference Room CC8.

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

Agenda Item	Recommended Action
Amend Existing Contract with the Carmen Group Incorporated for Legislative Representation in Washington, D.C.	Approve
AB 1720 (Bloom) Vehicles: Bus Gross Weight	Support
AB 1857 (Frazier) Department of Transportation: Vehicle and Equipment Procurement	Support
AB 2565 (Muratsuchi) Rental Property: Electric Vehicle Charging Stations	Move to Board for Discussion

RECOMMENDED ACTION:

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

Josie Gonzales
Chair
Legislative Committee

LBS:GS:PFC:jf

Attendance [Attachment 1]

The Legislative Committee met on June 13, 2014. Committee Chair Supervisor Josie Gonzales was present at SCAQMD's Diamond Bar headquarters. Committee Members, Mayor Judy Mitchell, Supervisor Michael Antonovich, Dr. Clark E. Parker, Sr. and Dr. William Burke, Governing Board Chair, who was appointed to the committee, attended via teleconference.

Update on Federal Legislative Issues

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

Mr. Kierig reported that Rep. Eric Cantor has submitted his resignation from his U.S. House of Representatives leadership post and it appears that Rep. Kevin McCarthy from California has the votes to replace him as majority leader of the U.S. House.

With regard to the Congressional FY 2015 appropriations process, Mr. Kierig reported the U.S. House has passed a number of bills and has others in process. The U.S. Senate will soon be starting the process for a "minibus" appropriations bill on the Senate Floor, including possibly the areas of transportation, commerce, justice, and agriculture.

The U.S. Senate Appropriations Energy and Water Subcommittee is expected to mark up its appropriations bill soon. There is optimism that funding for the \$10 million zero-emissions goods movement grant program will receive continued funding under this new FY 2015 bill. In fact, the Request for Proposals for the FY 2014 version of that program had a recent application deadline of June 11, 2014. Congress is moving forward with the agreed-upon discretionary spending cap of \$1.014 trillion; however, there may be policy differences that delay the finalization of the appropriations process until possibly after the November elections.

Mr. Kierig also informed the Committee that the Highway Trust Fund (HTF) will run out of money sometime around this July or August, so there is a need to identify additional funding that will maintain the solvency of the Fund. The U.S. House has

proposed eliminating Saturday U.S. Postal Service delivery, which would save \$10 billion that would then be used for the HTF. The Senate Finance Committee has been holding weekly meetings on the issue. Senator Majority Leader Harry Reid proposed a corporate tax holiday that he estimates would generate about \$3 billion over 10 years. All of the discussion regarding possible solutions have centered around the short term rather than the long term.

Warren Weinstein also of Kadesh & Associates, reported that the House Energy and Commerce Committee marked up a bill this week entitled the “Promoting New Manufacturing Act” which would expedite pre-construction permits that are issued when entities modify a new or existing facility or stationary source of pollution. It is expected that the House will pass this bill, but that it will not move in the Senate.

The House Energy and Commerce Committee’s Subcommittee on Energy and Power is holding a hearing with the EPA Administrator Janet McCabe regarding the new U.S. EPA proposed power plant carbon rules. The Senate Environment & Public Works (EPW) Committee will also be holding a committee hearing on this issue to demonstrate that there is bipartisan support for these proposed rules.

Mia O’Connell of the Carmen Group, SCAQMD federal legislative consultant, also provided the Committee with updates on key Washington D.C. issues.

She reported on the efforts in the U.S. House in relation to the reauthorization of the current surface transportation law, MAP-21. Because of the difficulty of funding a long-term reauthorization bill, the House --like the Senate -- has now decided to seek a short-term extension of existing programs. This will be the priority in the coming weeks leading up to the August recess, with a long-term bill that includes policy and program changes likely deferred until after the November elections.

As discussed earlier, Ms. O’Connell reported that Speaker Boehner and other House GOP leaders have proposed to transfer billions in new money into the Highway Trust Fund which would be enough to maintain current programs and spending levels through May 2015. The funds would be generated from savings attributed to reform of the U.S. Postal Service (ending Saturday deliveries). However, this option appears unlikely to occur. Rather, a more likely scenario is that Congress will appropriate new money from the General Fund to cover the shortfall in the HTF for the short term.

Ms. O’Connell informed the Committee that the U.S. House approved their FY 2015 Transportation, Housing, and Urban Development (THUD) funding bill, which includes significant cuts to TIGER grants and Amtrak, and also included Rep. Jeff Denham's amendment to prohibit any funding for the California High Speed Rail project. A separate Senate bill, without the TIGER and Amtrak cuts and without any rider

affecting California High Speed Rail, was approved in committee and now awaits a full Senate floor vote.

Ms. O'Connell stated that SCAQMD continues to work with the offices of Congressmen Gary Miller and Duncan Hunter, and others in the delegation, regarding SCAQMD's legislative proposals for MAP-21 and the Rail reauthorization bill. The substantive issue that has been raised about the proposals has been the cost and identifying exactly where the money to pay for the proposals would come from. The idea was proposed to set aside money directly from funds to be authorized for freight transportation programs.

Ms. O'Connell reported that SCAQMD continues to work with Chairman Ken Calvert's office regarding language we submitted earlier for inclusion in the FY15 House Interior, Environment, and related agencies appropriations bill to target Diesel Emission Reduction Act (DERA) or State and Tribal Assistance Grant funding to ensure that the South Coast region gets treated fairly in terms of focused resources to address air quality issues. Through discussions with staff, the subcommittee is working to refine the language developed by SCAQMD staff for possible inclusion in the bill. It is expected that the bill will be marked up before the August recess.

Finally, Chairman Calvert's office has been informed that the District is developing a proposal for the FY14 DERA grant funding opportunity and that we will be seeking the Chairman's support of the District's proposal.

Update on Sacramento Legislative Issues

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

He reported that June 15th is the deadline for the state budget to be passed. The last day for the Legislature to qualify measures for the November 4, 2014 ballot is June 26th, however that can be moved to as late as July 3rd. A controversial related issue is whether the Legislature can come together on a water bond by this deadline. Assembly leadership has indicated that it does not want to go past this deadline and incur the additional cost that would be required to then do a supplemental ballot. The Legislature is on recess in between July 3rd and August 4th. The last day for fiscal committees to handle bills is August 15th. Further, August 31st is the last day of the two-year legislative session, and no bills except urgency bills and constitutional amendments can be passed after that date.

The framework for an agreement on the state budget has been agreed to by the Governor and legislative leaders. The Governor's proposal to spend 33% of the cap and trade funding on high speed rail has been negotiated down to 25%. Further, 15% of those funds will go to transit, 20% will go to affordable housing near transit, and 40%

will go to transit and energy efficiency/natural resources projects. There has also been an agreement to provide more funding for pre-kindergarten education for low income children.

Dr. Parker asked if the budget negotiations resulted in a reduction of funding for air pollution control. Mr. Gonsalves responded in the negative. Dr. Burke asked if the vote for the next president pro-tem of the Senate was scheduled to happen on June 16th. Mr. Gonsalves responded in the positive. Dr. Parker asked when the transition would take place and Mr. Gonsalves responded that he was not aware. Dr. Burke stated that this would occur in November.

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

He reported on the following bills that have now passed out of their house of origin:

- 1) SB 1077 (DeSaulnier) – Vehicles: mileage based fee pilot program – This bill requires a pilot program to study the feasibility of a mileage based fee by the California Department of Transportation (Caltrans) to replace the current fuel excise tax. There is no opposition to this bill.
- 2) SB 1121 (de León) – The California Green Bank Board – This bill creates a centralized funding program to pay for greenhouse gas emission reduction projects. This bill, which has no specific funding source specified as of yet, is an issue that the Senator has championed for a couple of years.
- 3) SB 1228 (Hueso) – Trade Corridor Improvement Fund – This bill would maintain the Trade Corridor Improvement Fund in state law so that future monies could be directed to it. The Governor's office opposes the bill because the Department of Finance has concerns that maintaining this fund would create competition with other transportation priorities and funds.
- 4) AB 1102 (Allen) – This bill passed out of the Senate Environmental Quality Committee; it will be heard next on June 24th in the Senate Natural Resources and Water Committee.

Dr. Burke asked about the prospects of AB 1102 in the Senate Natural Resources and Water Committee. Executive Officer Dr. Barry R. Wallerstein responded that this is still being discussed. The committee analysis and proposed amendments are still pending at this time.

Amend Existing Contract with the Carmen Group Incorporated for Legislative Representation in Washington, D.C.

Deputy Executive Officer Lisha B. Smith presented this item to the Committee for consideration. She indicated that the six-month extension of the Carmen Group's contract expires on July 14, 2014 and based upon the consultant's performance and initiated outreach and projects, staff is recommending a second six-month contract extension, through January 14, 2015, for the Carmen Group at a cost of \$109,620.

The Legislative Committee approved staff's recommendation to APPROVE a second six-month contract extension, through January 14, 2015, for the Carmen Group at a cost of \$109,620 .

AYES: Antonovich, Burke, Gonzales, Mitchell, and Parker

NOES: None.

(Refer to July 11, 2014 Governing Board Agenda Item 16 for additional information.)

Recommend Position on Bills: [Attachment 2]

AB 1720 (Bloom) Vehicles: Bus Gross Weight

Sr. Public Affairs Manager Guillermo Sanchez presented AB 1720 (Bloom) to the Committee.

This bill would extend a temporary exemption from the 20,500 lb. per axle limit to transit buses through 2015. Cleaner fuel systems, including compressed natural gas tanks, have been identified as a source of additional weight on the buses.

Staff recommended a SUPPORT position on AB 1720.

Supervisor Gonzales inquired regarding details of the bill's timing and purpose. Mr. Sanchez responded that the bill extends through the end of 2015 and will allow a relevant study to be completed before the exemption expires.

The Legislative Committee approved staff's recommended position of SUPPORT on AB 1720.

AYES: Antonovich, Burke, Gonzales, Mitchell, and Parker

NOES: None.

AB 1857 (Frazier) Department of Transportation: Vehicle and Equipment Procurement

Sr. Public Affairs Manager Guillermo Sanchez presented AB 1857 (Frazier) to the Committee.

This bill would establish a four-year pilot program at Caltrans to test the effectiveness of the "best value" procurement method for purchasing and equipping heavy mobile fleet vehicles and special equipment. This method would allow Caltrans to consider value-related considerations in addition to the lowest responsible bid. Such additional considerations would include overall life-cycle costs related to operations and maintenance, including initial price, equipment performance, fuel efficiency, and warranty benefits.

Staff recommended a SUPPORT position on AB 1857.

Dr. Parker inquired as to which state code is being affected by this bill. Dr. Wallerstein responded that it affects the Streets and Highway code.

The Legislative Committee approved staff's recommended position of SUPPORT on AB 1857.

AYES: Antonovich, Burke, Gonzales, Mitchell, and Parker

NOES: None.

AB 2565 (Muratsuchi) Rental Property: Electric Vehicle Charging Stations

Community Relations Manager Philip Crabbe presented AB 2565 (Muratsuchi) to the Committee.

This bill would allow a commercial or residential tenant to install an electric vehicle charging station in a leased parking space if the tenant is willing to pay for all the costs associated with installation and operation of the charging station.

Staff recommended a SUPPORT position on AB 2565.

Supervisor Gonzales inquired as to whether this bill could create an infringement on property owners' rights. Barbara Baird, Chief Deputy Counsel, responded that when the Legislative Counsel reviews submitted bills, they generally will call attention to a provision of a bill that they believe might be unconstitutional, notifying the bill's author. However, this was not done in the case of this bill.

Mayor Mitchell commented that multi-family residential unit buildings often cannot accommodate residents with plug-in electric vehicles. This bill is a reasonable accommodation in that it requires the tenant to pay for all costs, although it does require the landlord to accommodate installation of charging infrastructure. Dr. Parker commented that there are multiple options now for finding ways for tenants to pay for the use of electricity. He also inquired to the status of the bill. Mr. Crabbe responded that the bill was awaiting hearing in the Senate Judiciary Committee.

Dr. Wallerstein suggested that if this bill is supported by the District, then staff also could be directed to work with the bill's author to explore broader approaches on how electric vehicle charging infrastructure could be expanded. Dr. Parker and Mayor Mitchell agreed with this suggestion.

Ms. Smith commented that this bill is consistent with other bills that have been brought before the Committee and that were supported by the Members.

Supervisor Antonovich commented that the intent of the bill is worthwhile; however this bill practically may impose extensive increased costs on landlords. Dr. Parker and Supervisor Gonzales agreed with this comment. Further, Supervisor Gonzales re-emphasized that this bill infringes upon the rights of property owners and thus she does not support the bill.

The Legislative Committee rejected staff's recommended position of SUPPORT on AB 2565.

AYES: Mitchell and Parker

NOES: Antonovich, Burke, and Gonzales

The Legislative Committee approved moving AB 2565 on to the full Board for discussion.

AYES: Antonovich, Burke, Gonzales, Mitchell, and Parker

NOES: None.

AB 1330 (John Pérez) Environmental Justice

Ms. Baird provided an update on negotiations with the Speaker's staff and interested stakeholders relating to AB 1330. While SCAQMD has shared its input, no new bill language has been released.

Report from SCAQMD Home Rule Advisory Group [Attachment 3]

Please refer to Attachment 3 for written report.

Other Business:

None

Public Comment Period:

No public comment.

Attachments

1. Attendance Record
2. Bill and Bill Analyses
3. SCAQMD Home Rule Advisory Group Report

ATTACHMENT 1

ATTENDANCE RECORD –June 13, 2014

DISTRICT BOARD MEMBERS:

Supervisor Josie Gonzales
Supervisor Michael Antonovich (teleconference)
Mayor Judy Mitchell (teleconference)
Dr. Clark E. Parker, Sr. (teleconference)

STAFF TO COMMITTEE:

Lisha B. Smith, Deputy Executive Officer
Guillermo Sanchez, Senior Public Affairs Manager
Julie Franco, Senior Administrative Secretary

DISTRICT STAFF:

Barry R. Wallerstein, Executive Officer
Barbara Baird, Chief Deputy Counsel
Elaine Chang, Deputy Executive Officer
Philip Fine, Assistant Deputy Executive Officer
Chris Marlia, Assistant Deputy Executive Officer
Laki Tisopulos, Assistant Deputy Executive Officer
Jill Whynot, Assistant Deputy Executive Officer
Sam Atwood, Media Manager
Marc Carrel, Program Supervisor
Philip Crabbe, Community Relations Manager
Robert Paud, Telecommunications Technician II
Danielle Soto, Senior Public Information Specialist
Kim White, Public Affairs Specialist
Patti Whiting, Staff Specialist
Bill Wong, Principal Deputy District Counsel

OTHERS PRESENT:

Mark Abramowitz, Governing Board Member Consultant (Lyou)
Tricia Almiron, SANBAG
Jason Gonsalves, Gonsalves & Son (teleconference)
Will Gonzalez, Gonzalez, Quintana & Hunter (teleconference)
Tom Gross, SCE
Stewart Harris, Carmen Group (teleconference)
Gary Hoitsma, Carmen Group (teleconference)
Chris Kierig, Kadesh & Associates (teleconference)
Rita Loof, RadTech
Margot Malarkey, Association of Amerian RRS
Mia O'Connell, Carmen Group (teleconference)
Andy Silva, Governing Board Assistant (Gonzales)
Lee Wallace, So. Cal Gas
Warren Weinstein, Kadesh & Associates (teleconference)

ATTACHMENT 2

AB 1720 (Bloom)

Vehicles: bus gross weight

Summary: This bill will extend a temporary exemption from the 20,500 lb. per axle limit to transit buses through 2015. Cleaner fuel systems, including compressed natural gas tanks, have been identified as a source of additional weight on the buses.

Background: Since 1975, state law has prohibited the gross weight on any single axle of a transit bus from exceeding 20,500 lbs. Due to numerous state and federal mandates, including mandated emissions reduction equipment, transit buses today often exceed that weight, especially when carrying a large number of passengers. According to the bill sponsor, the California Transit Association, as many as half of the transit buses in California operating at peak commute times may exceed the state weight limit of 20,500 lb per axle.

Several years ago, some local police departments began citing transit buses for violating the weight limit that was created over 35 years ago. Likewise, it would be costly and time consuming for transit agencies and other local governments to seek thousands of annual overweight vehicle permits. Moreover, increasing the weight limit for transit buses would lead to greater wear and tear on local streets and roads.

AB 1706 (Eng), Chapter 771, Statutes of 2012, provided a short-term solution to the bus axle weight issue by exempting all existing transit buses from the state weight limit. Additionally, it allowed for procurement of new buses exceeding the weight limit if they were replacing existing overweight buses or if the transit operator was introducing a new fleet class. The procurement provisions are scheduled to sunset at the end of the year.

The federal Transit Cooperative Research Program (TCRP), an arm of the Transportation Research Board backed by the National Academy of Sciences, is currently overseeing a detailed national study on the bus axle weight issue, which has been a subject of concern in California as well as nationwide. The final report, due in May 2014, could be slightly delayed. This bill extends the procurement provisions of AB 1706 for an additional year in order to provide adequate time for stakeholders to work out a permanent solution while ensuring that transit operators can continue to procure buses should it take beyond this year for an agreement to be reached.

Status: May 8: Read third time. Passed. Ordered to the Senate. (Ayes 71. Noes 0.)
In Senate. Referred to SEN Com. on Trans and Housing (June 17 hearing).

Specific Provisions:

Specifically, this bill:

- a) Extends for one more year, through 2015, interim transit bus procurement procedures under which transit agencies may procure potentially non-weight-limit-compliant buses.
- b) Allows, for one more year, through 2015, the governing board of a transit system to procure and operate new transit buses that could possibly exceed axle weight limits, under one of two circumstances:
 - If the new bus weighs the same or less than the bus it is replacing; or,
 - If the board makes a public finding that it must incorporate a new fleet class into its inventory, to serve a new or existing market differently, or to meet a statutory or regulatory requirement, after considering vehicle weight and size.
- c) Requires for one more year, through 2015, a transit agency board of directors so procuring transit buses, to provide notice of the pending public hearing at which such procurement decision will be made, to the cities and counties on whose roads the new buses would travel, and to place in the public record any comment of concern the board receives about the procurement.

Discussion: This legislation would help avoid any potential delay in the transition to cleaner fuel transit buses. SCAQMD has supported the use of cleaner fuel in transit buses as a strategy to meet air quality standards, and this bill will provide additional time to study the bus weight issue.

Recommended Position: **SUPPORT**

Support:

California Transit Association (sponsor)
Orange County Transportation Authority
Los Angeles County Metropolitan Transportation Authority
Transportation Authority of Marin
California State Association of Counties

Opposition:

Unknown

ASSEMBLY BILL

No. 1720

Introduced by Assembly Member Bloom

February 13, 2014

An act to amend Section 35554 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 1720, as introduced, Bloom. Vehicles: bus gross weight.

Existing law generally prohibits a publicly owned or operated transit system from procuring a transit bus whose weight on any single axle exceeds 20,500 pounds. Existing law, until January 1, 2015, exempts from this prohibition a transit system that is procuring a new bus that is of the same or lesser weight than the bus it is replacing, or if it is incorporating a new fleet class into its inventory and its governing board makes certain findings.

This bill would extend the operation of those exceptions until January 1, 2016.

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

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

- 1 SECTION 1. Section 35554 of the Vehicle Code, as amended
- 2 by Section 3 of Chapter 771 of the Statutes of 2012, is amended
- 3 to read:
- 4 35554. (a) (1) Notwithstanding Section 35550, the gross
- 5 weight on any one axle of a bus shall not exceed 20,500 pounds.

(2) A transit bus procured through a solicitation process pursuant to which a solicitation was issued before January 1, 2013, or ~~though~~ *through* a solicitation process pursuant to subdivision (d) is not subject to this subdivision.

(b) A transit bus is not subject to Section 35550.

(c) A transit bus shall not operate on the Dwight D. Eisenhower System of Interstate and Defense Highways in excess of the weight limitation for transit buses specified in federal law.

(d) (1) A publicly owned or operated transit system or an operator of a transit system under contract with a publicly owned or operated transit system shall not procure, through a solicitation process pursuant to which a solicitation is issued on or after January 1, 2013, a transit bus whose *gross* weight on any single axle exceeds 20,500 pounds except as follows:

(A) It may procure and operate a new bus ~~exceeding whose gross weight exceeds~~ 20,500 pounds *on any single axle* that is of the same or lesser *gross weight per axle* than the bus it is replacing.

(B) It may procure and operate a new transit bus ~~exceeding whose gross weight exceeds~~ 20,500 pounds *on any single axle* in order to incorporate a new fleet class into its inventory if its governing board adopts a finding at a public hearing that the fleet class expansion or change in fleet classes is necessary to address a need to serve a new or existing market pursuant to its most recently adopted short-range transit plan, or to meet a federal, state, or regional statutory or regulatory requirement, and includes a consideration of vehicle needs and fleet size.

(2) If the governing board of the publicly owned or operated transit system holds a public hearing to consider a procurement made pursuant to subparagraph (A) or (B) of paragraph (1), the board shall provide written notice to those cities and counties on whose roads the bus would travel of the public hearing at which this procurement is to be considered and shall place in the public record any comment of concern the board receives about the procurement.

(3) For purposes of this subdivision “fleet class” means a group of transit buses designated by a publicly owned or operated transit system or an operator under contract with a publicly owned or operated transit system that owns those transit buses, if the transit buses have a combination of two or more of the following similar defining characteristics:

- 1 (A) Length.
- 2 (B) Seating capacity.
- 3 (C) Number of axles.
- 4 (D) Fuel or power system.
- 5 (E) Width.
- 6 (F) Structure.
- 7 (G) Equipment package.

8 (e) This section shall remain in effect only until January 1, ~~2015~~
9 ~~2016~~, and as of that date is repealed, unless a later enacted statute,
10 that is enacted before January 1, ~~2015~~ ~~2016~~, deletes or extends
11 that date.

12 SEC. 2. Section 35554 of the Vehicle Code, as added by
13 Section 4 of Chapter 771 of the Statutes of 2012, is amended to
14 read:

15 35554. (a) (1) Notwithstanding Section 35550, the gross
16 weight on any one axle of a bus shall not exceed 20,500 pounds.

17 (2) A transit bus procured through a solicitation process pursuant
18 to which a solicitation was issued before January 1, 2013, is not
19 subject to this subdivision.

20 (b) A transit bus is not subject to Section 35550.

21 (c) This section shall become operative on January 1, ~~2015~~
22 ~~2016~~.

AB 1857 (Frazier)

Department of Transportation: vehicle and equipment procurement.

Summary: This bill would establish a four-year pilot program at the California Department of Transportation (Caltrans) to test the effectiveness of the "best value" procurement method for purchasing and equipping heavy mobile fleet vehicles and special equipment. This method would allow Caltrans to consider value-related considerations in addition to lowest responsible bid. Such additional considerations would include overall life-cycle costs related to operations and maintenance, including initial price, equipment performance, fuel efficiency, and warranty benefits.

Background: Existing law requires Caltrans to purchase heavy equipment, such as large dump trucks, graders, snow removal equipment, loaders, and other construction equipment, using the standard lowest responsible bid procurement process. The author argues that while this method provides a clear and objective measure to ensure the lowest initial procurement cost, it forces Caltrans, when purchasing heavy mobile fleet vehicles and special equipment, to select the lowest bidder regardless of whether or not the equipment being purchased performs better, gets better gas mileage, has fewer greenhouse gas (GHG) emissions, has improved warranties, or has higher salvage or resale value. The author argues that as a result, Caltrans is often forced to work with less than adequate equipment, unreliable suppliers, limited warranties and performance, and higher than normal maintenance costs. This, in turn, increases costs and adversely affects Caltrans' ability to operate at peak performance to complete critical work with minimal disruption to the travelling public.

Status: 6/24/14 – Senate Transportation and Housing Committee Hearing

Specific Provisions: Specifically, this bill would:

- 1) Authorize Caltrans to purchase and equip heavy mobile fleet vehicles and special equipment using the "best value" procurement method.
- 2) Define "best value" procurement as a method of selecting a proposal based on an evaluation of the following factors in addition to price:
 - a) Total cost of ownership, including warranty, under which all repair costs are covered by the provider, other repair costs, maintenance costs, fuel consumption, and salvage value;
 - b) Product performance, productivity, and safety standards;
 - c) The supplier's ability to perform to contract requirements; and,
 - d) Environmental benefits, including reduction of GHG emissions, criteria pollutant emissions, or of toxic or hazardous materials.
- 3) Limit total procurements using the "best value" procurement method to \$20 million annually.

- 4) Require, on June 1, 2018, the Department of General Services (DGS) to prepare an evaluation of the "best value" procurement pilot, including a recommendation on whether or not the process should be continued by Caltrans.
- 5) Require the DGS evaluation to be posted on Caltrans' Internet Web site by June 30, 2018.
- 6) Sunset and repeal these provisions on January 1, 2019.

Discussion:

This bill would allow Caltrans to consider the environmental benefits, including reduction of GHG emissions, criteria pollutant emissions, or of toxic or hazardous materials, as part of the selection criteria, when it comes to purchasing and equipping heavy mobile fleet vehicles and special equipment. Such a provision could help increase the number of alternative fuel vehicles in that fleet, and thereby reduce harmful air pollutant emissions in the South Coast region. Thus, this bill is consistent with the SCAQMD policy priorities focused on reducing mobile source pollution, including from heavy duty vehicles such as construction equipment.

Recommended Position: SUPPORT

Support:

Transportation California (Sponsor)
AFSCME
CA Manufacturers & Technology Assn
CalTax
Caterpillar, Inc.
John Deere & Company

Opposition:

Unknown

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1857

Introduced by Assembly Member Frazier

February 19, 2014

An act to add and repeal Section 140.2 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1857, as amended, Frazier. Department of Transportation: vehicle and equipment procurement.

Existing law generally requires public contracts to be awarded by competitive bidding pursuant to procedures set forth in the Public Contract Code, subject to certain exceptions.

Until January 1, 2019, this bill would authorize the Department of Transportation to purchase and equip heavy mobile fleet vehicles and special equipment by means of best value procurement, as defined, subject to an annual limitation of \$20,000,000. The bill would require the ~~department to report to the Legislature~~ *Department of General Services to prepare an evaluation* with regard to this process, as specified.

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

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

- 1 SECTION 1. Section 140.2 is added to the Streets and
2 Highways Code, to read:

1 140.2. (a) Notwithstanding any other law, except Section
2 13332.09 of the Government Code, the department may purchase
3 and equip heavy mobile fleet vehicles and special equipment by
4 means of best value procurement. As used in this section, “best
5 value procurement” means a method of selecting a proposal based
6 on an evaluation of the following factors in addition to price:

7 (1) Total cost of ownership, including warranty, under which
8 all repair costs are borne solely by the warranty provider, repair
9 costs, maintenance costs, fuel consumption, and salvage value.

10 (2) Product performance, productivity, and safety standards.

11 (3) The supplier’s ability to perform to the contract requirements.

12 (4) Environmental benefits, including reduction of greenhouse
13 gas emissions, reduction of air pollutant emissions, or reduction
14 of toxic or hazardous materials.

15 (b) In addition to disclosure of the minimum requirements for
16 qualification, the solicitation document provided to a prospective
17 bidder shall specify that one or more of the factors described in
18 subdivision (a), as applicable to the bidder’s product, shall be given
19 a weighted value. The department shall then utilize a scoring
20 method based on those factors and price in determining the
21 successful bid.

22 (c) Best value procurements shall be limited to twenty million
23 dollars (\$20,000,000) annually.

24 ~~(d) On or before October 1, 2018, the department shall submit~~
25 ~~a report to the Legislature that includes an evaluation of the best~~
26 ~~value procurement bidding process~~ *June 1, 2018, the Department*
27 *of General Services shall prepare an evaluation of the best value*
28 *procurement pilot authorized by this section, including a*
29 *recommendation on whether or not the process should be continued*
30 *at the Department of Transportation. The evaluation shall be*
31 *posted on the Department of Transportation’s Internet Web site*
32 *on or before June 30, 2018.*

33 (e) This section shall remain in effect only until January 1, 2019,
34 and as of that date is repealed, unless a later enacted statute, that
35 is enacted before January 1, 2019, deletes or extends that date.

AB 2565 (Muratsuchi)

Rental property: electric vehicle charging stations.

Summary: This bill would allow a commercial or residential tenant to install an electric vehicle charging station in a leased parking space if the tenant is willing to pay for all the costs associated with installation and operation of the charging station.

Background: According to a 2012 study completed by the California Center for Sustainable Energy in coordination with the California Air Resources Board (CARB), Californians own more than 12,000 plug-in EVs, roughly 35% of all plug-in vehicles in the United States. Approximately 1,000 new plug-in vehicles are being sold in the state every month.

In 2012, the Governor issued an Executive Order directing CARB, the California Energy Commission, the California Public Utilities Commission, and other relevant agencies working with the Plug-in Electric Vehicle Collaboration and the Fuel Cell Partnership to develop benchmarks to help support and facilitate the rapid commercialization of zero-emission vehicles. The order directed these agencies to establish benchmarks to help the state's zero-emission vehicle infrastructure support 1.5 million EVs by 2025. The Office of Planning and Research and the State Architect published guidelines to address physical accessibility standards and design guidelines for the installation of plug-in EV charging stations throughout California. These guidelines are voluntary and apply to public and private sites and eventually could become regulations within the California Building Code.

According to ChargePoint, Inc. (ChargePoint), the bill's sponsor, EV charging infrastructure is not keeping up with electric vehicle adoption. In 2013, there were 75,000 EVs registered in California and 7,542 charging ports for a ratio of nearly 10 vehicles for every port, causing congestion at charging stations. The sponsor states that individual businesses have realized the financial and environmental incentive of offering EV charging. By offering EV charging, an employer can give employees the equivalent of a 5% raise through reduced fuel and maintenance costs and time saved through HOV lane access. Further, 41% of California residents live in multi-family housing. The sponsor contends that without the ability to charge at home, Californians are unlikely to purchase EVs and therefore do not get the benefits which include saving thousands on gas and maintenance costs and helping the environment.

Status: 5/29/14 In Senate. Read first time. To Com. on RLS. for assignment.

Specific Provisions: Specifically, this bill would:

- 1) Make a term in a lease of a commercial or residential property, executed, renewed, or extended on or after January 1, 2015, void and unenforceable if it prohibits or unreasonably restricts the installation of an EV charging station in a parking space.
- 2) Define "reasonable restrictions" or "reasonable standards" as restrictions or standards that do not significantly increase the cost of the EV charging station, its installation, or significantly decrease the charging station's efficiency or performance.
- 3) Exempt the following types of properties from the bill:
 - a) Commercial property where EV charging stations already exist for use by tenants in a ratio that is equal to or greater than two available parking spaces for every 100 parking spaces;
 - b) Commercial properties with less than 50 parking spaces; and
 - c) Residential properties with less than five rental units.
- 4) Require that the lessee is responsible for the following:
 - a) Costs for damage to property and the EV charging station resulting from the installation, maintenance, repair, removal, or replacement of the EV charging station;
 - b) Costs for maintenance, repair, and replacement of the EV charging station; and
 - c) The cost of electricity associated with the EV charging station.
 - d) Maintain lessee liability coverage for \$1,000,000 naming the lessor as an additional insured under the policy with a right to notice of cancellation and property insurance covering any damage or destruction caused by the EV charging station.

Discussion: In order to address the lack of EV infrastructure, this bill seeks to remove an impediment to charging station installation. Currently, property owners may refuse to allow the installation of a charging station even if the commercial or residential tenant is willing to pay for the installation and operation of the station. This bill would remove this impediment by stating that a property owner cannot unreasonably deny a tenant the ability to install a charging station if the tenant is willing to pay for all expenses related to the installation and operation of the station.

This bill would be in line with the SCAQMD's policy priorities for reducing air pollution within the region, especially from mobile sources, through the development and deployment of clean transportation technology, i.e. clean vehicles and infrastructure.

Recommended Position: SUPPORT

Support:

ChargePoint, Inc. (Sponsor)
CalSTART

South Coast Air Quality Management District
Legislative Analysis Summary – AB 2565 (Muratsuchi)
Bill Version: As amended on May 27, 2014
PC – June 4, 2014

National Electrical Manufacturers Association
Plug-in America
Powertree Services Inc.
California Energy Storage Alliance

Opposition:

California Business Property Owners Association et al

JUNE 13, 2014 LEGISLATIVE COMMITTEE RECOMMENDATION:

The committee members rejected staff's recommended position of Support and, instead approved moving AB 2565 to the full Board without a recommendation.

AMENDED IN ASSEMBLY MAY 27, 2014

AMENDED IN ASSEMBLY APRIL 21, 2014

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2565

Introduced by Assembly Member Muratsuchi

February 21, 2014

An act to add ~~Section~~ *Sections 1947.6 and 1952.7* to the Civil Code, relating to tenancy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2565, as amended, Muratsuchi. Rental property:—~~electronic~~ *electric* vehicle charging stations.

Existing law generally regulates the hiring of real property.

This bill would require a lessor of a dwelling to approve a written request of a lessee to install an electric vehicle charging station at the lessee's designated parking space if the electric vehicle charging station and all modifications and improvements made to the leased premises meet all applicable health and safety standards and requirements imposed by federal, state, and local law, and all applicable zoning requirements, land use requirements, and covenants, conditions, and restrictions, the lessee's written request to make a modification to the leased premises in order to install and use an electric vehicle charging station includes his or her consent to enter into a written agreement including specified provisions, including compliance with the lessor's requirements for the installation, use, and removal of the charging station and installation of the infrastructure for the charging station,

and the lessee maintains in full force and effect a \$1,000,000 lessee liability coverage policy, as specified.

Existing law regulates the terms and conditions of residential and commercial tenancies. Existing law defines and regulates common interest developments and voids any condition affecting the transfer or sale of an interest in a common interest development that prohibits or unreasonably restricts the installation or use of an electric vehicle charging station in a designated parking space in the development, as specified.

~~This bill would void any term in a lease, contract, or other instrument affecting the lease of lease renewed or extended on or after January 1, 2015, that conveys any possessory interest in commercial or residential property that either effectively prohibits or unreasonably restricts, as defined, the installation or use of an electric vehicle charging station in a lessee's designated parking space or a parking space in a common area or that is otherwise in conflict with its provisions. associated with the commercial or residential property. The bill would prescribe requirements for lessor approval of a lessee request to install or use an electronic vehicle charging station and would require that a lessor approve a request to install a charging station if the lessee agrees in writing to do specified acts, including paying for various costs associated with the charging station and maintaining insurance naming the lessee lessor as an insured. The bill would provide that a lessor that willfully violates its provisions is liable to a lessee applying to install the electric vehicle charging station for actual damages and a civil penalty not to exceed \$1,000. The bill would require, in any action to enforce compliance with these provisions, that a prevailing plaintiff be awarded reasonable attorney's fees.~~

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

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

- 1 SECTION 1. Section 1947.6 is added to the Civil Code, to read:
- 2 1947.6. (a) A lessor of a dwelling shall approve a written
- 3 request of a lessee to install an electric vehicle charging station
- 4 at the lessee's designated parking space in accordance with this
- 5 section and in the same manner as a lessee's request to make a
- 6 modification to the leased premises.

1 ***(b) This section does not apply to residential rental properties***
2 *where an electric vehicle charging station has already been*
3 *installed or where parking is not provided as part of the lease*
4 *agreement.*

5 ***(c) For purposes of this section, “electric vehicle charging***
6 *station” or “charging station” means an electric vehicle supply*
7 *equipment station that is designed and built in compliance with*
8 *the Article 625 of the National Electrical Code, as it reads on the*
9 *effective date of this section, and delivers electricity from a source*
10 *outside an electrical vehicle into a plug-in electrical vehicle.*

11 ***(d) An electric vehicle charging station and all modifications***
12 *and improvements made to the leased premises shall meet all*
13 *applicable health and safety standards and requirements imposed*
14 *by federal, state, and local law, and all applicable zoning*
15 *requirements, land use requirements, and covenants, conditions,*
16 *and restrictions.*

17 ***(e) A lessee’s written request to make a modification to the***
18 *leased premises in order to install and use an electric vehicle*
19 *charging station shall include, but is not limited to, his or her*
20 *consent to enter into a written agreement that includes, but is not*
21 *limited to, the following:*

22 ***(1) Compliance with the lessor’s requirements for the***
23 *installation, use, and removal of the charging station and*
24 *installation of the infrastructure for the charging station.*

25 ***(2) Compliance with the lessor’s requirements for the lessee to***
26 *provide an analysis of the financial and physical feasibility of the*
27 *installation of the charging station and its infrastructure.*

28 ***(3) Obligation of the lessee to pay the lessor all costs associated***
29 *with installing the charging station and its infrastructure prior to*
30 *any modification or improvement being made to the leased*
31 *premises. The costs associated with installation shall include, but*
32 *are not limited to, written identification of how, where, and when*
33 *the modifications and improvements will be made, and the permits,*
34 *construction contracts, performance bond, and assessments*
35 *identified for the proposed modifications.*

36 ***(4) Obligation of the lessee to pay for the costs associated with***
37 *the electrical usage of the charging station, damage, maintenance,*
38 *repair, removal, and replacement of the charging station, and*
39 *modifications or improvements made to the leased premises*
40 *associated with the charging station.*

1 (f) *The lessee shall maintain in full force and effect a lessee*
2 *liability coverage policy in the amount of one million dollars*
3 *(\$1,000,000) and shall name the lessor as a named additional*
4 *insured under the policy commencing with the date of approval of*
5 *construction until the lessee forfeits possession of the dwelling to*
6 *the lessor.*

7 **SECTION 1.**

8 **SEC. 2.** Section 1952.7 is added to the Civil Code, to read:

9 1952.7. (a) (1) ~~Any term in a lease, contract, security~~
10 ~~instrument, or other instrument affecting the lease of any lease~~
11 ~~that is executed, renewed, or extended on or after January 1, 2015,~~
12 ~~that conveys any possessory interest in commercial or residential~~
13 ~~property that either effectively prohibits or unreasonably restricts~~
14 ~~the installation or use of an electric vehicle charging station in a~~
15 ~~lessee's designated parking space, including, but not limited to,~~
16 ~~an assigned parking space, a parking space in a common area, or~~
17 ~~a parking space that is specifically designated for use by a particular~~
18 ~~lessee, or is parking space associated with the commercial or~~
19 ~~residential property, or that is otherwise in conflict with the~~
20 provisions of this section, is void and unenforceable.

21 (2) This subdivision does not apply to provisions that impose
22 reasonable restrictions on the installation of electric vehicle
23 charging stations. However, it is the policy of the state to promote,
24 encourage, and remove obstacles to the use of electric vehicle
25 charging stations.

26 (3) *This subdivision shall not grant the holder of a possessory*
27 *interest under the lease described in paragraph (1) the right to*
28 *install electric vehicle charging stations in more parking spaces*
29 *than are allotted to the lease holder in his or her lease, or, if no*
30 *parking spaces are allotted, a number of parking spaces determined*
31 *by multiplying the total number of parking spaces located at the*
32 *commercial or residential property by a fraction, the numerator*
33 *of which is the total rentable square feet at the property, and the*
34 *denominator of which is the number of total square feet rented by*
35 *the lease holder.*

36 (4) *If the installation of an electric vehicle charging station has*
37 *the effect of granting the lease holder a reserved parking space*
38 *and a reserved parking space is not allotted to the lease holder in*
39 *the lease, the owner of the commercial or residential property may*
40 *charge a reasonable monthly rental amount for the parking space.*

1 **(b)** *This section shall not apply to any of the following:*

2 **(1)** *A commercial property where charging stations already*
3 *exist for use by tenants in a ratio that is equal to or greater than*
4 *two available parking spaces for every 100 parking spaces at the*
5 *commercial property.*

6 **(2)** *A commercial property where there are less than 50 parking*
7 *spaces.*

8 **(3)** *A residential property where there are less than 5 parking*
9 *spaces.*

10 ~~**(b)**~~

11 **(c)** For purposes of this section:

12 **(1)** “Electric vehicle charging station” or “charging station”
13 means a station that is designed in compliance with ~~the California~~
14 ~~Building Standards Code Article 625 of the National Electrical~~
15 *Code, as it reads on the effective date of this section*, and delivers
16 electricity from a source outside an electric vehicle into one or
17 more electric vehicles.

18 **(2)** “Reasonable costs” includes, but is not limited to, costs
19 associated with those items specified in the “Permitting Checklist”
20 of the “Zero-Emission Vehicles in California: Community
21 Readiness Guidebook” published by the Office of Planning and
22 Research.

23 ~~**(2)**~~

24 **(3)** “Reasonable restrictions” or “reasonable standards” are
25 restrictions or standards that do not significantly increase the cost
26 of the electric vehicle charging station or its installation or
27 significantly decrease the charging station’s efficiency or specified
28 performance.

29 ~~**(e)**~~

30 **(d)** An electric vehicle charging station shall meet applicable
31 health and safety standards and requirements imposed by state and
32 local authorities as well as all other applicable zoning, land use,
33 or other ordinances, or land use permit requirements.

34 ~~**(d)**~~

35 **(e)** If lessor approval is required for the installation or use of an
36 electric vehicle charging station, the application for approval ~~shall~~
37 ~~be processed and approved by the lessor in the same manner as an~~
38 ~~application for approval of a lessee modification to the property;~~
39 ~~and shall not be willfully avoided or delayed. The approval or~~
40 ~~denial of an application shall be in writing. If an application is not~~

1 ~~denied in writing within 60 days from the date of receipt of the~~
2 ~~application, the application shall be deemed approved, unless that~~
3 ~~delay is the result of a reasonable request for additional~~
4 ~~information.~~

5 ~~(e)~~

6 (f) An electric vehicle charging station installed by a lessee shall
7 satisfy the following provisions:

8 (1) If lessor approval is required, the lessee first shall obtain
9 approval from the lessor to install the electric vehicle charging
10 station and the lessor shall approve the installation if the lessee
11 *complies with the applicable provisions of the lease consistent*
12 *with the provisions of this section and* agrees in writing to do all
13 of the following:

14 (A) Comply with the lessor's reasonable standards for the
15 installation of the charging station.

16 (B) Engage a licensed contractor to install the charging station.

17 (C) Within 14 days of approval, provide a certificate of
18 insurance that names the lessor as an additional insured under the
19 lessee's insurance policy in the amount set forth in paragraph (3).

20 ~~(D) Pay for the electricity usage associated with the charging~~
21 ~~station.~~

22 (2) The lessee shall be responsible for all of the following:

23 (A) Costs for damage to property and the charging station
24 resulting from the installation, maintenance, repair, removal, or
25 replacement of the charging station.

26 (B) Costs for the maintenance, repair, and replacement of the
27 charging station.

28 (C) The cost of electricity associated with the charging station.

29 (3) The lessee at all times, shall maintain a lessee liability
30 coverage policy in the amount of one million dollars (\$1,000,000),
31 and shall name the lessor as a named additional insured under the
32 policy with a right to notice of ~~cancellation~~. *cancellation and*
33 *property insurance covering any damage or destruction caused*
34 *by the charging station, naming the lessor as its interests may*
35 *appear.*

36 ~~(f) Except as provided in subdivision (g), installation of an~~
37 ~~electric vehicle charging station for the exclusive use of a lessee~~
38 ~~in a common area, that is not an exclusive use common area, shall~~
39 ~~be authorized by the lessor if installation in the lessee's designated~~
40 ~~parking space is impossible or unreasonably expensive and the~~

1 lessor complies with the requirements in subdivision (e). In this
2 case, the lessor shall enter into a license agreement with the lessee
3 for the use of the space in the common area.

4 ~~(g) The lessor or the lessee may install an electric vehicle~~
5 ~~charging station in the common area for the use of all lessees of~~
6 ~~the lessor and, in that case, the lessor shall develop appropriate~~
7 ~~terms of use for the charging station.~~

8 ~~(h)~~

9 (g) A lessor ~~may~~ *may, in its sole discretion,* create a new parking
10 space where one did not previously exist to facilitate the installation
11 of an electric vehicle charging station. *station, in compliance with*
12 *all applicable laws.*

13 ~~(i) A lessor that willfully violates this section shall be liable to~~
14 ~~the lessee applying to install the electric vehicle charging station~~
15 ~~for actual damages, and shall pay a civil penalty to the lessee in~~
16 ~~an amount not to exceed one thousand dollars (\$1,000). In any~~
17 ~~action to enforce compliance with this section, the prevailing~~
18 ~~plaintiff shall be awarded reasonable attorney's fees.~~

19 (h) *Any installation by a lessor or a lessee of an electric vehicle*
20 *charging station in a common interest development is also subject*
21 *to all of the requirements of subdivision (f) of Section 4745 of the*
22 *Civil Code.*

ATTACHMENT 3

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

LEGISLATIVE REPORT FROM HOME RULE ADVISORY GROUP MEETING OF MAY 20, 2014

HRAG members present:

Dr. Joseph Lyou, Chairman

Elizabeth Adams, EPA (participated by phone)

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

Chris Gallenstein, CARB (participated by phone)

Jayne Joy, Eastern Municipal Water District

Bill LaMarr, California Small Business Alliance

Joy Langford, Vasari Energy Capital

Rongsheng Luo, SCAG (participated by phone)

Susan Nakamura on behalf of Dr. Elaine Chang, SCAQMD

Bill Quinn, CCEEB (participated by phone)

David Rothbart, Los Angeles County Sanitation Districts

Larry Rubio, Riverside Transit Agency (participated by phone)

Lee Wallace, So Cal Gas and SDG&E

SCAQMD staff: Jill Whynot, Bill Wong, and Marilyn Traynor (Philip Crabbe participated by phone)

LEGISLATIVE UPDATE

Philip Crabbe provided a report on items that were discussed at the Legislative Committee meeting on May 9, 2014.

Federal

The consultants provided updates on MAP-21, the Grow America Act, and DERA program funding opportunities. The consultants also reported on the following federal issues:

Shaheen-Portman Energy Efficiency Bill

SCAQMD took a prior position of support on this bill, which has been amended to include additional energy efficiency provisions. Despite broad bipartisan support, controversies regarding the bill may block any vote on it.

Draft Surface Transportation Reauthorization Bill

The Senate Environment and Public Works (EPW) Committee released their draft surface transportation reauthorization bill on May 12, 2014, and the Senate Finance Committee held a recent hearing exploring possible funding options for the bill. The Senate Commerce Committee also held a recent hearing on a number of rail and freight proposals in relation to the MAP-21 reauthorization. EPW Committee Chair, Senator Barbara Boxer, has indicated that she is going to support a simple extension of the current surface transportation bill.

Zero Emissions Goods Movement Funding

SCAQMD and port staffs are exploring possibilities for funding which are currently available as part of Fiscal Year 2014 zero emissions goods movement appropriations grant funding.

State

The consultants provided an update on the following state issues:

SB 1275 (DeLeon), the “Charge Ahead Initiative”

The goal of this bill is to place a million electric or partial electric vehicles on California roads by 2023. There is a large coalition of support for this bill. The funds for the bill will most likely come from cap-and-trade auction revenue. However, funding issues will ultimately be decided when the state budget is negotiated.

SB 1204 (Lara)

This bill deals with funding clean truck, bus, and off-road equipment to help with the development of zero and near-zero emission medium-duty vehicles. The bill is criticized as being too similar to the AB 118 program. A focus of the bill is to ensure that moderate and lower income communities benefit from the clean vehicle program in the bill.

AB 2013 (Muratsuchi)

This bill would increase the number of stickers available for partial zero-emission vehicles, which allow single occupancy driving of those stickered vehicles in the HOV lane. The stickers would increase from 40,000 to 85,000. After a delay, the bill has now passed through the Assembly and is headed to the Senate.

SB 1139 (Hueso)

This recently amended bill deals with geothermal power. The bill passed through the Senate Energy Committee and is headed to the Senate Appropriations Committee for hearing.

The state consultants also reported on the May Budget Revise and a special session called by the Governor related to the “rainy day fund.” The Governor and legislative leadership reached an agreement which includes increasing deposits when the state experiences spikes in capital gains, raising the size of the “rainy day fund” to 10% of the General Fund and creating a Proposition 98 reserve for education, among other things. This item will be voted on by the Legislature and then, if passed, will ultimately be placed on the ballot for the voters to decide in November.

On May 12, 2014, Toni Atkins became California Assembly Speaker. The transition of Senator Kevin de León to replace Senate President pro Tem Darrell Steinberg as leader of the Senate is expected later this year.

Senator Steinberg has devised a long-term investment strategy for cap-and-trade revenue funds, estimated to be approximately \$5 billion. The proposed strategy represents the emerging Senate plan on the topic; however, the Senate is still negotiating this issue of how cap-and-trade revenue should be spent. The plan designates the following percentages for about \$4.4 billion of the overall pot of funds: 20% of the funds for affordable housing; 20% for sustainable communities; 30% for transit; 20% for high-speed rail; and 10% for highway and road rehabilitation. The remaining funds are broken up into four categories as follows: \$200 million annually for natural resource, water and waste; \$200 million annually for climate dividend for transportation fuel consumers; \$200 million annually for the Charge Ahead Initiative; and \$10 million annually for green bank funding.

SCAQMD staff provided an update on AB 2242 (Perea) regarding the Air Quality Improvement Program (AQIP). As a result of this bill, the Legislative Committee discussed and adopted “Principles Regarding SCAQMD’s Position on Funding Related Issues.”

The Legislative Committee also took action on the following bills:

Bill	Action
AB 1499 (Skinner) Electricity: Self-Generation Incentive Program (<i>rate payer</i>)	Support
AB 1624 (Gordon) Self-Generation Incentive Program (<i>cap-and-trade revenue</i>)	Support
SB 1265 (Hueso) State Vehicle Fleet Purchases: Minimum Fuel Economy Standard	Support
AB 1330 (Pérez) Environmental Justice-Guidance on legislative language	Approval in Concept

Discussion on State Issues

With regard to the long-term investment strategy for cap-and-trade revenue, Mr. Rothbart commented that stationary sources would like to see the green bank funding increased for advancing new technology.