

BOARD MEETING DATE: December 6, 2019

AGENDA NO. 20

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a meeting on Friday, November 8, 2019. The following is a summary of the meeting.

Agenda Item	Recommendation/Action
2020 Legislative Goals and Objectives	APPROVE

RECOMMENDED ACTION:  
Receive and file.

Judith Mitchell, Chair  
Legislative Committee

DJA:LTO:PFC:sg

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**Committee Members**

Present: Mayor Judith Mitchell/Chair  
Dr. William A. Burke (videoconference)  
Senator Vanessa Delgado (Ret.) (videoconference)  
Supervisor Janice Rutherford (videoconference)

Absent: Council Member Joe Buscaino/Vice Chair  
Supervisor V. Manuel Perez

**Call to Order**

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

**DISCUSSION ITEMS:**

**1. Update on Federal Legislative Issues**

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

Mr. Mark Kadesh, of Kadesh & Associates reported that Representative Anna Eshoo introduced, H.R. 4924, the “Smoke Planning and Research Act” to help address public health effects related to wildfires. He reported that Representative Eshoo is the senior Democratic member of the House Energy and Commerce Committee and Chair of the Subcommittee on Health. Mr. Kadesh stated that South Coast AQMD lent support to Representative Eshoo’s legislative efforts resulting in 24 co-sponsors for the bill. Additionally, Mr. Kadesh added that the bill includes \$50 million for a grant program to assist entities like local air pollution control districts to plan and respond to wildfire smoke, including mitigation.

Mr. Kadesh also advised that it is unlikely that Congress will complete action on the Fiscal Year 2020 Appropriations bills by the end of the Continuing Resolution set to expire on November 21, 2019. He stated that Congress will likely extend the Continuing Resolution to right before the Christmas holiday as a deadline to complete action on the spending bills which include funding for the Diesel Emission Reductions Act, Targeted Airshed Grants and Section 103/105 for air quality.

Mr. Dal Harper of Carmen Group reported that there were no substantive updates from the written report.

Ms. Amelia Jenkins of Cassidy & Associates introduced Ms. Angela Ebner—a new member of their team—who will be assisting with South Coast AQMD issues. Ms. Jenkins reported that she would defer to the written report in the interest of time.

## **2. Update on State Legislative Issues**

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

Mr. Paul Gonsalves of Joe A. Gonsalves & Son reported that there were no substantive updates to his written report.

Mr. David Quintana of Quintana Watts and Hartmann reported that there were no substantive updates to his written report.

Mr. Ross Buckley of California Advisors, LLC informed the Committee that on November 1 Senator Jeff Stone of Riverside County resigned from the California Senate to take a federal appointment.

## **3. Recommend 2020 Legislative Goals and Objectives**

Mr. Philip Crabbe, Public Affairs Manager, presented on the proposed state legislative goals and objectives for 2020. Mr. Crabbe reported to the Committee that the proposed State Legislative Goals include the following:

- Seeking new and increasing existing funding sources for clean air programs and priorities that protect public health and ensure attainment of state and federal air quality standards, with a focus on incentive programs that support the 2016 AQMP. Mr. Crabbe stated that the South Coast AQMD's legislative priority in 2020, SB 732 (Allen), which is moving forward in January, is very much in line with this goal;
- Protecting South Coast AQMD authority to implement clean air policies and programs;
- Working to ensure that the state government does its fair share to reduce air pollution by providing legislative, funding, and regulatory support to the South Coast AQMD to facilitate implementation of the 2016 AQMP and attainment of federal air quality standards;
- Supporting legislation and funding to promote environmental justice initiatives that: reduce localized health risks from criteria pollutant and toxic air emissions, and expand access to clean air technology to disadvantaged communities. This includes securing the necessary resources to implement the South Coast AQMD's responsibilities created by AB 617;
- Supporting policies and funding that promote the development and deployment of zero and near-zero emission infrastructure, equipment, and vehicles;
- Supporting efforts directing that the Greenhouse Gas Reduction Fund provide a sustainable funding source to maximize criteria pollutant and toxic emission reduction co-benefits;
- Supporting energy efficiency, demand reduction, and reliable, cost effective and clean energy for the South Coast region; and
- Supporting legislation, policies and administrative actions that encourage job retention and creation, and promote economic growth, while working toward attainment of clean air standards.

Ms. Lisa Tanaka O'Malley, Senior Public Affairs Manager, presented on the proposed federal legislative goals and objectives for 2020. Ms. Tanaka O'Malley reported to the Committee that the proposed Federal Legislative Goals for 2020 are largely the same as those in 2019 and focus on:

- Attainment of federal clean air standards;
- Federal fair share in reducing sources of air pollution;
- Clean Trucks Initiative;
- Corporate Average Fuel Economy (café) Standards;
- Protecting the California Waiver;
- Climate Change Initiatives; and
- Potential Transportation and Infrastructure legislation.

**Staff recommended a position of APPROVE on this item.**

Moved by Burke; seconded by Delgado; unanimously approved

Ayes: Burke, Delgado, Mitchell, Rutherford

Noes: None

Abstain: None

Absent: Buscaino, Perez

**4. Update on Legislation Regarding Voting District Authorization for Clean Air**

Staff provided an update regarding South Coast AQMD-sponsored legislation, SB 732 (Allen), relating to the authorization of a voting district within the South Coast region to allow for potential ballot funding measures within the District.

Mr. Derrick Alatorre, Deputy Executive Officer/LPAM, reported that since the October Legislative Committee meeting, staff has continued to conduct outreach and education regarding SB 732 both in Sacramento and locally. Staff met with various stakeholders, including labor interests and various associations.

Based on input received and in order to increase legislative support for SB 732, staff has begun to pursue coauthors for the bill. As part of this effort, staff met with Assembly Member Wendy Carillo's office, Senator Maria Elena Durazo's office and with Assembly Member Eduardo Garcia. Additional meetings with state legislators and/or their staff are planned, including Senator Connie Leyva's office. South Coast AQMD staff will also continue to conduct outreach and provide education to stakeholders regarding SB 732.

Senator Delgado expressed her willingness to help with this legislation.

**5. Preliminary Spending Scenario for Potential South Coast Regional Funding Measure**

Ms. Sarah Rees, Assistant Deputy Executive Officer of Planning, Rule Development & Area Sources provided an overview regarding a preliminary spending scenario for any potential future funds generated from a sales tax measure within the South Coast region that could occur if SB 732 was passed into law, and a measure was placed on the ballot and ultimately adopted by voters.

Mr. Wayne Nastri, Executive Officer, informed the Committee that the legislative amendment language for SB 732 regarding an Oversight Committee was previously submitted to the Legislative Counsel in Sacramento, along with other proposed amendments, however it was not included in the bill at the end of session. Staff will be working to have this language included in the bill by the beginning of the new legislative session in January, or introduce a new bill if necessary, to ensure inclusion of this amendment.

Dr. Burke asked for clarification as to how ships and aircraft emissions would become a larger part of the emission inventory in future years, since the South Coast AQMD does not have authority over that. Ms. Rees responded that because SB 732 would generate incentive funding, no regulatory authority would be involved.

Dr. Burke asked who would administer any future funds received by the South Coast AQMD if SB 732 and a funding ballot measure are successful. Mr. Nastri responded that the South Coast AQMD would administer the new funds most likely through existing grant programs, primarily through the Science & Technology Advancement Office under Deputy Executive Officer, Dr. Matt Miyasato and his staff. Mr. Nastri added that there would also be efforts to work with cities and other organizations to assist in administering and deploying the funds more quickly, with the appropriate oversight mechanisms. Dr. Burke's support is contingent on ensuring efficient and responsible disbursement of funds. Mr. Nastri stated that staff would work on this issue to fully address the concerns expressed.

Senator Delgado asked how the money will be spent, and if that information is disseminated to stakeholders in order to get support at the local level. Mr. Alatorre responded that the spending scenario information would be shared with stakeholders that staff has previously met with, and with those that staff meets with in the future. Mr. Nastri commented that as part of the AQMP process, constant outreach and meetings with stakeholders are conducted that include discussion of these funding issues. Dr. Philip Fine, Deputy Executive Officer/ Planning, Rule Development & Area Sources, stated that the existing preliminary funding scenario analysis is based on the 2016 AQMP. As part of the upcoming 2022 AQMP, the funding analysis will be redone, and this will be vetted through the AQMP Advisory Group and any other stakeholders that are interested in being a part of that process. Dr. Fine stated that there are nearly 60 stakeholders that are part of the recently appointed AQMP Advisory Group, and they include representatives from all sectors, including environmental, business, and labor groups, as well as local government officials.

Senator Delgado suggested that business groups will be supportive of SB 732 if they fully understood that the alternative to this incentive funding approach is direct regulation. She asked if staff is planning to reach out to business interests on this topic. Mr. Alatorre responded in the affirmative.

Mayor Mitchell asked whether financial incentives will also be available for stationary sources. Dr. Fine responded that financial incentives for stationary sources were included within the 2016 AQMP and will likely be targeted towards the residential and commercial building sector. These are considered cost effective and will be included in the future AQMP; however, funding for stationary sources will be less than incentive funding for mobile sources.

Mayor Mitchell asked how SB 732 impacts the indirect source rule (ISR) efforts. Dr. Fine explained that both incentives and regulations are available tools, and that incentives can motivate the use of clean vehicles and equipment.

Mayor Mitchell mentioned CARB's future regulations to control emissions from trucks and public transit. She asked how this interrelates with SB 732 related incentive funding and how to ensure that this incentive money is disbursed before the CARB requirements take effect. Dr. Fine clarified that CARB's current regulations are not enough to allow the South Coast region to attain federal air quality standards so financial incentives need to be disbursed as soon as possible.

Denny Zane, Executive Director of Move LA, expressed support for this effort and for financial incentives for clean vehicles. He was pleased with the spending scenario because of its large scale of proposed incentive funding. He does not believe that the South Coast region can get to clean air in any other way. Mr. Zane encouraged an addition to the spending scenario to clarify that greenhouse gas emissions will also be substantially reduced.

Mr. Alatorre mentioned that five out of six local sales tax ballot measures were successfully passed by voters in the most recent election.

### **OTHER MATTERS:**

#### **6. Other Business**

There was no other business.

#### **7. Public Comment Period**

There were no public comments.

#### **8. Next Meeting Date**

The next regular Legislative Committee meeting is scheduled for Friday, December 13, 2019 at 9:00 a.m.

### **Adjournment**

The meeting adjourned at 9:43 a.m.

### **Attachments**

1. Attendance Record
2. Update on Federal Legislative Issues – Written Reports
3. Update on State Legislative Issues – Written Reports
4. Draft 2020 Legislative Goals and Objectives
5. Preliminary Spending Scenario for Potential South Coast Regional Funding Measure

# **ATTACHMENT 1**

## **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE MEETING ATTENDANCE RECORD – November 8, 2019**

Dr. William A. Burke (videoconference).....	South Coast AQMD Board Member
Senator Vanessa Delgado (Ret.) (videoconference) .....	South Coast AQMD Board Member
Mayor Judith Mitchell (videoconference).....	South Coast AQMD Board Member
Supervisor Janice Rutherford (videoconference).....	South Coast AQMD Board Member
Guillermo Gonzalez .....	Board Consultant (Perez)
Thomas Gross .....	Board Consultant (Benoit)
Marisa Perez.....	Board Consultant (Mitchell)
Andrew Silva .....	Board Consultant (Rutherford)
Mark Kadesh (teleconference) .....	Kadesh & Associates
Dal Harper (teleconference).....	Carmen Group, Inc.
Amelia Jenkins (teleconference).....	Cassidy & Associates
Paul Gonsalves (teleconference).....	Joe A. Gonsalves & Son
David Quintana (teleconference) .....	Quintana, Watts and Hartmann
Ross Buckley (teleconference).....	California Advisors, LLC
Todd Campbell.....	Clean Energy
Jessica Alvarenga.....	Pacific Merchant Shipping Association
Rita Loof .....	RadTech
David Rothbart.....	Los Angeles County Sanitation District
Denny Zane .....	Move LA
Derrick Alatorre .....	South Coast AQMD Staff
Barbara Baird.....	South Coast AQMD Staff
Naveen Berry .....	South Coast AQMD Staff
Philip Crabbe .....	South Coast AQMD Staff
Amir Dejbakhsh .....	South Coast AQMD Staff
Philip Fine .....	South Coast AQMD Staff
Denise Peralta Gailey.....	South Coast AQMD Staff
Stacy Garcia .....	South Coast AQMD Staff
Bayron Gilchrist.....	South Coast AQMD Staff
Sujata Jain .....	South Coast AQMD Staff
Megan Lorenz .....	South Coast AQMD Staff
Ian MacMillan.....	South Coast AQMD Staff
Matt Miyasato .....	South Coast AQMD Staff
Wayne Nastri .....	South Coast AQMD Staff
Robert Paud.....	South Coast AQMD Staff
Sarah Rees.....	South Coast AQMD Staff
Lisa Tanaka O'Malley .....	South Coast AQMD Staff
Mary Reichert .....	South Coast AQMD Staff
Jeanette Short.....	South Coast AQMD Staff
Danielle Soto.....	South Coast AQMD Staff
Todd Warden .....	South Coast AQMD Staff
Kim White.....	South Coast AQMD Staff
William Wong.....	South Coast AQMD Staff
Jill Whynot.....	South Coast AQMD Staff
Paul Wright .....	South Coast AQMD Staff

# **ATTACHMENT 2**

## **South Coast AQMD Report for the November 2019 Legislative Meeting Covering October 2019**

### **Kadesh & Associates**

#### ***October:***

October featured a two-week recess at the beginning of the month during which South Coast AQMD and others responded to the EPA's late September announcements threatening regulatory actions and the withholding of transportation funds for California. Kadesh & Associates helped plan and execute Congressional meetings for Executive Officer Nastri in conjunction with his participation in the NACAA conference in late October. We also coordinated the timely dissemination of articles, Congressional letters and agency responses among South Coast AQMD's Congressional audience.

#### ***Budget and Appropriations:***

Bicameral spending talks for Fiscal Year (FY) 2020 have started slowly, but senators are working to move closer to a deal by passing their own batch of small appropriations bills. Senate Appropriations Chairman Richard Shelby (R-Ala.) said he would like to start talks in earnest with House Appropriations Chairwoman Nita Lowey (D-N.Y.) on top-line allocations for all 12 spending bills shortly after the Senate passes its four-bill package of smaller, noncontroversial bills (H.R. 3055). Lowey has said Senate Republicans have been slow to discuss a bicameral set of allocations, even as the Nov. 21 deadline to fund the government approaches. Senator Shelby is focused on getting the Senate to pass its first appropriations package for fiscal 2020, covering Agriculture-Food and Drug Administration, Commerce-Justice-Science, Interior-Environment and Transportation-Housing and Urban Development spending. The committee advanced all four bills by a 31-0 vote. The Senate voted on October 22 to limit debate on the motion to proceed to the spending package by a 92-2 vote, with Senators Marsha Blackburn (R-Tenn.) and Rand Paul (R-Ky.) opposing.

Even when passed by the Senate, it's likely headed nowhere in the House, at least not until the two chambers agree to an allocation agreement for all the spending bills. Chair Lowey said she doesn't expect to take up the spending package or work toward a conference package negotiated by House and Senate lawmakers until there's been an agreement on the spending bill levels, called 302(b) numbers.

The next Senate appropriations package to the floor will include the Defense and Labor-Health and Human Services (HHS)-Education bills. The Defense and Labor-HHS-Education bills combined make up nearly two-thirds of federal discretionary spending. Senate Democrats have said there needs to be a 302(b) agreement before they'll allow a vote on the Defense measure.

FY19 ended on September 30. The federal deficit was \$984 billion, the highest figure since FY12, according to a Congressional Budget Office. The deficit was 4.7% of GDP, compared to 3.9% in fiscal 2018.

**DERA and Targeted Airshed Grants** (previously reported): The current FY19 levels are \$87M for DERA and \$52M for TAG. The House Appropriations Committee in its FY20 Interior Appropriations bill initially funded DERA at only \$50M and \$30M for the Targeted Airshed Grant (TAG) program.



Through an effort led by southern California House Appropriations Members, \$5M was added to DERA for a total of \$55M. The Senate Appropriations has marked their bill to \$85.166M for DERA and \$56.306M for TAG.

Contacts included staff with California's Senators and the 23 House Members whose districts fall all or in part within South Coast AQMD's area of responsibility as well as staff of the House and Senate Appropriations Committees. Offices worked with in particular in the wake of EPA's actions included Representatives Levin and Rouda and Senator Feinstein.

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**MEMORANDUM**

**To:** South Coast AQMD Legislative Committee

**From:** Carmen Group

**Date:** October 24, 2019

**Re:** Federal Update -- Executive Branch

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**Leadership Change at Energy Department:** Secretary of Energy Rick Perry announced in October that he would be voluntarily leaving the Administration later this year, and President Trump quickly announced that he would nominate Deputy Energy Secretary Dan Brouillette to take over Secretary – a change that appears to signal continuity in the Administration’s overall approach to important national energy issues. Before joining the Department in 2017, Brouillette served as Senior Vice President and head of public policy for USAA, and prior to that as Vice President of Ford Motor Company. He previously served as Chief of Staff at the House Committee on Energy and Commerce and as Assistant Secretary of Energy for Congressional and Intergovernmental Affairs from 2001 to 2003. He is also a former state energy regulator, having served as a member of the Louisiana State Mineral and Energy Board from 2013 to 2016.

**EPA Head Wheeler Comments on Pending Car and Truck Emissions Rules:** EPA Administrator Andrew Wheeler -- speaking to reporters after a speech at the Detroit Economic Club in October -- made brief comments of interest on the pending rulemakings on automobile fuel economy standards and on the Cleaner Trucks Initiative. On CAFÉ, Wheeler said that work is continuing on the final rule and – in repetition and further emphasis on what he has said before -- he indicated that the final rule will not look “exactly like” the proposed rule issued in August 2018 which froze standards at 2020 levels through 2026. He said that “in some of the out years, we’re actually more restrictive on CO2 emissions than the Obama proposal was,” arguing that the Trump rule will eliminate “off ramps” and “loopholes” that make it easier for automakers to comply without achieving the same environmental benefit. Wheeler said he is hopeful that some of the most ardent critics of the 2018 proposed rule will have a different more positive view when they said the new final rule. On the separate ultra-low NOx rule for heavy trucks, Wheeler confirmed the agency’s plan is to move forward to put out a proposed rule to set new standards sometime next year.

**DC Circuit Court Rejects EPA Rule on Cross-State Air Pollution:** The DC Circuit Court of Appeals struck down an EPA rule that would have closed out the obligations of 20 states to reduce smog under the Cross-State Air Pollution Rule (CSAPR). The court said the rule failed to require reductions in pollutants by a 2021 deadline as required in law. The EPA has indicated it may appeal the decision.

**International “Clean Air Fund” is Announced at UN Climate Summit:** A new philanthropic initiative called The Clean Air Fund” was announced at the recent United Nations Climate Change Summit held in New York City in September. The Fund will work with organizations globally that seek to combat air pollution, improve human health, and accelerate decarbonization through offering grants and support. So far, the fund has received \$50 million (with a goal to raise \$100 million) from such groups as the IKEA Foundation, the Children’s Investment Fund Foundation, The Bernard van Leer foundation, the Oak Foundation, Guy’s and St. Thomas’ Charity, and the FIA Foundation.

**EPA’s Revamped Advisory Committee Debates Need for New Clean Air Standard:** EPA’s seven-member Clean Air Scientific Advisory Committee (CASAC)—all of whose members were appointed during the Trump Administration—are meeting in late October to address the science underlying EPA’s review of the particulate matter standard. At issue is whether the science justifies keeping the current standard or issuing a new stricter standard for PM 2.5. EPA’s internal review supports a new stricter standard and this is backed up by the findings of a group of experts (calling themselves the Independent Particulate Matter Review Panel) who were earlier dismissed from the CASAC panel by EPA Administrator Andrew Wheeler. But the new seven-member CASAC appears to have at least some members in sharp disagreement with the need for a new standard. How the full CASAC group comes down on the matter will be an important marker in possible future legal disputes over this important clean air regulatory issue.

**EPA Reviews Trump Executive Orders on Regulatory “Guidance”:** The EPA quickly announced that it would move forward with plans to implement a pair of presidential executive orders issued in October mandating that federal agencies scale back on the use regulatory guidance memos for enforcement purposes. EPA Administrator Wheeler said in an internal memo that the agency would establish two internal working groups to “think critically” about how the orders should be implemented. One of the orders mandates that agencies post all guidance documents on a searchable website, otherwise the guidance will be considered withdrawn. The other order mandates that businesses or individuals found to be in noncompliance with regulatory guidance would be given “an opportunity to be heard” before they are penalized.

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To: South Coast Air Quality Management District  
From: Cassidy & Associates  
Date: October 24, 2019  
Re: Federal Update

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## **Look Ahead**

There are 23 legislative days remaining in 2019. Under the short-term continuing resolution signed into law on Sept. 27, funding runs through November 21<sup>st</sup>. The House passed 10 of its 12 funding bills by August recess, and the Senate will hold floor votes on smaller, non-controversial appropriations packages three weeks into fiscal year (FY) 2020. The first package will likely include domestic funding in the Agriculture and Transportation-Housing and Urban Development bills, and the second will include Defense spending and opioid funding. Bicameral appropriators continue to negotiate to topline numbers for the FY 20 spending bills, though senior appropriators expect that another short, stopgap funding measure will be needed to keep the government open past Nov. 21.

The Trump Administration will continue to face bipartisan opposition regarding its decision to withdraw troops from Syrian Kurdish territory and potential House and Senate votes on sanctions against Turkey for its incursion into Syria. Next week the House will consider several public lands bills, including H.R. 823, the Colorado Outdoor Recreation and Economy Act; H.R. 2181, the Chaco Cultural Heritage Area Protection Act; and H.R. 1373, the Grand Canyon Centennial Protection Act.

We anticipate the House filling the floor schedule with the last of individual committee bills that need approval prior to the year end, including health extenders legislation and prescription drug/surprise billing legislation, as well as longer term items including Intel Authorization, the National Defense Authorization Act, and the U.S.-Mexico-Canada Agreement (USMCA). The House impeachment inquiry continues pick up steam after comments by Administration officials such as acting chief of staff Mick Mulvaney, and depositions by former officials.

Next Friday, November 1, the House leaves for a week-long recess, and the Senate is in session.

## **Summary of Congressional Activities in October**

Domestically, impeachment dominated the beginning of the October session following whistleblower reports related to foreign aid to Ukraine. Several foreign policy issues gained attention as well, including the U.S. withdrawal from Syria and ongoing protests in Hong Kong. Last week on the Floor, 354 Members voted to oppose the President's decision Syria. House Democrats continued to highlight the impacts of climate change through a series of committee hearings that were somewhat overshadowed by impeachment news.

Senate Democrats forced a vote on Oct. 17 using a legal procedure known as the Congressional Review Act, which allows Congress to reverse and review final rules within 60 days, in an attempt to reverse the EPA's Affordable Clean Energy (ACE) rule, a weak replacement for the Clean Power Plant rule. The vote failed 41-53, with Susan Collins the only R to join the Democrats.

### **House Committee Actions in October**

The **House Energy and Commerce Committee Subcommittee on Environment and Climate Change** held its fourth hearing yesterday as part of its series to develop legislation to achieve 100 percent clean economy by 2050. The Subcommittee discussed decarbonizing non light-duty vehicle (LDVs) in a hearing on Wed. October 23 including medium- and heavy-duty trucks, buses, ships, aircraft, and rail. Witnesses testified from Neste, Cummins Inc., Earthjustice, Port of Seattle and the Northwest Seaport Alliance, Truck & Engine Manufacturers Association, and the National Association of Truckstop Operators.

The **House Natural Resources Subcommittee on Energy and Mineral Resources** held a hearing entitled "The Case for Climate Optimism: Realistic Pathways to Achieving Net-Zero Emissions." California Air Resources Board Member Hector De La Torre, testified and outlined California's efforts to cut emissions and transition to a clean energy economy through programs such as Renewable Portfolio Standards, Low Carbon Fuel Standards, the Cap-and-Trade Program, and Advanced Clean Cars. Testimony available here:

<https://naturalresources.house.gov/imo/media/doc/Testimony%20-%20Hector%20De%20La%20Torre%20-%20EMR%20Ov%20Hrg%2010.17.19.pdf>

The **House Select Committee on the Climate Crisis** held two hearings in October related to resilience. The first examined how improving resilience in residential and commercial buildings is key to reducing carbon pollution and the second focused on how natural systems such as forests, grasslands and wetlands, and can increase carbon storage.

**House Oversight Environment Subcommittee** will hold a hearing on Oct. 29 titled, "[Trump's Wrong Turn on Clean Cars: The Effects of Fuel Efficiency Rollbacks on the Climate, Car Companies and California](#)".

### **Introduced Legislation**

The following bills related to climate/climate change/environment:

#### **[H.R.4657](#)**

To require the Federal Energy Regulatory Commission to consider greenhouse gas emissions related to natural gas pipelines, and for other purposes.

Rep. McGovern

Introduced 10/11/2019

Referred to House Energy & Commerce Committee

#### **[H. R. 4656](#)**

To direct the Administrator of the Environmental Protection Agency to seek to enter an agreement with the National Academies of Sciences, Engineering, and Medicine to conduct a study on the science of

background ozone in the United States and to provide research recommendations to better understand background ozone contributions to ground-level ozone, and for other purposes.

Reps. McAdams & Rooney

Introduced 10/11/2019

Referred to House Committee on Science, Space, and Technology

### **Senate Committee Actions in October**

Senators Chris Coons (D-DE) and Mike Braun (R-IN) officially launched the **Senate Climate Solutions Caucus** to convene experts and discuss ideas “such as developing economic incentives to reduce emissions, promoting the role of agriculture as a climate solution, and ensuring that any energy transition protects American energy consumers while supporting energy security and workforce development.”

**Senate Environment and Public Works Committee Subcommittee on Clean Air and Nuclear Safety** held a subcommittee hearing entitled, “Reducing Emissions While Driving Economic Growth: Industry-led Initiatives” with witnesses testifying to the economic risks of curbing emissions and the impacts to groups such as National Cattlemen’s Beef Association and Chamber of Commerce.

**Senate Energy and Natural Resources Committee** held a hearing to examine “Energy Efficiency Efforts in the United States and Internationally.” Witnesses included Environmental and Energy Study Institute, World Resources Institute, International Energy Agency, and Executive Director, Center for Energy Efficiency & Sustainability Ingersoll Rand.

Senator Murkowski has signaled her hope that a package of energy bills could be assembled for consideration on the Senate floor early next year, potentially in January. Senate Majority McConnell has not taken a firm position on this possibility to date, but this action from Murkowski follows up on activity in the Senate Energy and Natural Resources Committee in September when it favorably reported more than twenty energy bills to the Senate floor. Should the Senate consider an energy bill on the floor, it would provide another opportunity to advance reauthorization of the Diesel Emissions Reduction Act via amendment on the Senate floor.

In December, the Senate Energy and Natural Resources Committee will also need to prioritize the nomination of Dan Brouillette to replace Rick Perry as Secretary of Energy. Unless something widely unexpected happens, Brouillette is expected to be confirmed by the Senate as the next Secretary of Energy. Perry’s last day as Secretary of Energy will be on December 1.

## **Summary of Congressional Outreach**

- ❖ Weekly calls with SCAQMD staff.
- ❖ Monitoring Congressional hearings related to non-LDV decarbonization technologies.
- ❖ Monitoring Clean Trucks Initiative and ongoing Heavy-Duty NOx rulemaking.
- ❖ Meeting with Energy and Commerce Committee staff.

# **ATTACHMENT 3**



## **Joe A. Gonsalves & Son**

**Anthony D. Gonsalves**

**Jason A. Gonsalves**

**Paul A. Gonsalves**

PROFESSIONAL LEGISLATIVE REPRESENTATION

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

916 441-0597 • FAX 916 441-5061

Email: gonsalves@gonsalvi.com

**TO:** South Coast Air Quality Management District

**FROM:** Anthony, Jason & Paul Gonsalves

**SUBJECT:** Legislative Update – 2019

**DATE:** Friday, October 25, 2019

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As you know, the Legislature had until September 13, 2019 to pass all remaining Legislation to Governor Newsom for his consideration. The Governor had until October 13, 2019 to act on all remaining legislation.

We will continue to monitor the Governor's actions on Legislation, and any other state interest to the District, and keep you apprised as they progress.

## **HOW OFTEN DO GOVERNOR'S SAY NO?:**

Each year, the Senate Office of Research releases a document titled; "How often do Governor's Say No". This document provides a historical comparison of actions taken by California Governor's since 1971. The following are some highlights of that report:

- In 1979 and 1980, the Legislature overrode the governor's veto of two bills and eight items in the budget bill. Before these overrides, the governor's veto had been overridden on only two occasions since 1973. The Legislature has not overridden a governor's veto since 1980.
- This year, his first year in office, Governor Newsom vetoed 16.51% of bills, a similar rate to Governor Brown's in his last year in office.
- In 1982, Governor Brown vetoed just 30 of the 1,674 bills he considered, setting the record for the lowest number of vetoes and the lowest veto rate (1.8%).
- Governor Pat Brown considered 9,383 bills during his two terms in office (1959–66). He vetoed (including "pocket vetoes") 671 bills, or about 7.2%.
- The 5 years with the highest number of chaptered bills were all with Republican governors (1971, 1984, 1967, 1990, 1988). Four of the five years with the highest



number of vetoed bills (1990, 2008, 1988, 2000, 1998) were with Republican governors (the exception was Governor Davis in 2000).

- Governor Deukmejian holds the record for the most bills vetoed in a year, 436 (1990); Governor Schwarzenegger is next with 414 vetoes (2008).
- Governor Schwarzenegger vetoed more than a quarter (26.4%) of the 7,461 bills that he considered over his seven years in office. He signed the lowest average number of bills per year (784 per year over seven years).
- Of the last five past governors, three vetoed the most bills of their tenures, both by percentage and absolute number, in their final year in office (Brown in 2018, Wilson in 1998, and Deukmejian in 1990).

## **CARB'S CLEAN TRANSPORTATION INVESTMENT**

On October 24, 2019, the California Air Resources Board (CARB) approved a \$533 million plan to fund clean car rebates, zero-emission transit and school buses, clean trucks, and other innovative, clean transportation and mobility pilot projects.

The Funding Plan for Clean Transportation Incentives, largely funded with cap-and-trade proceeds, is part of California's comprehensive strategy for improving air quality and reducing greenhouse gas emissions in the transportation sector. Of the \$533 million total, \$485 million comes from the cap-and-trade program. The remaining \$48 million comes from the Air Quality Improvement Program (AQIP). CARB uses this funding to accelerate development and early commercial deployment of the cleanest vehicle technologies and to improve access to clean transportation for all Californians.

The plan serves as a blueprint for expending funds appropriated to CARB in budget bills passed this year by the Legislature and signed by the Governor, including \$485 million from cap-and-trade auction proceeds. The plan establishes priorities for the funding, describes the projects CARB intends to fund, and sets funding targets for each project.

Investments made in previous years' Funding Plans have been successful. As a result, two programs, the statewide Clean Vehicle Rebate (CVRP) and Hybrid and Zero-Emission Truck and Bus Voucher Incentive Projects (HVIP), have been oversubscribed. The plan includes changes to each to ensure these popular programs more effectively address the need to accelerate the cleanup and transformation of California's vehicle fleet. Changes to CVRP include a maximum base MSRP of \$60,000 for vehicle eligibility. The Board also took further action to limit plug-in hybrid electric vehicle eligibility to only those vehicles that achieve a minimum 35-mile electric range, as determined by CARB. The plan also graduates hybrid vehicles and 8.9-liter natural gas low-NO<sub>x</sub> engines out of HVIP.

The plan continues to prioritize environmental justice by addressing specific community needs and increasing awareness of, and access to, cleaner transportation and mobility options in disadvantaged and low-income communities. The plan also continues investments in heavy-duty zero-emission demonstration and pilot projects in the freight sector.

Highlights of the Plan include:

- **\$238 million** for the Clean Vehicle Rebate Project (CVRP), with a stipulation that \$25 million be used to fund increased rebates for low-income consumers. CVRP promotes clean-vehicle adoption by offering rebates for the purchase or lease of new, eligible zero-emission vehicles, including electric, plug-in hybrid electric and fuel cell vehicles.
- **\$182 million** for clean trucks, buses and off-road freight equipment, including \$142 million for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) and \$40 million for advanced technology demonstration and pilot projects in the heavy-duty sector.
- **\$65 million** for Clean Transportation Equity Projects to continue efforts to increase access to clean transportation and mobility options benefitting low-income communities and households. These include funding for existing projects such as Clean Cars 4 All, which provides incentives for lower-income drivers to scrap and replace older, high-polluting cars with zero- or near-zero-emission cars, and school bus replacements. Two new projects to increase outreach and support communities in their planning efforts also will receive funding.
- **\$48 million** in Air Quality Improvement Program funding to clean up heavy-duty truck emissions. Demand is expected to rise as a result of a new law that will only allow trucks that are compliant with California's Truck and Bus Regulation to be registered by the Department of Motor Vehicles.

## **LEGISLATION**

The following will provide you with a status update on the bills our firm is taking the lead on for the SCAQMD:

- AB 142 (C. Garcia) Lead-Acid Batteries – Chaptered by the Governor on October 13, 2019.
- AB 1714 (Aguiar-Curry) Emissions limitations: wine fermentation – 2-year bill, Senate Environmental Quality Committee.
- SB 210 (Leyva) Heavy Duty Vehicle Inspection and Maintenance Program – Chaptered by the Governor on September 20, 2019
- SB 44 (Skinner) Medium and Heavy-Duty Vehicles: Comprehensive Strategy – Chaptered by the Governor on September 20, 2019
- SB 633 (Stern) Santa Susana Field Laboratory: Monitoring Program – 2-year bill, Assembly Floor

## **LEGISLATIVE CALENDAR**

- Sept. 13 Last day for any bill to be passed. Interim Recess begins upon adjournment
- October 13, 2019 Last day for Governor to take action on all legislation presented to him.
- January 6, 2020 Legislature Reconvenes.





October 30, 2019

**To:** South Coast Air Quality Management District

**From:** Quintana, Watts & Hartmann

**RE:** October 2019 Report

### General Update:

The Legislature is Adjourned

### Legislative Update:

Set up and attended (Oct 22) meetings with South Coast AQMD executive staff and the following entities to discuss SB 732 (Allen): CalFire, Truck and Engine Manufacturers Assn, International Longshore & Warehouse Union and Cal Truckers Assn

Set up meeting with South Coast AQMD Executive Officer and others from the executive staff with Asm Eduardo Garcia, Chairman of Water, Parks and Wildlife Committee in his district office in Coachella. Meeting will be to discuss the clean air and water bond that Chairman Garcia is authoring



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# CALIFORNIA ADVISORS, LLC

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SCAQMD Report  
California Advisors, LLC  
November 8, 2019 Legislative Committee Hearing

## **General Update**

On Sunday, October 13th, Governor Gavin Newsom acted on the remaining measures passed by the Legislature. In total, the Governor considered 1,042 bills out of 2,625 total bills introduced (Senate – 792 bills; Assembly – 1,833 bills). In his first year in office, Newsom vetoed 16.51% of bills that made it to his desk, a similar rate to former Governor Jerry Brown's during his time in office. More specifically, Newsom signed 870 bills and vetoed 172.

In summary, 39.7 percent of the bills introduced made it to the Governor's Desk, which is about average when compared to the past few years. As a result, 33 percent (45 percent in 2018) of the bills introduced got signed into law, while 6.5 percent (9 percent in 2018) of the bills introduced got vetoed.

To compare Newsom's action this year to Governors in previous years, below are the veto rates dating back to 2004, as follows:

- Between 2011 and 2018, Governor Jerry Brown vetoed between 10.71 percent and 16.52 percent of the bills
- Between 2004 and 2010, Governor Arnold Schwarzenegger vetoed between 22.20 percent and 35.17 percent of the bills

Finally, November 5<sup>th</sup> marks the special election date to fill the vacant Assembly District 1 seat. The two candidates on the ballot are Elizabeth Betancourt (D) and Megan Dahle (R). The seat became vacant when Brian Dahle (R) was elected to the Senate in a special election earlier this year.

## **Elected Officials Contacted on Behalf of SCAQMD:**

California Advisors met with the following legislators or their offices on behalf of South Coast Air Quality Management District:

Senate:  
Ben Allen (SB 732)

## **2019 Legislative Update**

### **Voting District Authorization for Clean Air Legislation**

SB 732 (Allen) was pulled from Senate Appropriations Committee at the request of the author on May 13<sup>th</sup>.

AB 142 (Garcia, C) would increase the amount of the manufacturer battery fee from \$1 to \$2 and would provide that the fee would continue indefinitely. *This bill was signed by the Governor.*

AB 285 (Friedman) would require the Department of Transportation to address in the California Transportation Plan how the state will achieve maximum feasible emissions reductions in order to attain a statewide reduction of greenhouse gas emission of 40% below 1990 levels by the end of 2030 and attain the air quality goals required by the federal Clean Air Act. *This bill was signed by the Governor.*

AB 836 (Wicks) would establish the Wildfire Smoke Clean Air Centers for Vulnerable Populations Incentive Pilot Program, to be administered by the State Air Resources Board to provide funding through a grant program to retrofit ventilation systems to create a network of clean air centers. *This bill was signed by the Governor.*

AB 1500 (Carrillo) would authorize a unified program agency to suspend, revoke, or withhold issuance of a unified program facility permit if conditions exist at the unified program facility that the unified program agency considers an imminent or substantial threat to public health, safety, or the environment. The bill would require the permittee to immediately discontinue operating that facility or function of the facility to which the permit or permit element applies until the threat is abated and the permit or permit element is issued, reinstated or reissued. *This bill was held in the Senate Appropriations Committee.*

SB 1 (Atkins) would require specified agencies to take prescribed actions regarding certain federal requirements and standards pertaining to air, water, and protected species. *This bill was vetoed by the Governor.*

SB 44 (Skinner) would require the Air Resources Board to update the state board's 2016 mobile source strategy to include a comprehensive strategy for the deployment of medium- and heavy-duty vehicles in the state for the purpose of bringing the state into compliance with federal ambient air quality standards and reducing motor vehicle greenhouse gas emissions. *This bill was signed by the Governor.*

SB 210 (Leyva) would authorize the state board to develop and implement a Heavy-Duty Vehicle Inspection and Maintenance Program for nongasoline heavy-duty onroad motor vehicles. *This bill was signed by the Governor.*



# **South Coast Air Quality Management District**

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

## **ATTACHMENT 4**

# **DRAFT**

### **South Coast AQMD's State Legislative Goals & Objectives for 2020**

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

#### ***Air Quality Funding***

Increase existing and identify new funding sources for clean air programs and priorities that protect public health, eliminate unhealthy air pollution and ensure attainment of state and federal air quality standards, with a focus on incentive programs and research and development projects that support the 2016 Air Quality Management Plan (AQMP) and create opportunities to partner with stakeholders, including local businesses, communities and residents.

#### ***South Coast AQMD Authority / Policy Implementation***

Protect and ensure adequate South Coast AQMD authority for implementation of the Board's clean air policies and programs, including those required by state and federal law and the 2016 AQMP.

#### ***State Support***

Work to ensure that the state government does its fair share to reduce air pollution within the South Coast region by providing ample funding and legislative and administrative support to the South Coast AQMD to facilitate implementation of the 2016 AQMP and attainment of federal ozone and particulate matter ambient air quality standards by upcoming federal deadlines.

#### ***Environmental Justice***

Support and promote legislative 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) develop and expand access to clean air technology, especially in disproportionately impacted 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 Assembly Bill 617 (C. Garcia, Chapter 136, Statutes of 2017).

#### ***Development and Deployment of Clean Technology***

Support legislative policies and funding that promote the development and deployment of near-zero and zero emission infrastructure, equipment and vehicle technology to protect public health, facilitate attainment of clean air standards and support a healthy economy.

## SCAQMD's State Legislative Goals & Objectives for 2020

### ***Climate Change***

Seek to influence climate change policies and initiatives and facilitate their implementation consistent with Board policy. In particular, support efforts directing that the Greenhouse Gas Reduction Fund provide a sustainable funding source to maximize criteria and toxic emission reduction co-benefits, promote near- zero and zero-emission vehicles, and address air quality and public health impacts in the South Coast region.

### ***Clean Energy***

Support legislative efforts that advance the Board's Energy Policy which promotes energy efficiency, demand reduction and reliable, cost effective and clean energy for all consumers in the District while facilitating attainment of clean air standards and providing support for a healthy economy.

### ***Business/Jobs Climate***

Support legislative policies and/or administrative actions that promote job retention and creation 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.

### ***Surface Transportation & Goods Movement***

Support and expand policy and funding considerations that promote air quality priorities in connection with the implementation of state and federal surface transportation and goods movement policies and programs, including those related to the FAST Act or successor transportation and infrastructure law.





# South Coast Air Quality Management District

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# DRAFT

## **South Coast AQMD's Federal Legislative Goals & Objectives for 2020**

*The following goals and objectives are identified to enable South Coast AQMD to seek rules, legislative policies, and funding levels from the federal government that will assist the South Coast Air Basin in meeting the National Ambient Air Quality Standards (NAAQS) to protect public health through practical and innovative strategies. It is critical that SCAQMD work with and serve as a resource to the Administration and agencies, Congress, business, environmental, health, community and other stakeholders.*

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

Seek adequate funding levels for air quality issues through existing and potential new opportunities to enable the South Coast Air Basin to reach attainment of NAAQS. Support key programs such as, but not limited to, the Diesel Emissions Reduction Act, Targeted Airshed Grants, Subvention Funds from Clean Air Act Section 103/105, Energy Efficiency & Renewable Energy grants, and other programs.

### ***Clean Air Act, National Ambient Air Quality Standards (NAAQS) and SIP***

Support policies, legislation and/or administrative efforts to:

- Protect science-driven and health-based determinations of national ambient air quality standards, and efforts to streamline and provide flexible implementation of SIP requirements, as needed, to ensure feasibility of attainment; and,
- Providing regulatory authority adequate for nonattainment areas to attain NAAQS for upcoming federal deadlines, and in particular, the South Coast AQMD to implement the 2016 Air Quality Management Plan (AQMP) and attain federal ozone and particulate matter standards.

### ***Climate Change***

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

### ***Surface Transportation & Goods Movement***

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-duty and heavy duty vehicles), as well as off-road vehicles (such as agricultural vehicles, cargo handling equipment, freight handling equipment, and construction equipment).

### ***Marine Vessels***

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

## SCAQMD's Federal Legislative Goals & Objectives for 2020

### ***Locomotives***

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

### ***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.

### ***Environmental Justice***

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

### ***Technology Advancement***

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

- Zero and near-zero emission technologies;
- Clean vehicles (such as light-, medium- and heavy-duty vehicles, locomotives, marine vessels, and aircraft technologies);
- Clean fuels and refueling/recharging technologies and infrastructure;
- Clean energy sources;
- 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; and,
- Incentivizing individuals, businesses, states, and local governments to purchase and use advanced clean technologies.

### ***Business/Jobs***

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

### ***New Source Review Offsets***

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

## **ATTACHMENT 5**

Earlier this year, while staff was providing background information regarding proposed Senate Bill 732 (Allen), several stakeholders requested additional information about how any funds raised through a sales tax might be spent. Staff then developed the following handout that demonstrated one potential spending scenario. This spending scenario is based on the potential revenue from a ½ cent sales tax in South Coast AQMD and is consistent with priorities established in the 2016 AQMP. The draft spending scenario presented in this handout was conducted in the spring of 2019, and reflects only one potential approach. Some of the analysis has been updated in the slides for this committee meeting, and further refinements are expected with additional stakeholder feedback.

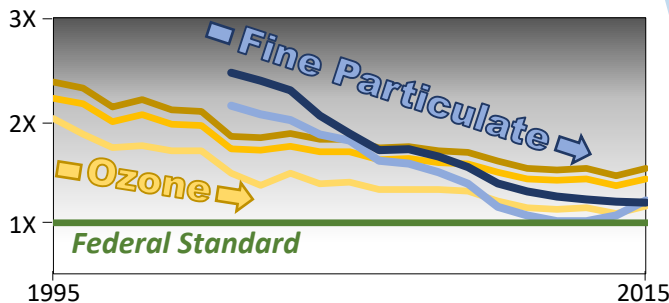


# History of Success

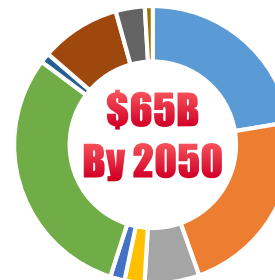
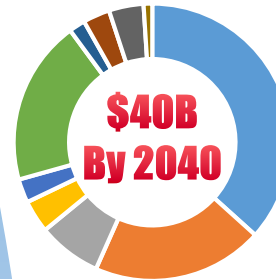


Particulates  
↓ 51%

Ozone  
↓ 40%



## DRAFT SPENDING SCENARIO



- Trucks
- Off-Road Equipment
- Transit Buses & Passenger Rail
- School Buses
- Port Cargo Handling Equipment
- Locomotives
- Cars & Pickups
- Ships & Aircraft
- ZE Infrastructure
- AB 2766+

**80%**

Zero  
Emissions  
Funding

Annual Benefits

3,000 Premature  
Deaths Avoided

\$31B in Public  
Health Benefits

Attain  
Federal  
Standards  
by 2031

**Smog-Free Future**



South Coast  
AQMD

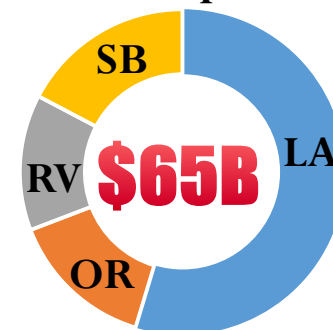


# South Coast AQMD

## Annual Health Benefits of Meeting 2031 Federal Air Quality Standard

- *\$31.0 billion in monetized public health benefit*
- *3,000 avoided premature deaths*

## Share of Spending



## Draft Spending Scenario – South Coast AQMD (\$ millions)

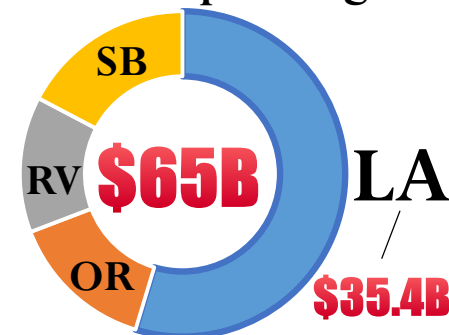
Category	2021-2025	2026-2030	2031-2035	2036-2040	2041-2045	2046-2050	Total
Trucks	\$3,296	\$4,397	\$4,652	\$2,175	\$0	\$0	<b>\$14,520</b>
Off-Road Equipment	\$2,010	\$1,333	\$1,575	\$2,994	\$3,700	\$2,800	<b>\$14,411</b>
Transit Buses & Passenger Rail	\$859	\$875	\$597	\$597	\$597	\$597	<b>\$4,122</b>
School Buses	\$1,200	\$308	\$0	\$0	\$0	\$0	<b>\$1,508</b>
Port Cargo Handling Equipment	\$456	\$569	\$70	\$0	\$0	\$0	<b>\$1,095</b>
Locomotives	\$100	\$950	\$2,225	\$4,350	\$5,000	\$7,000	<b>\$19,625</b>
Cars & Pickups	\$375	\$375	\$0	\$0	\$0	\$0	<b>\$750</b>
Ships & Aircraft	\$35	\$250	\$645	\$310	\$2,303	\$2,510	<b>\$6,053</b>
ZE Infrastructure	\$100	\$250	\$500	\$750	\$500	\$100	<b>\$2,200</b>
Local Cities/Counties	\$100	\$100	\$100	\$100	\$100	\$100	<b>\$600</b>
<b>Total</b>	<b>\$8,531</b>	<b>\$9,406</b>	<b>\$10,364</b>	<b>\$11,276</b>	<b>\$12,200</b>	<b>\$13,107</b>	<b>\$64,884</b>

# Los Angeles County

## Annual Health Benefits of Meeting 2031 Federal Air Quality Standard

- *\$21.5 billion in monetized public health benefit*
- *2,100 avoided premature deaths*

## Share of Spending



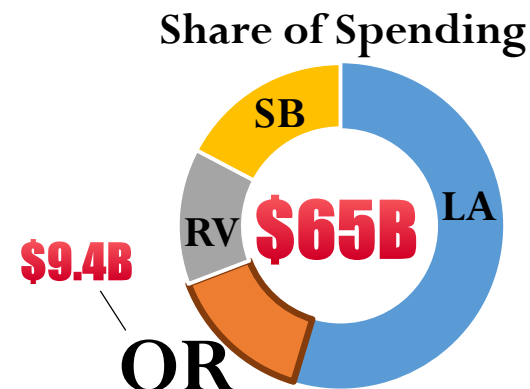
## Draft Spending Scenario – Los Angeles County (\$ millions)

Category	2021-2025	2026-2030	2031-2035	2036-2040	2041-2045	2046-2050	Total
Trucks	\$1,712	\$2,301	\$2,418	\$1,161	\$0	\$0	<b>\$7,592</b>
Off-Road Equipment	\$1,036	\$687	\$811	\$1,542	\$1,906	\$1,443	<b>\$7,425</b>
Transit Buses & Passenger Rail	\$606	\$627	\$446	\$446	\$446	\$446	<b>\$3,015</b>
School Buses	\$611	\$157	\$0	\$0	\$0	\$0	<b>\$768</b>
Port Cargo Handling Equipment	\$456	\$569	\$70	\$0	\$0	\$0	<b>\$1,095</b>
Locomotives	\$43	\$410	\$960	\$1,876	\$2,157	\$3,019	<b>\$8,465</b>
Cars & Pickups	\$222	\$222	\$0	\$0	\$0	\$0	<b>\$444</b>
Ships & Aircraft	\$35	\$220	\$545	\$260	\$1,888	\$2,058	<b>\$5,005</b>
ZE Infrastructure	\$59	\$148	\$296	\$444	\$296	\$59	<b>\$1,303</b>
Local Cities/Counties	\$59	\$59	\$59	\$59	\$59	\$59	<b>\$355</b>
<b>Total</b>	<b>\$4,839</b>	<b>\$5,398</b>	<b>\$5,605</b>	<b>\$5,789</b>	<b>\$6,752</b>	<b>\$7,084</b>	<b>\$35,467</b>

# Orange County

## Annual Health Benefits of Meeting 2031 Federal Air Quality Standard

- \$4.8 billion in monetized public health benefit
- 460 avoided premature deaths



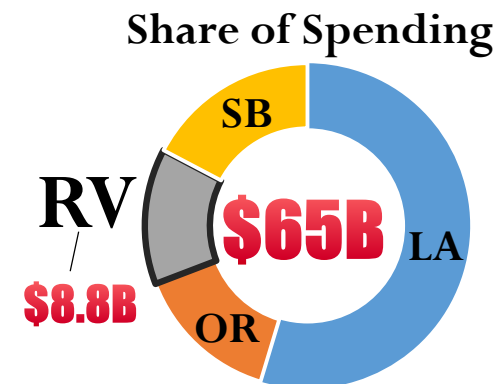
## Draft Spending Scenario – Orange County (\$ millions)

Category	2021-2025	2026-2030	2031-2035	2036-2040	2041-2045	2046-2050	Total
Trucks	\$536	\$679	\$753	\$285	\$0	\$0	<b>\$2,252</b>
Off-Road Equipment	\$388	\$257	\$304	\$578	\$714	\$540	<b>\$2,781</b>
Transit Buses & Passenger Rail	\$149	\$149	\$110	\$110	\$110	\$110	<b>\$738</b>
School Buses	\$180	\$46	\$0	\$0	\$0	\$0	<b>\$226</b>
Port Cargo Handling Equipment	\$0	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Locomotives	\$11	\$108	\$254	\$496	\$570	\$798	<b>\$2,236</b>
Cars & Pickups	\$73	\$73	\$0	\$0	\$0	\$0	<b>\$146</b>
Ships & Aircraft	\$0	\$14	\$48	\$24	\$198	\$216	<b>\$502</b>
ZE Infrastructure	\$19	\$49	\$97	\$146	\$97	\$19	<b>\$428</b>
Local Cities/Counties	\$19	\$19	\$19	\$19	\$19	\$19	<b>\$117</b>
<b>Total</b>	<b>\$1,376</b>	<b>\$1,395</b>	<b>\$1,585</b>	<b>\$1,658</b>	<b>\$1,709</b>	<b>\$1,703</b>	<b>\$9,426</b>

# Riverside County

## Annual Health Benefits of Meeting 2031 Federal Air Quality Standard

- \$2.3 billion in monetized public health benefit
- 230 avoided premature deaths



## Draft Spending Scenario – Riverside County (\$ millions)

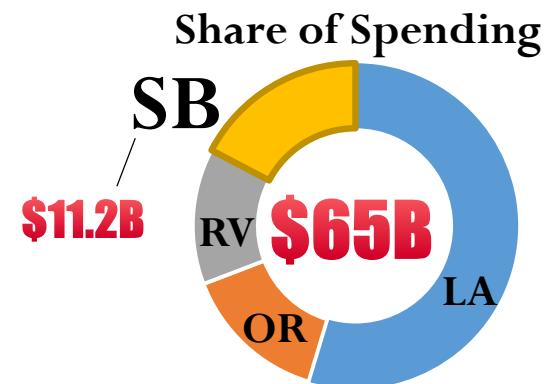
Category	2021-2025	2026-2030	2031-2035	2036-2040	2041-2045	2046-2050	Total
Trucks	\$439	\$575	\$618	\$271	\$0	\$0	<b>\$1,903</b>
Off-Road Equipment	\$340	\$225	\$266	\$506	\$625	\$473	<b>\$2,436</b>
Transit Buses & Passenger Rail	\$36	\$33	\$7	\$7	\$7	\$7	<b>\$95</b>
School Buses	\$211	\$54	\$0	\$0	\$0	\$0	<b>\$266</b>
Port Cargo Handling Equipment	\$0	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Locomotives	\$18	\$173	\$406	\$794	\$912	\$1,277	<b>\$3,581</b>
Cars & Pickups	\$43	\$43	\$0	\$0	\$0	\$0	<b>\$87</b>
Ships & Aircraft	\$0	\$2	\$7	\$4	\$31	\$34	<b>\$78</b>
ZE Infrastructure	\$12	\$29	\$58	\$87	\$58	\$12	<b>\$254</b>
Local Cities/Counties	\$12	\$12	\$12	\$12	\$12	\$12	<b>\$69</b>
<b>Total</b>	<b>\$1,110</b>	<b>\$1,147</b>	<b>\$1,374</b>	<b>\$1,679</b>	<b>\$1,645</b>	<b>\$1,814</b>	<b>\$8,769</b>



# San Bernardino County

## Annual Health Benefits of Meeting 2031 Federal Air Quality Standard

- \$2.4 billion in monetized public health benefit
- 240 avoided premature deaths



## Draft Spending Scenario – San Bernardino County (\$ millions)

Category	2021-2025	2026-2030	2031-2035	2036-2040	2041-2045	2046-2050	Total
Trucks	\$609	\$842	\$863	\$458	\$0	\$0	<b>\$2,773</b>
Off-Road Equipment	\$247	\$164	\$193	\$368	\$454	\$344	<b>\$1,770</b>
Transit Buses & Passenger Rail	\$68	\$66	\$35	\$35	\$35	\$35	<b>\$274</b>
School Buses	\$198	\$51	\$0	\$0	\$0	\$0	<b>\$249</b>
Port Cargo Handling Equipment	\$0	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Locomotives	\$27	\$259	\$606	\$1,184	\$1,361	\$1,906	<b>\$5,343</b>
Cars & Pickups	\$37	\$37	\$0	\$0	\$0	\$0	<b>\$73</b>
Ships & Aircraft	\$0	\$13	\$45	\$22	\$185	\$202	<b>\$468</b>
ZE Infrastructure	\$10	\$24	\$49	\$73	\$49	\$10	<b>\$215</b>
Local Cities/Counties	\$10	\$10	\$10	\$10	\$10	\$10	<b>\$59</b>
<b>Total</b>	<b>\$1,205</b>	<b>\$1,465</b>	<b>\$1,800</b>	<b>\$2,151</b>	<b>\$2,094</b>	<b>\$2,506</b>	<b>\$11,222</b>

# *PRELIMINARY SPENDING SCENARIO FOR POTENTIAL SOUTH COAST REGIONAL FUNDING MEASURE*

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Legislative Committee

November 8, 2019



# BACKGROUND

## DEVELOPMENT OF PRELIMINARY SPENDING SCENARIO

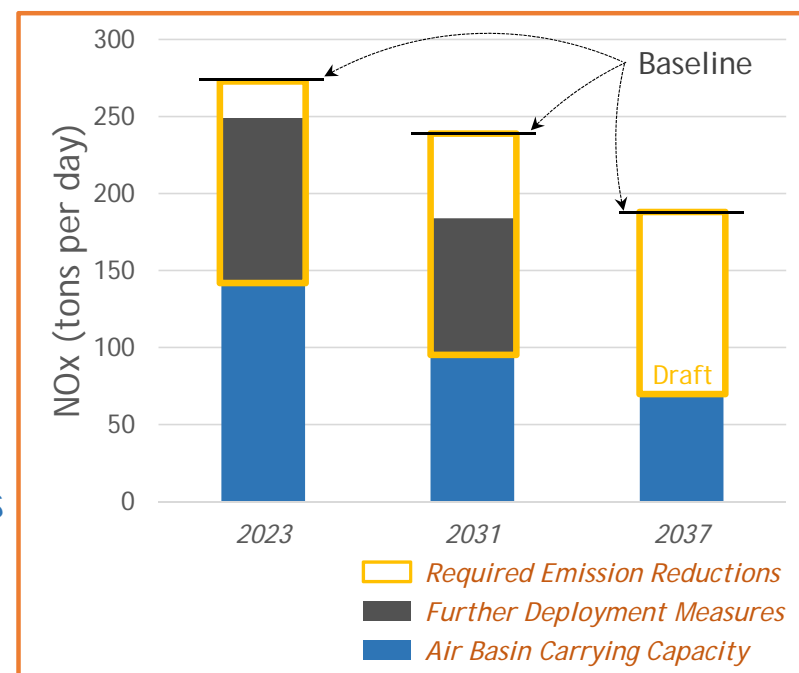
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- A Voting District Authorization bill was discussed with stakeholders in 2019, many requested details about how funds might be spent
  - Request for more detail than in 2016 AQMP
- Preliminary spending scenario developed by staff based on 2016 AQMP and potential revenue from a new one-half cent sales tax
  - Subsequent, more detailed analysis underway
    - Analysis needed to support 2023 Contingency Measures and 2022 AQMP
    - Will include updated funding needs
    - Updated analysis will be brought back to committee
- Formal Spending Plan would need to be developed if Voting District Authorization bill passes

# BACKGROUND

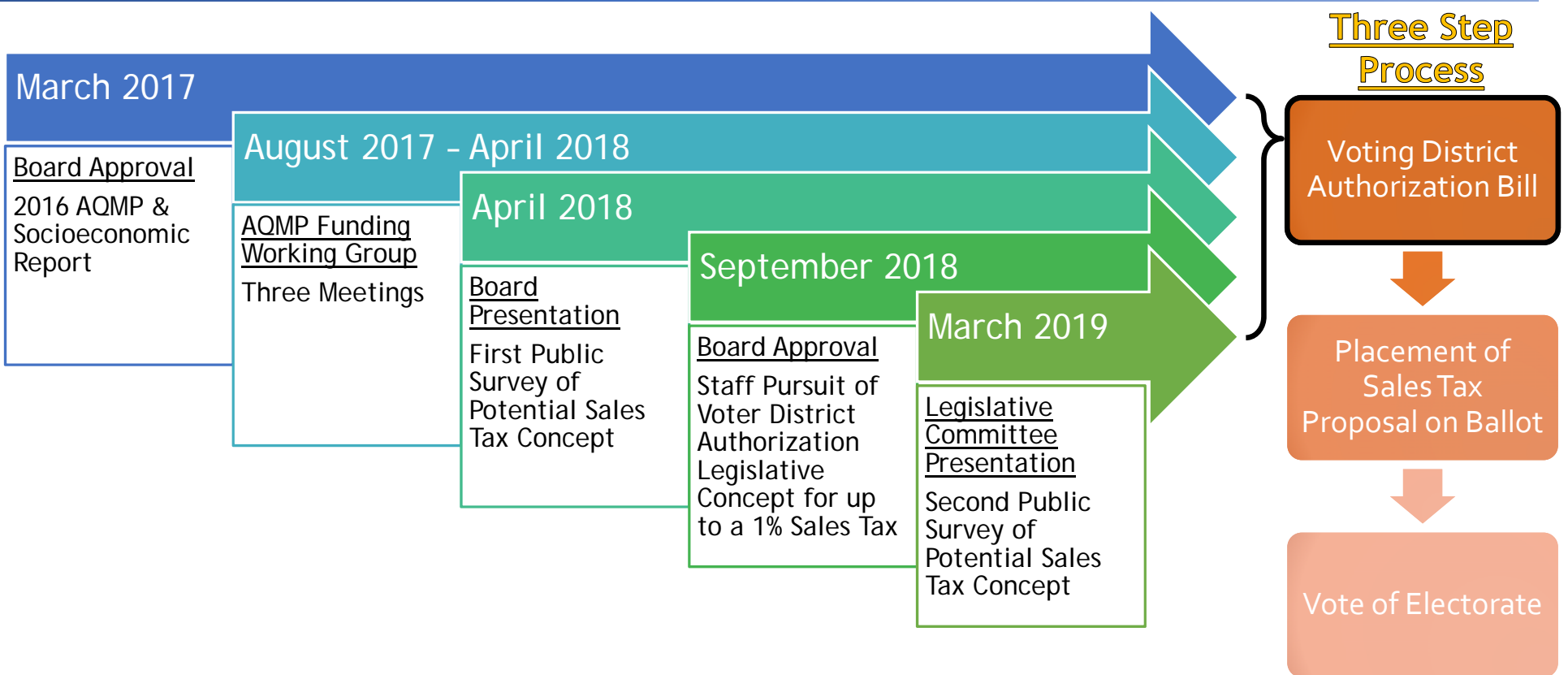
## 2016 AQMP

- Significant NOx reductions beyond baseline needed to meet federal ozone standards
  - 2023 requires 45% reduction
  - 2031 requires 55% reduction
  - *2037 likely requires ~62% reduction*
    - *2022 AQMP will more fully analyze*
- 'Further Deployment Measures' are majority of reductions in 2023 and 2031
  - Includes incentives, new regulations, or other measures
- **\$14.6 billion** needed between 2017-2031 to implement Further Deployment Measures
  - 90+% for mobile sources
  - Cost analysis based on replacement of vehicles at specified incentive levels, after considering all regulations



# BACKGROUND

## VOTING DISTRICT AUTHORIZATION BILL



# PRELIMINARY SPENDING SCENARIO MODELING APPROACH

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- Key inputs
  - Estimated incentive levels by vehicle/equipment, control type, and through time
  - Potential control levels
  - Potential tax revenue by year
  - County-level vehicle/equipment populations and emissions
- Key outputs
  - Emission reductions by vehicle/equipment type
  - Spending by vehicle/equipment type
  - Spending in five year increments
  - Spending by county



# PRELIMINARY SPENDING SCENARIO

## REVENUE/SPENDING THROUGH TIME

### Total Potential Revenue Based on ½ cent Sales Tax

Time Period	Potential Cumulative Revenue (\$ Billions)
2023 - 2030	\$13.9
2023 - 2040	\$34.4
2023 - 2050	\$58.6
• • •	• • •

- Begins in 2023 and assumes no sunset date
- Increased annual revenue through time reflects expected growth of population and economy
- Funding needed to meet current air quality standards in 2023, 2031, and 2037
  - Additional future standards are possible
- Coalition of support needed for this measure
  - Some stakeholders have suggested that funding from this measure can also support their needs (e.g., clean transportation)
    - Air quality needs are top priority

# PRELIMINARY SPENDING SCENARIO

## REVENUE/SPENDING BY COUNTY

### Spending & Revenue by County through 2040

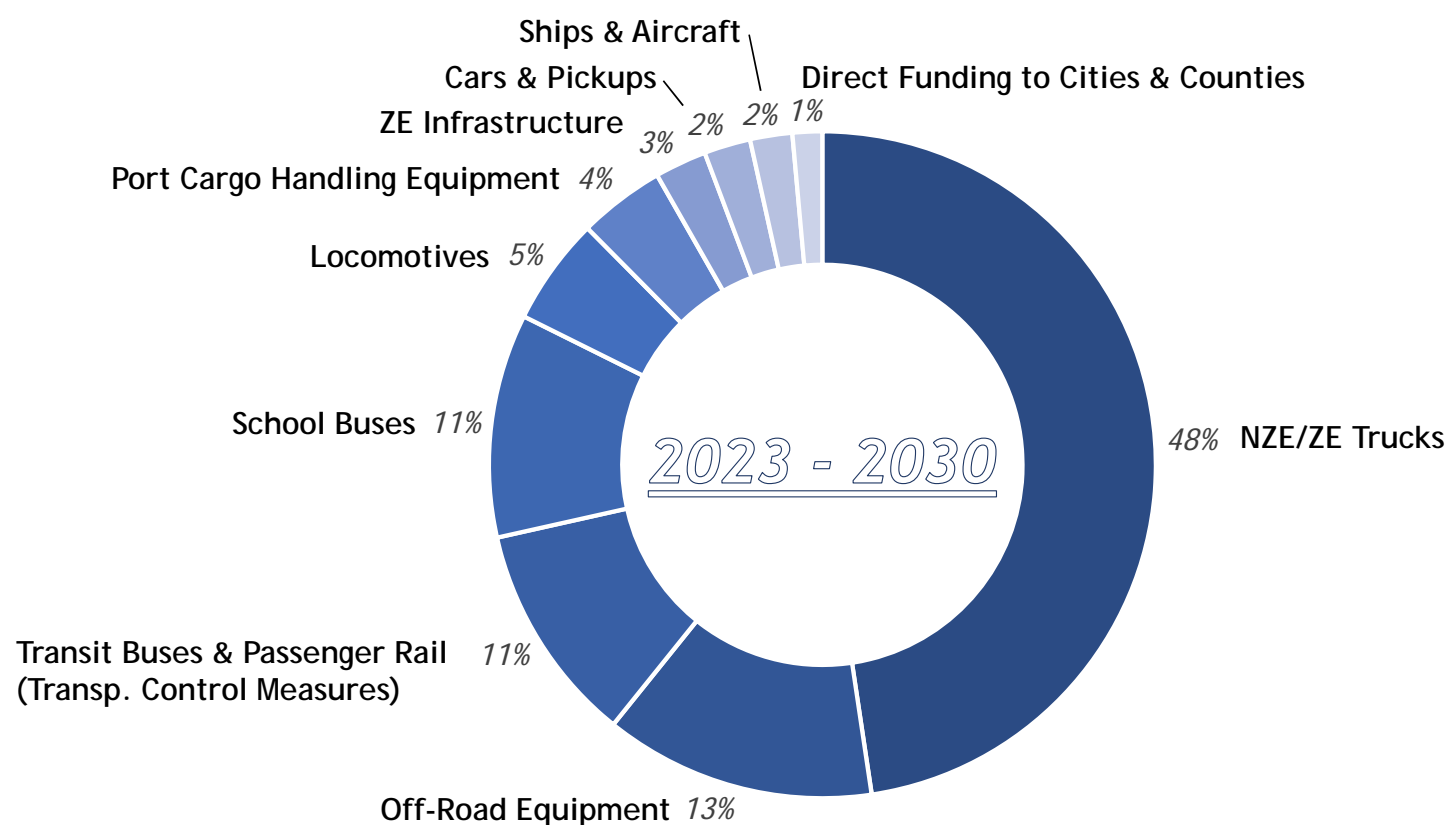
County	% of SCAQMD Population	% of Sales Tax Revenue	% of SCAQMD NOx Emissions	% of Spending (varies through time)
Los Angeles	58%	54%	61% - 63%	52% - 57%
Orange	19%	23%	14% - 15%	15% - 16%
Riverside	14%	13%	11% - 13%	12% - 15%
San Bernardino	9%	10%	11%	15% - 19%

- County-level analysis based on registered location of vehicles/equipment, or emissions if registration data unavailable
- Spending by county expected to fluctuate through time depending on when each vehicle/equipment type is replaced



# PRELIMINARY SPENDING SCENARIO

## EXAMPLE OF SPENDING BY VEHICLE/EQUIPMENT TYPE



# PRELIMINARY SPENDING SCENARIO

## KEY BENEFITS OF SPENDING APPROACH

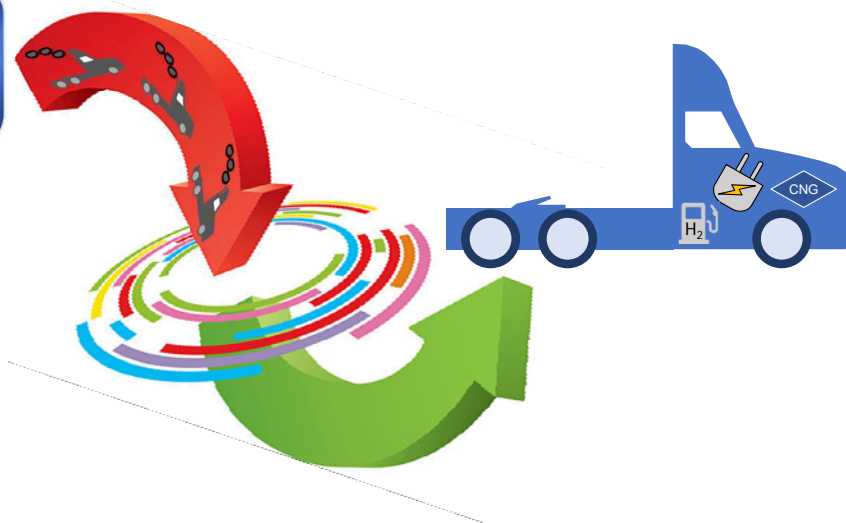
### TRANSFORMATION OF THE GOODS MOVEMENT SECTOR

75% of all  
trucks to ZE  
by 2040

90% of port  
equipment to  
ZE by 2030

All school  
and transit  
buses to ZE  
by 2030

Significant  
GHG  
Reductions



- ✓ Attain Federal Air Quality Standards in 2031 & 2037
- ✓ Avoid 3,000 Premature Deaths Annually
- ✓ \$31 Billion in Public Health Benefits

## NEXT STEPS LEGISLATION

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- Secure substantive and cleanup amendments to SB 732 (Allen), including adding Oversight Committee language
- Continue to conduct outreach, both locally and in Sacramento, to educate about the bill
- Secure passage of SB 732 through Senate Appropriations Committee and Senate Floor by end of Jan. 2020
- Work with legislators to shepherd SB 732 or new bill if needed through legislative process during 2020 legislative session
- Secure Governor's signature

# NEXT STEPS

## SPENDING SCENARIO ANALYSIS

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- Develop formal Spending Plan if Voting District Authorization bill passes
  - Public process would be undertaken and plan would be brought to Board for approval
- Draft spending analysis scenarios will continue to be developed to support 2016 and 2022 AQMP needs
  - Additional scenarios may also be needed to support Voting District Authorization bill