

BOARD MEETING DATE: October 3, 2025

AGENDA NO. 23

REPORT: Legislative Committee

SYNOPSIS: A Special Legislative Committee was held in a hybrid format on Friday, September 12, 2025 at South Coast AQMD. The following is a summary of the meeting.

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

Michael A. Cacciotti, Committee Chair
Legislative Committee

LTO:PFC:DPG:MC

Call to Order

Committee Chair Michael Cacciotti called the meeting to order at 9:16 a.m.

Roll Call

Committee Members

Present: Vice Chair Michael A. Cacciotti, Committee Chair
Supervisor Curt Hagman
Vice Mayor Brenda Olmos
Supervisor V. Manuel Perez
Absent: Councilmember Nithya Raman
Mayor Patricia Lock Dawson

ACTION/DISCUSSION ITEMS:

1. Update on South Coast AQMD Sponsored and Position State Legislation

Carlos Gonzalez, Assistant Deputy Executive Officer, Legislative, Public Affairs and Media provided an update to the Committee on key legislation as well as bills sponsored by South Coast AQMD or with an official Board position.

BUDGET AND CAP-AND-TRADE

- **Fiscal Year 2025-26 Budget:** South Coast AQMD worked with partners to secure \$100 million in funding for the AB 617 program.
 - \$45 million for air district implementation;
 - \$50 million for community incentives; and
 - \$5 million for community grants.
- **Cap-and-Trade/Cap-and-Invest Reauthorization:** SB 840 (Limón & McGuire) and AB 1207 (Irwin), extended the Cap-and-Trade program (renamed as Cap-and-Invest) from 2030 to 2045. South Coast AQMD worked with partners to secure an ongoing \$250 million annual allocation for the AB 617 program. This AB 617 annual funding extends through 2045.
- **SB 352 (Reyes):** This bill makes limited changes to the AB 617 program, including: 1) requiring air monitoring in a location selected by CARB to remain active for at least five years, with possible extensions; 2) directing CARB to update air monitoring plans periodically; 3) Requiring CARB to consult with air districts for annual AB 617 progress reports to the Legislature; and 4) requiring the CARB Chair and local air district Air Pollution Control Officers to appear before the Legislature upon request.

SPONSOR BILLS

- **AB 1338 (Solache):** Fenceline Monitoring at Metal Shredding Facilities. This measure is a two-year bill. Staff will continue working with the author on potential bill amendments for consideration in the next legislative session.
- **AB 907 (Chen):** Fair Compensation for Air District Representatives on the CARB Board. This bill passed the Assembly and is now a two-year bill due to budget constraints. Staff will work to advance the bill in 2026.

POSITION BILLS

- **SB 34 (Richardson):** Air pollution: South Coast Air Quality Management District: mobile sources: Ports of Los Angeles and Long Beach. South Coast AQMD, working with CAPCOA and other stakeholders, mounted a strong opposition campaign. While amendments have weakened the bill, it still sets a bad precedent. The bill has been sent to the Governor where South Coast AQMD, environmental justice, and industry organizations have requested a veto by the Governor.

- **AB 471 (Hart):** Compensation for single county Air District Board Members. South Coast AQMD supports this bill, which passed the Legislature and is now on the Governor's desk.
- **AB 1266 (Solache):** Air Districts: Administrative Rulemaking. This bill would require large air districts to comply with the State Administrative Procedures Act for local rulemaking. South Coast AQMD worked with Assemblymember Solache to achieve a non-legislative solution.
- **SB 712 (Grove):** Smog Check Exemption for Classic Cars. South Coast AQMD had a position of Oppose Unless Amended on this bill, which died in the Assembly Appropriations Committee.
- **SB 415 (Reyes) and AB 735 (Carrillo):** Planning and Zoning: Logistics Use Developments: Truck Routes. South Coast AQMD worked with Senator Reyes on clean-up amendments for AB 98 (Carrillo, 2024). The amendments narrow the scope of a study required by AB 98. These bills were approved by the Legislature and sent to the Governor. In a separate action, Senator Reyes secured funding for South Coast AQMD to conduct the study required by AB 98. Further statutory clarifications will be pursued in 2026.
- **SB 526 (Menjivar):** South Coast Air Quality Management District: Air Quality. This bill would require South Coast AQMD to amend Rule 1157: Aggregate Recycling. South Coast AQMD is working with Senator Menjivar to reduce air pollution from aggregate recyclers and other facilities in Sun Valley.

Supervisor Perez inquired whether a press release or community outreach will be conducted about the funding for AB 617 and asked how the funds would be dispersed per community. Wayne Nastri, Executive Officer, stated that South Coast AQMD will update the Community Steering Committees regarding the funding and is coordinating with other air districts and CAPCOA on the allocations.

Supervisor Perez inquired about SB 712 (Grove). Barbara Baird, Chief Deputy Counsel, stated that under existing law, certain older vehicles are exempt from the smog check program. SB 712 sought to establish a rolling 30-year smog check exemption. The bill's failed passage will not have any impact on current rules and exemptions available to classic cars from the smog check program. For additional information, please refer to the [Webcast](#) beginning at 3:32.

There was no public comment.

2. Amend Contracts for Legislative Representation in Washington, D.C.

Lisa Tanaka, Deputy Executive Officer, Legislative Public Affairs and Media presented staff's recommendation to approve a one-year extension for federal representation in Washington, D.C. The current contracts will expire on January 14, 2026. The amounts for each firm are as follow: Kadesh & Associates, LLC for \$239,834; Cassidy & Associates, Inc. for \$240,000; and Carmen Group, Inc. for \$222,090.

3. Amend Contracts for Legislative Representation in Sacramento, California.

The Committee waived presentation to vote on both Item 2 and 3 at the same time to extend contracts for federal and state legislative representation for one-year.

There was no public comment.

Staff Recommended Approval of Items #2 and #3. The Committee voted on items 2 and 3 simultaneously.

Moved by: Supervisor Hagman, Seconded by: Vice Mayor Olmos.

Ayes: Cacciotti, Hagman, Olmos, Perez

Noes: None

Absent: Dawson, Raman

For additional information, please refer to the [Webcast](#) beginning at 16:57.

WRITTEN REPORTS/ DISCUSSION ITEMS:

4. Update and Discussion on Federal Legislative Issues

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

Mark Kadesh, Kadesh & Associates, provided an update on Fiscal Year 2026 Appropriations. The 12 appropriations bills or a continuing resolution (CR) to fund the federal government must be passed by the September 30 deadline. None of the bills have been completed by Congress, raising the possibility of a government shut down or a need for a CR. For additional information, please refer to the [Webcast](#) beginning at 18:40.

Jed Dearborn, Cassidy and Associates, reported on an upcoming hearing by the House Energy and Commerce Committee Subcommittee on the Environment. The hearing agenda includes, H.R. 161, the "New Source Review Permitting Improvement Act" which would make several changes to the New Source Review permitting process. The House Energy and Commerce Committee may have a legislative package including several bills on the floor in the coming weeks. For additional information, please refer to the [Webcast](#) beginning at 21:02.

Gary Hoitsma, Carmen Group, provided an update on a federal funding program for charging infrastructure for electric vehicles which was created by the Infrastructure Investment and Jobs Act (Bipartisan Infrastructure Law) in 2021. The Trump Administration has released new funding guidance. For additional information, please refer to the [Webcast](#) beginning at 22:26.

Supervisor Perez asked about the release of funds for California. Mr. Hoitsma responded that California receives approximately \$82 million annually.

Chair Cacciotti inquired about the Department of Energy's opposition to plans by the International Maritime Organization to possibly adopt a framework to reduce greenhouse gas emissions from the international shipping sector. Mr. Nastri responded that in the last 5 to 8 years air quality has been associated with climate change. While the Administration is not focused on carbon emission reductions, South Coast AQMD is focused on how domestic policy can drive reductions in criteria pollutants. For additional information, please refer to the [Webcast](#) beginning at 24:22

Harvey Eder provided public comment regarding equity and solar energy.

5. Update and Discussion on State Legislative Issues

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

Paul Gonsalves, Joe A. Gonsalves & Son, reported that the Cap-and-Trade auction held on August 20 generated approximately \$843 million for the Greenhouse Gas Reduction Fund (GGRF). For additional information, please refer to the [Webcast](#) beginning at 30:57.

David Quintana, Resolute, reported that the legislative session has been extended to September 13. The end of session deadline for the first year of a two-year session is not constitutionally mandated and thus is flexible. Six key bills were put in to print late and cannot be heard until September 13. These bills include the Cap-and-Trade reauthorization and GGRF funding bills. For additional information, please refer to the [Webcast](#) beginning at 32:23.

Ross Buckley, Buckley Government Affairs, LLC, reported that Governor Gavin Newsom has until October 13 to sign or veto bills. Senator Monique Limon will assume the role of Senate President pro Tempore on November 17. For additional information, please refer to the [Webcast](#) beginning at 33:51.

Mr. Eder provided public comment regarding equity.

OTHER MATTERS:

6. Other Business

There was no other business to report.

7. Public Comment Period.

There was no public comment to report.

8. Next Meeting Date

The next regular Legislative Committee meeting is scheduled for Friday, October 10, 2025, at 9:00 a.m.

Adjournment

The meeting was adjourned at 9:52 a.m.

Attachments

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

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE MEETING ATTENDANCE RECORD – SEPTEMBER 12, 2025

Council Member Michael Cacciotti	South Coast AQMD Board Member
Supervisor Curt Hagman	South Coast AQMD Board Member
Vice Mayor Brenda Olmos	South Coast AQMD Board Member
Supervisor Manuel V. Perez	South Coast AQMD Board Member

Ben Wong	Board Consultant (Cacciotti)
Marisela Santana	Board Consultant (Olmos)

Ross Buckley	Buckley Government Affairs, LLC
Gary Hoitsma	Carmen Group, Inc.
Jed Dearborn	Cassidy & Associates
Paul Gonsalves	Joe A. Gonsalves & Son
Mark Kadesh	Kadesh & Associates
David Quintana	Resolute

Harvey Eder	Public Member
L. Fernandez	Public Member
Bill LaMarr	Public Member
Peton Merck	Public Member
Bill Quinn	Public Member
Tara Tisopulos	Public Member
Petter Whittingham	Public Member

Jason Aspell	South Coast AQMD Staff
Barbara Baird	South Coast AQMD Staff
Cathy Bartels	South Coast AQMD Staff
Cindy Bustillos	South Coast AQMD Staff
Lara Brown	South Coast AQMD Staff
Maria Corralejo	South Coast AQMD Staff
Philip Crabbe	South Coast AQMD Staff
Scott Gallegos	South Coast AQMD Staff
Bayron Gilchrist	South Coast AQMD Staff
Carlos Gonzalez	South Coast AQMD Staff
De Groeneveld	South Coast AQMD Staff
Alex Han	South Coast AQMD Staff
Sheri Hanizavareh	South Coast AQMD Staff
Jack Cheng	South Coast AQMD Staff
Nydia Ibarra	South Coast AQMD Staff
Aaron Katzenstein	South Coast AQMD Staff
Angela Kim	South Coast AQMD Staff
Howard Lee	South Coast AQMD Staff
Jason Low	South Coast AQMD Staff
Terrence Mann	South Coast AQMD Staff
Ian McMillan	South Coast AQMD Staff
Nahal Mogharabi	South Coast AQMD Staff
Ron Moskowitz	South Coast AQMD Staff
Ghislain Muberwa	South Coast AQMD Staff

Robert Paud	South Coast AQMD Staff
Payam Pakbin	South Coast AQMD Staff
Denise Peralta	South Coast AQMD Staff
Sarah Rees	South Coast AQMD Staff
Mary Reichert	South Coast AQMD Staff
Aisha Reyes	South Coast AQMD Staff
Lisa Tanaka	South Coast AQMD Staff
Brian Tomasovic	South Coast AQMD Staff
Mei Wang	South Coast AQMD Staff
Victor Yip	South Coast AQMD Staff

KADESH & ASSOCIATES

South Coast AQMD Report for the September 2025
Legislative Meeting covering August 2025
Kadesh & Associates

The House and Senate have been in recess for the month of August, with little progress made in preparing for the rapidly approaching September 30, 2025 deadline to reach a funding deal for fiscal year (FY) 2026. When members of the House return to DC after Labor Day, their legislative agenda for the first part of September will include one appropriations bill (the Energy & Water bill) as well as the National Defense Authorization Act, an annual must-pass bill that will likely attract hundreds of amendments. The Senate will start considering its version of the defense bill upon returning to Washington, and likely will spend the first two weeks of the month processing the bill and its amendments.

The House and Senate have passed very few (2 and 3, respectively, out of 12) individual appropriations bills this year, and it is clear that they are out of time to consider the remainder. To prevent a full or partial government shutdown on October 1, 2025, both chambers will need to approve, and President Trump will need to sign into law, a Continuing Resolution (CR). However, there has been no movement this summer to reach agreement on the terms of a CR, there are several factions in Congress with competing incentives, and there is very little trust between the parties. A shutdown is quite possible.

Generally, members of the Appropriations Committees on both sides of the aisle and in both chambers would prefer a shorter duration CR to keep the pressure on leadership and the White House to reach a final overall deal. However, the President's supporters in the House Freedom Caucus and elsewhere would prefer a full-year CR that gives the White House more discretion to make spending decisions over the course of the year. Meanwhile, the specter of additional White House rescissions (the process to disapprove previously appropriated funds), coupled with the backlash to Democratic Leader Schumer's support of the FY25 continuing resolution, will make the Democratic negotiating position increasingly complicated over the next few weeks. This is especially true as the Senate will likely consider rules changes to approve more of President Trump's nominees over Democratic objections.

Finally, the overall political climate has gotten significantly more heated while Congress has been in recess. The Texas state legislature and the California legislature both approved new House district maps for the 2026 election, albeit with additional steps required in California's case; other states are now facing pressure from President. Separately, the President has deployed the National Guard in D.C., and has signaled that other cities, including New York and Chicago, will be next.

Kadesh & Associates Activity Summary-

-Worked with South Coast AQMD and the congressional delegation on funding implications of FY26 appropriations and reconciliation.

Contacts: Contacts included staff and Members throughout the CA delegation, Senate offices, and members of key committees.

ATTACHMENT 2B



To: South Coast Air Quality Management District
From: Cassidy & Associates
Date: August 26, 2025
Re: August Report

HOUSE/SENATE

Congress

Congress is out of session for the month-long August recess until September 2. The focus in September will be on passing Fiscal Year 2026 appropriations bills prior to the end of the fiscal year on September 30. The Senate Appropriations Committee will plan to markup the appropriations bills for Energy & Water Development, Financial Services, Homeland Security, and State-Foreign Operations. The House Appropriations Committee will need to markup the appropriations bills for Commerce-Justice-Science, Financial Services, and Labor-HHS-Education. After markups, Congress will need to consider the bills for final passage or pass a Continuing Resolution (CR) to push the deadline past September 30.

EPA

On August 21, the Environmental Protection Agency (EPA) released its 2023 Toxics Release Inventory (TRI) National Analysis, showing that toxic chemical releases have declined even as the chemical industry's share of U.S. GDP has grown. From 2014–2023, TRI-listed chemical releases dropped 21% overall (including a 32% decline in air releases), while manufacturing's GDP contribution rose 13%. The automotive sector saw a 34% increase in economic value alongside a 14% reduction in chemical releases. Since 1998, chemical releases fell 54%, while GDP grew 74%. Read more [here](#).

On August 19, the EPA announced a settlement with California Ammonia Company (CALAMCO) over Clean Air Act violations at its Stockton facility, which stores and distributes anhydrous and aqueous ammonia for agricultural use. EPA's 2022 inspection found multiple violations, including improper equipment maintenance, inadequate labeling, insufficient employee training, incomplete hazard analysis, and underestimating potential ammonia releases. CALAMCO has since corrected equipment, updated procedures, labeled equipment properly, and conducted a new hazard analysis to enhance safety for employees, first responders, and the community. Read more [here](#).

On August 13, the EPA announced the relaunch of its Guidance Portal, a centralized website providing public access to guidance documents on air quality, water protection, hazardous waste, and other programs. The site is intended as a one-stop resource to help businesses, farmers, and the public locate active guidance documents, which clarify how EPA interprets statutes and regulations. The portal was created during President Trump's first term but was taken down during the Biden Administration. Read more [here](#).

On July 30, EPA proposed rescinding the 2009 Endangerment Finding, a foundational Obama-era determination that allowed the agency to regulate greenhouse gas (GHG) emissions under the Clean Air Act. If finalized, the move would eliminate all federal greenhouse gas standards for light-, medium-, and heavy-duty vehicles, citing new scientific data and recent Supreme Court rulings as justification. The move is one of the largest deregulatory actions in U.S. history. The agency claims this deregulatory action will restore consumer choice while saving Americans \$54 billion annually. Critics say this interpretation stretches legal authority and bypasses legislative intent. Read more [here](#) and [here](#).

Cassidy and Associates support in August:

- Provided guidance for the FY 26 appropriations process, including language report for non-attainment areas;
- Updated AQMD staff on highway surface reauthorization;
- Tracked energy and environment amendments for the NDAA process;
- Continued conversations on permitting reform efforts in Congress and the Administration;
- Worked with SCAQMD staff to strategize on future DC outreach and plan for DC visits; and
- Participated in weekly strategy sessions with SCAQMD staff.

IMPORTANT LEGISLATIVE DATES

September 30, 2025: Deadline to fund the federal government.

September 30, 2025: The Farm Bill, an omnibus package of legislation that supports US agriculture and food industries, expired in 2023. The bill is reauthorized on a five-year cycle.

December 31, 2025: National Defense Authorization Act, which authorizes and funds specialized Department of Defense (DoD) programs and sets the DoD's policy agenda each year.

ATTACHMENT 2C



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

To: South Coast AQMD Legislative Committee

From: Carmen Group

Date: August 26, 2025

Re: Federal Update -- Executive Branch

Congress: The challenges facing Congress as members return to work in September are daunting, as a government shutdown looms amid a deeper-than-usual partisan divide between Republicans and Democrats, coupled with distracting internal dissensions lingering within both parties. The deadline to address Fiscal Year 2026 appropriations is September 30, 2025. None of the 12 spending bills have been passed so far and a bipartisan agreement on a needed continuing resolution (CR) is nowhere in sight. Simultaneously, all eyes are turning to the 2026 midterm elections prompting mid-decade redistricting fights in states like TX, CA, NY and IL, only exacerbating partisan tensions Washington. Meantime, Democrats are still divided over Senator Schumer's decision in March to accept a Republican-led CR to avoid a government shutdown at that time, while Republicans can't seem to agree on budget rescissions that might be the basis of a second reconciliation bill that now seems unlikely. Taken together, it's a recipe for gridlock that is not going to be easy to unravel.

Department of Transportation (DOT)

DOT Unveils New Guidance for EV Charger Infrastructure Program: After freezing the program for almost six months, the DOT announced in August new updated guidance for the implementation of the National Electric Vehicle Infrastructure (NEVI) program, including its formula funding and discretionary grant components. The updates (effective immediately) streamline applications, provide states with more flexibility, and slash red tape to ensure charging stations are built faster and funding is spent efficiently. The [Interim Final Guidance](#) also seeks comment on what further changes may be appropriate.

FTA Revises Requirements Under Two Key Transit Grant Programs: In July and August, the Federal Transit Administration (FTA) announced that grant recipients of two FTA programs would have more flexibility and less burdensome requirements in qualifying for federal funding. Recipients of FTA's Low or No Emissions Grant Program will now have flexibility to change their project proposals from "no emissions" to "low emissions" technology. Meanwhile, recipients of FTA's Capital Investment Grants (CIG) program will no longer be required to provide a "social cost of carbon" calculation as part of the rating requirements for major transit project grants.

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DOT Announces Funds Available for Innovative Finance and Asset Grants: In August, DOT's Build America Bureau announced the availability of \$46 million under the Innovative Finance and Asset Concession (IFAC) Program to assist public entities in facilitating and evaluating public private partnerships and exploring innovative financing opportunities for certain projects. Grants up to \$2 million. Applications due October 1, 2025.

FRA Pulls Plug on Baltimore-Washington MagLev Project: In August, the Federal Railroad Administration (FRA) announced the cancellation of two grants totaling over \$26 million for the Baltimore-Washington Superconducting Magnetic Levitation (SCMAGLEV) project, thus ending the agency's involvement that dates back to 2016. Meanwhile in July, Transportation Secretary, Sean Duffy, penned an [op-ed](#) in the *Sacramento Bee* defending the FRA's similar cancellation of major federal funding for the California High-Speed Rail Project.

Environmental Protection Agency (EPA)

EPA Proposes to Disapprove California's Plan for Heavy-Duty Vehicles: In August, the EPA announced its proposal to disapprove of California's Heavy-Duty (HD) Inspection and Maintenance (I/M) Requirements as they apply to out-of-state and out-of-country vehicles. The Requirements are part of the State Implementation Plan (SIP) submitted by California and would affect any heavy-duty vehicle driven in the state regardless of registration. EPA's proposal, in the form of a Federal Register notice, claims the questionable requirement violates the Constitution's Commerce Clause and Section 110 of the Clean Air Act.

EPA Proposes to Rescind 2009 Endangerment Finding: In July, EPA announced its proposal to rescind the 2009 Endangerment Finding, which is the legal prerequisite by which the agency regulates CO2 and greenhouse gas (GHG) emissions. Absent the finding, EPA would lack statutory authority to prescribe standards for GHG emissions. If finalized, the proposal would repeal all greenhouse gas standards, overturning what the agency says would be over \$1 trillion in regulations. At that time, the rescission of the Endangerment Finding will be immediately challenged in court, facing years of litigation.

EPA Announces New Guidance to Fix Diesel Exhaust Fluid Problems: In August, in response to complaints from farmers, truckers and other diesel equipment operators, EPA announced new guidance urging engine and equipment manufacturers to revise Diesel Exhaust Fluid (DEF) software to prevent sudden, severe power losses and equipment shutdowns when DEF technology fails. The technology, required by regulation, has allowed diesel engines to become more efficient while reducing 99% of nitrous oxide emissions. But when the DEF runs out or a sensor fails, an automatic trigger forces the engine to operate at reduced capacity or to shut down. The new guidance will dramatically reduce or eliminate these disruptions, increasing productivity.

EPA Announces Agency Guidance Document Website: In August, EPA announced the launch of EPA's [Guidance Portal](#), a streamlined website for accessing important guidance documents related to air quality, water protection, hazardous waste management

and more. The website serves as a resource for all guidance documents managed across the EPA's environmental programs and will help users and small businesses to easily locate EPA's active guidance documents on topics of interest.

Notable EPA Appointments – (Confirmed by Senate)

Aaron Szabo, *Asst. Admin. for Air and Radiation*; NRC, OIRA, CEQ

Paige Hallen, *CFO*; Senate JEC, Budget, Appropriations, and Finance Committees.

Department of Energy (DOE)

DOE Issues Report on US Climate Impacts of Greenhouse Gases: In July, the Department of Energy (DOE) released a new 141-page [report](#), A Critical Review of Impacts of Greenhouse Gases on the U.S. Climate, evaluating existing peer-reviewed literature and government data on the climate impacts of GHG emissions. The report was developed by DOE's five-member 2025 Climate Working Group established during the Administration and published as part of the Environmental Protection Agency's proposed rule repealing the 2009 Endangerment Finding. As part of a concluding statement, the report notes support for "a more nuanced and evidence-based approach for informing climate policy that explicitly acknowledges uncertainties. The risks and benefits of a climate changing under both natural and human influences must be weighed against the costs, efficacy, and collateral impacts of any 'climate action', considering the nation's need for reliable and affordable energy with minimal local pollution."

IG Report Highlights Lack of Accountability in DOE's Handling of IRA Funds: In August, the Department of Energy Inspector General (IG) released a [report](#) on the failure of the Department's Office of Clean Energy Demonstrations (OCED) to responsibly implement billions of dollars in grant awards authorized under the Inflation Reduction Act (IRA). The report found that OCED did not have adequate internal controls to oversee the rushed distribution of \$5.8 billion under an IRA-funded clean energy program, resulting in "unachieved goals and objectives, improperly reimbursed costs, fraud, waste, and undisclosed conflicts of interest."

DOE Joins to Oppose Plan to Reduce GHG Emissions from International Shipping: In August, the Secretary of Energy joined with the Secretaries of State, Commerce, and Transportation in a joint statement opposing plans by the International Maritime Organization (IMO) to possibly adopt at its October meeting a so-called "Net Zero Framework," aimed at reducing greenhouse gas emissions from the international shipping sector.

Outreach: In August, Carmen Group was in touch with congressional staff and business group representatives on appropriations and reconciliation issues.

###

ATTACHMENT 3A



Joe A. Gonsalves & Son

Anthony D. Gonsalves

Jason A. Gonsalves

Paul A. Gonsalves

PROFESSIONAL LEGISLATIVE REPRESENTATION

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916 441-8597 • FAX 916 441-5061

Email: gonsalves@gonsalvi.com

TO: South Coast AQMD

FROM: Anthony, Jason & Paul Gonsalves

SUBJECT: Legislative Update – August 2025

DATE: Tuesday, August 26, 2025

The California State Legislature reconvened from summer recess on August 18, entering a high-pressure final month of the 2025 session. Immediately upon reconvening, legislators introduced and fast-tracked the redistricting package that would suspend the independent commission and place the legislature-drawn congressional maps on this year's November 4 ballot. In addition, lawmakers have been racing to move key bills through the appropriations committees before the deadline in late August, with floor votes and concurrences expected soon after.

Appropriations hearings kicked off quickly across both chambers, and both houses are expected to bring up the Appropriations Suspense Calendar on Friday, August 29. After that, it is a sprint to advance the remaining bills through floor debates and final votes before the session wraps on September 12.

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

PROPOSITION 50

Proposition 50, the "Use of Legislative Congressional Redistricting Map Amendment" or the Election Rigging Response Act, would temporarily suspend California's independent redistricting commission and replace its congressional maps with ones drafted by the Legislature for the 2026, 2028, and 2030 elections. After 2030, the nonpartisan commission would resume its role post-2030 census. The rationale for this action is to counter Republican-led redistricting efforts, notably in Texas, which are seen as an attempt to entrench GOP control in the U.S. House.

By way of background, on August 21, the California Legislature passed the enabling legislation, with the Assembly voting 57–20 and the Senate voting 30–8. Governor Newsom then signed the relevant bills, officially putting the measure, Proposition 50, on the November 4 special election ballot. The special election coincides with local municipal elections, helping ease logistical and financial burdens on counties. However, counties are still expected to incur tens of millions in costs, much of which will be state funded.

The newly proposed legislative maps target 5 Republican-held U.S. House seats, seeking to enhance Democratic representation in California. Some other competitive districts would also be fortified. Supporters argue this is a defensive move to preserve democratic balance amid aggressive mid-decade redistricting in GOP states. Governor Newsom frames the measure as a necessary response to ‘election rigging’ while labor unions and Democratic-aligned organizations (like SEIU, the California Teachers Association, and California Federation of Labor) have launched a strong ground campaign, raising millions in grassroots funds and mobilizing over 20,000 volunteers. National Democratic figures such as, Barack Obama, Kamala Harris, Adam Schiff, and Alex Padilla, have publicly supported the initiative.

California Republicans argue the initiative violates the state Constitution, bypasses required public-notice and review procedures and undermines the independent commission. Several lawsuits have already been filed, and more are expected. Critics accuse Governor Newsom of hypocrisy or political opportunism, suggesting the move is aimed at boosting his own future ambitions rather than improving democratic fairness. There are also national figures on the opponent’s side, such as former Governor Arnold Schwarzenegger, the creator of California’s independent redistricting commission, who warns that Proposition 50 undermines the commission’s legacy and weakens democratic integrity. He accuses Newsom’s plan of jeopardizing fair elections for political gain. Charles Munger Jr., a Palo Alto scientist who previously funded the independent redistricting commission, has emerged as the initiative’s leading financial opponent. He has already contributed \$10 million to the “Protect Voters First” campaign and is prepared to invest up to \$30 million to defeat Prop 50. Additionally, a committee was formed titled “Stop Sacramento’s Power Grab,” backed by former House Speaker Kevin McCarthy, who aims to raise up to \$100 million in opposition to Proposition 50.

Between now and November 4 we expect to see numerous legal challenges and a surge in campaign efforts on both sides of Proposition 50. At the end of the day, it will most likely be up to the voters of California who get the final say in this matter. We will continue to keep you apprised as the issue progresses.

CAP-AND-TRADE

On August 20, CARB held its quarterly Cap-and-Trade Auction with 51,883,970 emission units for the Current Auction and 6,847,750 emission units for the Advance Auction (2028 vintage) put on sale at a minimum price of \$25.87. The results of the auction will be posted on August 27, and we will be sure to provide the Committee with an update once those results are made public.

ZERO-EMISSION VEHICLES

On August 19, California state agencies released a comprehensive report in response to Governor Gavin Newsom’s Executive Order N-27-25, which directs the state to accelerate the transition to zero-emission vehicles (ZEVs). Signed on June 12, the order tasked CARB, the California Energy Commission (CEC), Governor’s Office of Business and Economic Development (GO-Biz), California State Transportation Agency (CalSTA), and California Department of Consumer Affairs (DCA) with identifying strategies to make clean transportation more affordable, reliable, and accessible. The report, developed with extensive public input, outlines how California can expand ZEV adoption across all vehicle types, protect public health, and maintain progress despite federal rollbacks.

The report highlights California’s achievements as a national leader in clean transportation, having already surpassed its goal of deploying 2 million ZEVs while fostering manufacturing jobs and

infrastructure. It identifies 6 priority areas: sustaining private investment through the Low Carbon Fuel Standard, creating new incentives to help low-income consumers and small businesses access ZEVs, expanding reliable charging and hydrogen fueling infrastructure, lowering charging costs, strengthening consumer protection and emissions regulations, and leading by example through state and local government ZEV procurement policies.

To shape these recommendations, agencies held public sessions across the state and online, engaging over a thousand Californians and gathering nearly 200 written comments. The central focus of the plan is ensuring equity, with an emphasis on directing resources and benefits to communities facing the highest air pollution burdens. By prioritizing these vulnerable areas, California aims to ensure that the clean transportation transition delivers environmental and economic benefits broadly and fairly.

CEC – ELECTRIC VEHICLE FAST CHARGING INCENTIVE PROGRAM

On August 5, the CEC launched the Fast Charge California Project, a \$55 million incentive program designed to accelerate the installation of electric vehicle EV fast chargers across the state. The initiative offers up to 100% of installation costs for eligible projects at businesses and public sites, with applications open through October 29. This new program is part of the broader California Electric Vehicle Infrastructure Project (CALeVIP), the nation's largest EV charging incentive program.

To qualify, sites must be publicly accessible and “shovel-ready,” with completed utility service designs and all necessary permits. Priority will go to projects located in tribal areas, disadvantaged communities, and low-income neighborhoods, where fast-charging options are often limited. Eligible sites include convenience stores, retail centers, gas stations, parking lots, and other high-traffic destinations.

Funding for the program comes from the CEC's Clean Transportation Program and the state's Greenhouse Gas Reduction Fund. Incentives are limited to direct current (DC) fast chargers, with up to \$55,000 available per port for chargers in the 150–274.99-kilowatt range and up to \$100,000 per port for chargers over 275 kilowatts. By prioritizing ready-to-build projects and focusing resources on underserved communities, the Fast Charge California Project aims to rapidly expand the state's charging network and support California's ongoing transition to zero-emission transportation.

2025 LEGISLATIVE DEADLINES

Aug. 29: Last day for fiscal committees to hear and report bills to the Floor

Sept. 2-12: Floor session only. No committees may meet for any purpose, except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees

Sept. 5: Last day to amend on the Floor

Sept. 12: Last day for each house to pass bills. Interim Recess begins upon adjournment

Oct. 12: Last day for Governor to act on bills.

South Coast Air Quality Management District Legislative and Regulatory Update – August 2025

❖ Important Upcoming Dates

August 29, 2025 – Last day for Fiscal Committee to Hear Bills
September 12, 2025 – Last day for Each House to Pass Bills

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

- Provided ongoing updates as the policy committees have been hearing bills.
- Followed up on bills for the 2025 legislative session, including for South Coast AQMD sponsored legislation.
- Arranged meetings with key legislators and Governor's staff on behalf of South Coast AQMD.

❖ AB 907 (Chen). Assemblymember Philip Chen introduced AB 907, sponsored legislation for South Coast AQMD, dealing with the inequity of pay for air district board members appointed to serve on the CA Air Resources Board.

AB 907 was heard on the Assembly Floor on June 3rd, and Passed.

Ayes: 49

Noes: 6

Abstained: 24

The bill has been referred to the Senate Environmental Quality Committee. The bill has been made into a 2-year bill.

❖ Cap-and-Trade Reauthorization. The Legislature went on Summer Recess on July 18 without taking a vote to reauthorize Cap-and-Trade prior to the break. The auction that took place on August 20 generated about \$841 million. Given that the Legislature has not reauthorized Cap-and-Trade beyond 2030, the August auction was closely watched to see if revenues would dip substantially. At this point, it seems the market is expecting the reauthorization to happen this session and that could be why the revenue was relatively stable compared to a worst-case scenario. For comparison, the August 2024 auction generated \$942 million.

This auction represents the first auction of the fiscal year. Should this auction result occur in the next 3 auctions, the overall revenue would be about \$3.4 billion which would be about \$1.5 billion lower than the high-water mark set 2 years ago when the auctions raised a total of \$5 billion.

ATTACHMENT 3C

South Coast AQMD, Legislative Committee Report
Buckley Government Affairs LLC
September 12, 2025

Legislative Session Update

The Legislature adjourned for its summer recess on July 18 and reconvened in Sacramento on August 18. While members attended to district responsibilities during the break, key policy discussions continued in preparation for the demanding agenda awaiting their return. Major issues included congressional redistricting, the extension of California’s Cap-and-Trade program, and the all-important Appropriations Committee “suspense file” hearings.

During the recess, congressional redistricting picked up steam and became a top priority for the Governor and majority party legislative leadership. In their first week back, lawmakers advanced—and the Governor signed—a package of three bills which was named the “Election Rigging Response Act.” Assembly Constitutional Amendment 8 (Rivas, McGuire) authorizes voters to adopt a temporary congressional map; Senate Bill 280 (Cervantes, Pellerin) establishes the statewide special election and provides funding to local governments; and Assembly Bill 604 (Aguiar-Curry, Gonzalez) enacts temporary congressional district maps, contingent upon voter approval of ACA 8 on November 4. ACA 8 will appear on the ballot as Proposition 50.

At the same time, conversations regarding the extension of the Cap-and-Trade program have intensified. Assembly Bill 1207 (Irwin) has emerged as a leading vehicle for these negotiations, with stakeholders working toward passage before the Legislature concludes its session. There is added urgency to extend the program due to the decline in revenues generated by cap-and-trade auctions over the past year, a trend some attribute to market uncertainty about the program’s long-term future absent legislative action. The most recent auction, held on August 20, has not yet released its proceeds.

In addition, the Senate and Assembly Appropriations Committees will hold their suspense hearings on August 29. These hearings will determine the fate of hundreds of bills and provide a clearer picture of which measures will advance during the final weeks of session. Following the hearings, lawmakers will enter a two-week floor period to complete outstanding business before

adjourning for interim recess on September 12—or in the early morning hours of September 13, if proceedings extend late into the night.

Budget Update

On the budget front, the preliminary General Fund agency cash receipts were \$60 million, or 0.5 percent, above the Budget Act forecast for July. The July overage was largely the result of higher receipts from personal income tax (up \$290 million), other revenues (up \$120 million), and pooled money investment account interest (up \$109 million) that were partially offset by lower-than-expected receipts from the corporation tax (down \$428 million).

Given this is the first month of the fiscal year this is a positive sign. However, we should have a better picture of our revenue situation in the next few months when Southern California tax reports are filed.