



# South Coast Air Quality Management District

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

## HYBRID LEGISLATIVE COMMITTEE MEETING

### Committee Members

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

**September 13, 2024 ♦ 9:00 a.m.**

### TELECONFERENCE LOCATION

Riverside City Hall 3900 Main Street 7 <sup>th</sup> Floor Conference Room Riverside, CA 92522	Los Angeles City Hall 200 N. Spring Street Room 415 Los Angeles, CA 90012
Lynwood City Hall 11350 Bullis Road Annex Conference Room Lynwood, CA 90262	Office of Supervisor V. Manuel Perez 78015 Main Street Suite 205 La Quinta, CA 92253

**A meeting of the South Coast Air Quality Management District Legislative Committee will be held at 9:00 a.m. on Friday, September 13, 2024, through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and remote attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.**

**Please refer to South Coast AQMD's website for information regarding the format of the meeting, updates if the meeting is changed to a full remote via webcast format, and details on how to participate:**

<http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>

## INSTRUCTIONS FOR ELECTRONIC PARTICIPATION AT BOTTOM OF AGENDA

***Join Zoom Webinar Meeting - from PC or Laptop***  
**<https://scaqmd.zoom.us/j/99574050701>**

**Zoom Webinar ID: 995 7405 0701** (applies to all)

**Teleconference Dial In**  
**+1 669 900 6833**

**One tap mobile**  
**+16699006833,, 99574050701#**

**Audience will be able to provide public comment through telephone or Zoom connection during public comment periods.**

## **PUBLIC COMMENT WILL STILL BE TAKEN**

### **AGENDA**

*Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54954.3(a)). If you wish to speak, raise your hand on Zoom or press Star 9 if participating by telephone. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes total for all items on the agenda.*

## **CALL TO ORDER**

## **ROLL CALL**

### **ACTION/DISCUSSION ITEMS (Items 1 through 2):**

**1. Update on 2024 South Coast AQMD-Sponsored State Bills  
(No Motion Required)**

*Staff will present an update to the Committee regarding 2024 South Coast AQMD-sponsored state bills.*

*Derrick Alatorre  
Deputy Executive Officer  
Legislative, Public Affairs &  
Media*

- 1. AB 2522 (W. Carrillo) - Air Districts: governing boards: compensation*
- 2. AB 2958 (Calderon) - State Air Resources Board: board members: compensation*
- 3. SB 1158 (Archuleta) - Carl Moyer Memorial Air Quality Standards Attainment Program*

**2. Update on Key Position Bills**

*Staff will present to the Committee regarding legislation which negatively impacts air district resources and air quality efforts, which warranted opposition based on South Coast AQMD's 2024 State Legislative Guiding Principles:*

*Philip Crabbe III  
Sr. Public Affairs Manager  
Legislative, Public Affairs &  
Media*

- 1. AB 98 (J. Carrillo) – Planning and zoning: logistics use: truck routes.*
- 2. AB 1122 (Bains) – Commercial harbor craft: equipment.*
- 3. AB 1296 (Grayson) – Bar Pilots: regulation of vessels.*

**DISCUSSION ITEMS (Items 3 through 4):**

**3. Update and Discussion on Federal Legislative Issues  
(No Motion Required)**

*Consultants will provide a brief oral report of Federal legislative activities in Washington D.C.  
[Attachment 2a-2c - Written Reports]*

*Jed Dearborn  
Cassidy & Associates*

*Mark Kadesh  
Kadesh & Associates, LLC*

*Gary Hoitsma  
Carmen Group*

**4. Update and Discussion on State Legislative Issues  
(No Motion Required)**

*Consultants will provide a brief oral report on State legislative activities in Sacramento.  
[Attachment 3a-3c - Written Reports]*

*Ross Buckley  
California Advisors, LLC*

*Paul Gonsalves  
Joe A. Gonsalves & Son*

*David Quintana  
Resolute*

**OTHER MATTERS:**

**5. Other Business**

*Any member of this body, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Govt. Code Section 54954.2)*

**6. Public Comment Period**

*At the end of the regular meeting agenda, an opportunity is provided for the public to speak on any subject within the Legislative Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes each.*

7. **Next Meeting Date** – October 11, 2024 at 9:00 a.m.

## **ADJOURNMENT**

### **Document Availability**

*All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available by contacting Maria Corralejo at (909) 396-2759 or send the request to [mcorralejo@aqmd.gov](mailto:mcorralejo@aqmd.gov).*

### **Americans with Disabilities Act and Language Accessibility**

*Disability and language-related accommodations can be requested to allow participation in the Legislative Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to South Coast AQMD. Please contact Maria Corralejo at (909) 396-2759 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to [mcorralejo@aqmd.gov](mailto:mcorralejo@aqmd.gov).*

## **INSTRUCTIONS FOR ELECTRONIC PARTICIPATION**

### **Instructions for Participating in a Virtual Meeting as an Attendee**

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

**Please note:** During the meeting, all participants will be placed on mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chair will announce public comment.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

**Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.**

### **Directions for Video ZOOM on a DESKTOP/LAPTOP:**

- If you would like to make a public comment, please click on the “**Raise Hand**” button on the bottom of the screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

### **Directions for Video Zoom on a SMARTPHONE:**

- If you would like to make a public comment, please click on the “**Raise Hand**” button on the bottom of your screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

### **Directions for TELEPHONE line only:**

- If you would like to make public comment, please **dial \*9** on your keypad to signal that you would like to comment.



To: South Coast Air Quality Management District  
From: Cassidy & Associates  
Date: July 23, 2024  
Re: June and July Report

## *HOUSE/SENATE*

### *Congress*

The focus in Washington will be on the 2024 presidential race following President Joe Biden's announcement on Sunday that he will no longer be seeking reelection and Vice President Kamala Harris's speedy announcement of her candidacy. Harris has received endorsements from numerous Democrats and filed the Federal Elections Commission (FEC) report for her campaign. Now questions are swirling around who Harris will pick to join her on the ballot as the candidate for Vice President.

Both chambers are back for two weeks before the start of the August recess. Several committees are holding hearings related to the assassination attempt on former President Trump earlier this month. In addition to oversight-related hearings, lawmakers will also move forward with Fiscal Year (FY) 2025 appropriations bills. The House completed subcommittee markups on all FY25 bills, and several bills will be considered by the full House throughout the next two weeks, including the Energy and Water and the Interior and Environment bills. The Senate Appropriations Committee will mark up spending bills for Commerce, Justice, and Science; State and Foreign Operations; Transportation, Housing, and Urban Development; and Interior and Environment.

Senators Manchin (I-WV) and Barrasso (R-WY), the Senate Energy and Natural Resources Chair and Ranking Member, released an energy and mining permitting reform bill that will be

considered in a committee markup at the end of the month. During the June session, the House passed the FY25 National Defense Authorization Act by a vote of 217 to 199. In the Senate, the bill passed the Senate Armed Services Committee and will be considered on the Senate Floor.

House Committee activity this week included an Energy and Commerce Committee hearing on the FY25 budget for the Nuclear Regulatory Commission and another hearing on the FY25 budget for the Federal Energy Regulatory Commission. In Senate Committee activity, the Commerce, Science, and Transportation Committee held a field hearing on the impact of the Bipartisan Infrastructure Law on transportation infrastructure.

### *EPA*

On July 22, the Environmental Protection Agency (EPA) announced that South Coast Air Quality Management District (SCAQMD) was selected to receive a \$499,997,415 Climate Pollution Reduction Grant. The grant funding will be used to provide incentives for electric charging equipment, increase zero-emission freight vehicles, and replace or convert cargo handling equipment and diesel freight switch locomotives. Sen. Vanessa Delgado, Chair of the Governing Board, expressed her gratitude for the award, saying that it will reduce 12 million metric tons of carbon emissions over the next 25 years and avoid 1,600 tons of smog-forming emissions annually. Read more [here](#).

On July 15, the Environmental Protection Agency (EPA) announced new protections to protect people from exposure to pesticide spray drift. The EPA will assess the amount of pesticide that drifts away from where it is applied earlier in its review process for new active ingredient pesticide registrations and new use decisions. The analysis will occur during initial review, rather than the registration review, which occurs every 15 years after a pesticide is approved. The new process will allow EPA to identify spray drift risks for people living or working nearby and for non-target species. Read more [here](#).

On July 2, the Environmental Protection Agency (EPA) released an updated climate indicators report that shows new data on the impacts of climate change in the United States. This year's report included new indicators on marine heat waves and heat-related workplace deaths. The report indicated that 2023 was the warmest year on record worldwide, and 2014 – 2023 was the warmest decade on record. Heat waves occur more frequently and last longer, and wildfires have increased in acreage. Growing seasons have increased by more than two weeks, as snowpack seasons have decreased by an average of 15 days. Read more [here](#).

On June 21, the Environmental Protection Agency (EPA) announced the availability of \$850 million for projects to help monitor, measure, quantify, and reduce methane emissions from the oil and gas sectors. As the nation's largest industrial source of methane, oil and natural gas facilities play a key role in the Biden Administration's efforts to cut methane pollution through the Methane Emissions Reduction Program. The funding will help small oil and gas operators to reduce methane emissions by incorporating innovative technologies. Read more [here](#).

On June 20, EPA released its 2024-2027 Climate Adaptation Plan that establishes agency priorities to address climate change. The plan's goals include ensuring staff are climate-literate, building facility resilience, developing climate-resilient supply chains, and considering and integrating climate resilience into external funding opportunities, decision making, and rulemaking processes. The plan builds on the 2014 and 2021 Climate Adaptation Plans. Read more [here](#).

On June 5, EPA announced a proposed rule to limit exposure from n-methylpyrrolidone (NMP) under the Toxic Substances Control Act (TSCA). The proposed rule would limit the concentration of NMP in certain products, establish workplace safety restrictions, and ban certain uses of the chemical. The ban includes automotive care products, cleaning and degreasing products, metal products, and furniture care products. NMP is used in the production of electronics, polymers, agricultural chemicals, and petrochemical products and is known to cause serious health effects, including liver, kidney, and immune system damage, as well as miscarriages and reduced fertility. Read more [here](#).

On May 29, EPA announced over \$91 million in rebates for clean school buses in California as part of the 2023 Clean School Bus Program rebate competition. The rebates will support the purchase of 380 clean school buses to replace diesel-fueled buses in 47 school districts across the state. The program, created by the Infrastructure Investment and Jobs Act, will ultimately improve air quality and public health by reducing diesel emissions. Read more [here](#).

On May 28, EPA selected five recipients, including the University of California – Riverside, to receive nearly \$15 million to address hydrofluorocarbons (HFC), a highly potent greenhouse gas commonly used in refrigeration and air conditioning. The Biden-Harris Administration aims to achieve an 85% reduction in HFC levels by 2036. HFCs can have a climate impact of hundreds to thousands of times stronger than carbon dioxide. The University of California – Riverside will use the funding to develop scalable catalytic and assisting technologies for efficient HFC destruction. Read more [here](#).

Cassidy and Associates support in June and July:



- Worked with SCAQMD staff to strategize on future DC outreach.
- Continued to monitor and report on activities in Congress and the Administration that impact the District.
- Advised SCAQMD throughout appropriations cycle to identify and pursue funding opportunities.
- Participated in weekly strategy sessions with SCAQMD staff in support of nonattainment and funding issues.

## *IMPORTANT LEGISLATIVE DATES*

**September 30, 2024:** Reauthorization deadline for the Farm Bill, an omnibus package of legislation that supports US agriculture and food industries; the bill is reauthorized on a five-year cycle. The Congressional Budget Office (CBO) projects a combined budget of \$648 billion for the 2023 Farm Bill.

**September 30, 2024:** The Biden administration released its budget request for Fiscal Year 2025 in late March; the topline number is \$7.3 trillion. Lawmakers have until September 30 to pass an appropriations bill to fund the government for FY25.

**December 31, 2024:** Expiration of the National Defense Authorization Act, which authorizes and funds specialized Department of Defense (DoD) programs and sets the DoD's policy agenda each year.

## KADESH & ASSOCIATES

South Coast AQMD Report for the August 2024  
Legislative Meeting covering June & July 2024  
Kadesh & Associates

The post-Memorial Day work period ended up being far more complicated and consequential than anyone in Washington would have guessed. In Congress, the appropriations process began in earnest in both chambers. In the House, the Republican majority has used its bills to impose significant cuts and restraints on agency activities, and it is clear that the depth and breadth of these cuts will make year-end negotiations with the Democratic Senate especially difficult. In the House's Interior-Environment bill, for example, the Environmental Protection Agency (EPA) would see its budget cut by 20% overall, and the bill carries a number of policy riders aimed at air quality and other EPA programs, including one on waiver approval for CARB's off-road vehicle rule, and another that would block EPA's vehicle emissions regulations published earlier this spring. By the time the bill crossed the House floor, it also carried a rider to block approval of CARB's locomotive rule. Notably, however, two of the key air quality accounts were spared from these cuts: the bill has \$90m for DERA and \$67.8m for TAG (both level-funded from last year).

The House's Energy & Water Appropriations Subcommittee funding bill had similar cuts: it would reduce the Department of Energy's Energy Efficiency and Renewable Energy (EERE) account by \$1.5 billion (43%), including \$115 million from the vehicle technologies program (26%), along with other EERE cuts. However, by the end of July, this approach had reached its limits: by the time the House adjourned (early) for the August recess, only five of twelve annual appropriations bills had passed, with the Energy-Water bill pulled from consideration to avoid a failed vote.

One of the major funding disagreements between the Chambers is that Senate Appropriations Chair Patty Murray intends to maintain parity between defense and nondefense accounts – including potential increases to both – while the House has cut nondefense and shifted significant funding to defense accounts. The Senate Appropriations Committee marked up its Interior-Environment bill on July 25, which featured robust funding for air quality programs: \$91m for DERA, \$68.8m for TAG, and an increase of the 103/105 programs to \$237.9m.

The most exciting news from Washington this month, at least from our perspective, was EPA's the Climate Pollution Reduction Grant awards, which included nearly \$500m for South Coast AQMD's INVEST CLEAN proposal to transition the transportation and goods movement sector to ZE technologies. This application has been of great interest to South Coast AQMD's Congressional delegation (both Senators and more than a dozen House members weighed in support) and was a welcome complement to this month's agreement between EPA, CARB, and the District to collaborate emission reductions.

Besides these EPA announcements, of course, the most nationally significant news from Washington was the decision by President Joe Biden not to run for reelection, after a faltering performance in the June debate and several weeks of intra-party angst. His decision to step

## KADESH & ASSOCIATES

aside was followed by Vice President Kamala Harris' quick consolidation of support from grassroots and party officials, putting her on a glide path to the nomination in just a few short days. Whether this will significantly change the race's trajectory remains to be seen, but it is certainly relevant to Congress' calculations about how to structure a continuing resolution (CR) to avoid a government shutdown at the end of September. There are some in the GOP caucus who would want the CR to run into 2025 so that a new Trump administration could impact final decisions, but of course that won't be determined until November.

### Kadesh & Associates Activity Summary-

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

### Contacts:

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

###



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

**To:** South Coast AQMD Legislative Committee

**From:** Carmen Group

**Date:** July 25, 2024

**Re:** Federal Update -- Executive Branch (June and July)

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**Congress:** In July, the Republican-controlled House Appropriations Committee approved its version of the FY 25 Interior, Environment appropriations bill covering the Environmental Protection Agency and related agencies. Highlights include: DERA--\$90M; TAG--\$67.8M; 103/105--\$235.9M (All equal to last year). Overall, EPA funding is cut by 20%. Council on Environmental Quality (CEQ) is cut by 78%. In addition, the bill prohibits all funding for Wildfire Smoke Preparedness grants, for the American Climate Corps executive order, and for the implementation of EPA's recent regulations on light, medium and heavy-duty vehicles, and on the power sector (Clean Power Plan 2.0). The bill also blocks EPA allowing a waiver for California to require small off-road engines to be zero emission and blocks NEPA rules that use social cost of carbon in permitting. Meanwhile in late July, the Senate Committee version the same bill was being approved with higher spending and without the noted House funding restrictions.

**Supreme Court:** In June, the Supreme Court overruled the Chevron Doctrine which had granted wide power and discretion to federal agencies to interpret and implement laws, and to issue regulations pursuant to those laws. The 6-3 ruling reverses the Court's 1984 decision in *Chevron v. Natural Resources Defense Council*. The new decision is expected to have wide impact especially with regard to environmental regulations issued by the EPA.

## **Environmental Protection Agency**

**South Coast AQMD Receives Nearly \$500 Million CPRG Grant:** On July 22, the Environmental Protection Agency (EPA) announced that South Coast Air Quality Management District (SCAQMD) will receive a grant of \$499,997, 415 under the Climate Pollution Reduction Grant (CPRG) program funded by the Inflation Reduction Act passed in 2022. The grant will fund a multitude of efforts to reduce air pollution from transportation and goods movement across Southern California, while also advancing long-sought decarbonization and environmental justice goals. The grant is one of just 25 CPRG grants across 30 states (totaling \$4.3 billion) selected under a highly competitive process that considered nearly 300 applications. This nearly half-billion-dollar grant to South Coast AQMD was the only CPRG grant made in California, and it was the largest of the 25 CPRG grants made nationwide. It is also the single largest federal grant ever received by South Coast AQMD.

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**EPA Reclassifies Three Ozone Nonattainment Areas from Moderate to Serious:** In June, the EPA reclassified three major Texas metropolitan areas from moderate to serious nonattainment of the current ozone standard. This means the three areas (Dallas-Fort Worth, Houston-Galveston, and San Antonio) will have to implement more stringent emissions control strategies to attain the 2015 NAAQS standard for ozone.

**EPA Cracks Down on GM to Resolve Excess Emissions from Light-Duty Vehicles:** In July, the EPA announced that General Motors had agreed to retire 50 million metric tons of greenhouse gas credits to resolve excess CO2 emissions identified through the agency's light-duty vehicle in-use testing program. The agreement is the result of an EPA investigation that identified excess emissions from approximately 5.9 million 2012-2018 model year (MY) GM vehicles currently in use.

**EPA Releases Two Updated Climate Reports:** In June and July, the EPA released two updated Climate Reports: [EPA's 2024-2027 Climate Adaptation Plan](#) and [Climate Change Indicators in the United States](#).

## **Department of Transportation**

**DOT Announces RAISE Grant Awards:** In July, The Department of Transportation (DOT) announced the distribution of \$1.8 billion for 148 projects nationwide under the RAISE grant program for rebuilding and repairing critical transportation infrastructure. California received four grants: One each in Sacramento and Santa Ana, and two in San Diego.

**FTA Announces Bus Grants:** In July, the Federal Transit Administration (FTA) announced the distribution of \$1.5 billion to support 117 projects that will improve bus transportation in 47 states, with a special emphasis and modernizing local bus fleets with low and no emission transit buses. The funds are made available under the FTA's Bus and Bus Facilities program and the Low and No Emission program.

**DOT Announces Funds Available for Reconnecting Communities Grant Program:** In July, the DOT announced the availability of more than \$600 million for the next round of grants under the combined Reconnecting Communities Pilot and Neighborhood Access and Equity grant programs. Applications are due on September 30, 2024.

**FAA Announces Airport Grants:** In June and July, the Federal Aviation Administration (FAA) announced the distributions of two rounds of airport grants under the Airport Infrastructure Grants (AIG) program, totaling \$476 million for 239 projects, and one round of grants under the Airport Improvement Program (AIP), totaling \$123 million for 235 projects.

**NHTSA Finalizes New Fuel Economy Standards:** In June, the National Highway Traffic Safety Administration (NHTSA) issued new fuel economy standards, boosting fuel efficiency by 2% per year in model years 2027-2031 for passenger cars, while light trucks will increase by 2% per year for model years 2029-2031. This will bring light duty fuel efficiency up to 54 miles per gallon by model year 2031. Heavy duty pickup truck and van fuel efficiency will increase 10% per year for model years 2030-2032 and

8% per year for model years 2033-2035. This will bring the fleet-wide average to 35 miles per gallon in model year 2035.

**MARAD to Establish Innovation Center to Address Environmental Challenges:** In June, the Maritime Administration's (MARAD's) Maritime Environmental and Technical Assistance Program (META) sought input on its plan to establish a United States Center for Maritime Innovation. The Center would support the study, research, development, assessment and deployment of emerging maritime technologies and practices related to emerging environmental challenges in the maritime transportation system.

## **Department of Energy**

**DOE Announces Funds to Convert Auto Manufacturing Facilities to EVs:** In July, the Department of Energy announced \$1.7 billion to support the conversion of 11 shuttered or at-risk auto manufacturing and assembly facilities in eight states (MI, OH, PA, GA, IL, IN, MD and VA) to manufacture electric vehicles (EVs) and their supply chain. The funds are made possible under the Domestic Auto Manufacturing Conversion Grants program established under the Inflation Reduction Act and are covered by the Administration's Justice40 initiative.

**DOE/EPA Announce Funds Available to Reduce Methane Emissions:** In June, the Department of Energy (DOE) and the EPA announced the availability of \$850 million from the Inflation Reduction Act for projects to help monitor, measure, and reduce methane emissions from the oil and gas sector. Applications are due on August 26, 2024.

**DOE Announces Funds Available for Small Manufacturers to Reduce Emissions:** In June, the EPA announced the next round of rolling applications for funds available to help small and medium manufacturers to reduce emissions and enhance energy efficiencies. The Industrial Assessments Centers (IAC) Implementation Grant program is administered by DOE's Manufacturing and Energy Supply Chains Office (MESC) and provides grants up to \$300,000 per manufacturer per funding round. Applications for the current round are due October 1, 2024, and the following round will open on October 2, 2024.

**DOE Releases National Definition of a Zero Emissions Building:** In June, the DOE announced the release of a "National Definition of a Zero Emissions Building," designed to serve as guidance to advance public and private sector efforts convert more commercial and residential buildings towards the overall goal of zero emissions.

[National Definition of a Zero Emissions Building](#)

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**Outreach:** Carmen Group was in contact with EPA staff on the CPRG and Clean Ports grant programs and with DOT staff of the agency's Transportation and Climate Symposium.

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# CALIFORNIA ADVISORS, LLC

South Coast AQMD Report  
California Advisors, LLC  
September 13, 2024, Legislative Committee Hearing

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## **Legislative Update**

The State Legislature returned from its summer recess on August 5<sup>th</sup> and has been working to complete all unfinished business before final recess begins upon adjournment on August 31<sup>st</sup>. The first half of August was occupied by the appropriations committees either passing bills or holding them in suspense. The suspense file process, which assesses legislation with major fiscal impacts, offers the Legislature a mechanism to hold costly bills without extensive debate. Given the challenging fiscal environment the state is currently operating in, appropriations committees held a greater percentage of bills in suspense than average. The Senate Appropriations Committee held 173 of 515 Assembly bills, while Assembly Appropriations held 94 of 315 Senate bills for an overall rate of 33% of bills held.

From August 19<sup>th</sup> until August 31<sup>st</sup> the State Legislature may only hold floor session. During these sessions the Legislature can vote on and amend all remaining active bills. An important deadline during this period is the 72-hour in-print rule which ensures transparency and public awareness by requiring that legislative bills be available to the public for review at least 72 hours before they are voted on. The final deadline for the Legislature to act on bills is midnight on August 31<sup>st</sup>. The Governor has until September 30<sup>th</sup> to sign or veto bills that make it to his desk.

## **Budget Update**

July 2024 tax receipts were released by the California Department of Finance (DOF) in its August Finance Bulletin. Preliminary General Fund agency cash receipts were 10.1% above Budget Act forecasts for July. The DOF thinks the increased tax receipts are due to one-time actions by a limited number of taxpayers, rather than evidence of a structural surplus. Notably, corporation tax cash receipts were 161.8% above forecast and personal income tax cash receipts were 5.8% above forecast, while sales tax receipts were 18.4% below forecast. Since April, preliminary General Fund agency cash receipts have been \$4.2 billion above projections.

## **General Updates**

The Western Climate Initiative released the results of the August 2024 California Carbon Auction (CCA) on August 21<sup>st</sup>. The CCA raised \$950 million, and all carbon allowances offered at the auction were sold. However, the August auction settlement price was \$30.24, down from

\$37.02 in May. If this trend continues funding for the Greenhouse Gas Reduction Fund and its associated programs will be strained. The next auction will be conducted November 20<sup>th</sup>, 2024.

Additionally, on August 28<sup>th</sup> the Governor's Office sent out a press release touting the number of electric vehicle chargers in the State. California recently surpassed 150,000 electric vehicle chargers installed statewide. The state is expected to receive \$380 million from the Bipartisan Infrastructure Law to continue deploying EV charging stations. Since the beginning of 2024 the CEC has also approved more than \$1 billion for electric and hydrogen vehicle refueling projects.



**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

916 441-8597 • FAX 916 441-5961

Email: gonsalves@gonsalvi.com

TO: South Coast Air Quality Management District  
FROM: Anthony, Jason & Paul Gonsalves  
SUBJECT: Legislative Update – August 2024  
DATE: Wednesday, August 28, 2024

On August 5, 2024, the Legislature returned from their summer recess focused on moving their remaining bills through the legislative process and on to the Governor, as the end of session is quickly approaching. The Legislature will adjourn sine die this Saturday, August 31, 2024. With a sizeable delegation of Democratic legislators absent to attend the Democratic National Convention, legislators have been forced to stay in session late into the evening to catch up in advance of the August 31, 2024 deadline.

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

**CAP AND TRADE**

In August, 2024, California held its 40th cap-and-trade auction, which generated \$950 million for the Greenhouse Gas Reduction Fund (GGFR), selling all available allowances for the 16<sup>th</sup> consecutive auction. However, the settlement prices were significantly lower compared to previous auctions, which has sparked discussions about the future of California's cap-and-trade program.

The auction sold all 51,179,715 current vintage allowances. However, the settlement price of \$30.24 was significantly lower than the \$37.02 seen in May. This drop, while the auction still sold out, indicates that market participants might be cautious about future developments.

Similarly, all 7,211,000 future vintage allowances were purchased, settling at \$29.75, a decline from \$38.35 in May. These allowances, which can be used for compliance starting in 2027, also reflect market uncertainty about the program's long-term prospects.

The decline in settlement prices suggests that there is growing uncertainty within the market regarding the design and future of California's cap-and-trade program. CARB is expected to play a crucial role in addressing these concerns through upcoming rulemaking processes. The market appears to be particularly uncertain about how and when CARB will tighten the program before 2030.

**OWN DAMN SATELLITE**

On August 16, 2024, California fulfilled a commitment made by former Governor Jerry Brown by launching its "own damn satellite", to monitor hazardous pollutants such as methane. Addressing methane emissions is essential in the fight against the climate crisis, as methane is 80 times more effective than carbon dioxide at causing near-term global warming.

Planet Labs successfully deployed its Tanager-1 satellite from Vandenberg Space Force Base. This satellite is engineered to detect, locate, and measure super-emitters with the level of detail necessary for targeted mitigation efforts. The launch was facilitated by the Carbon Mapper Coalition, a philanthropically-supported collaboration aimed at enhancing methane and CO2 monitoring systems. The coalition, led by the nonprofit Carbon Mapper, Inc., includes partners such as Planet Labs PBC, NASA JPL, RMI, CARB, and Arizona State University, among others. It has also received significant support from organizations like High Tide Foundation, Bloomberg Philanthropies, and the Grantham Foundation.

As part of Governor Newsom's California Climate Commitment budget, the state has allocated \$100 million to utilize satellite data on methane, which could aid in tracking approximately 40% of global methane emissions.

This initiative, originally inspired by former Governor Brown in 2018, reflects his assertion: "We're going to launch our own damn satellite to figure out where the pollution is and how we're going to end it." The satellite represents a significant advancement, equipping California with a sophisticated tool to dramatically reduce methane emissions. It enhances response efforts by swiftly identifying high methane sources, and the data it gathers will offer detailed and timely measurements of methane emissions as well as over 25 other environmental factors.

The satellite data on methane will be essential for California to hold polluters accountable, and will also provide the global community with transparent quick access to information about leaks when they occur. Should any leaks be identified, the state will inform the responsible parties and pursue enforcement actions, if necessary.

### **ZERO EMISSION BUSES**

On August 27, 2024, California announced it is launching a new statewide funding initiative that will introduce 1,000 additional zero-emission school buses, reinforcing the state's position as the leader in clean school buses nationwide. This comes in addition to the 1,100 clean school buses already operating on California roads and another 1,200 set to be deployed soon.

The program will allocate \$500 million—marking the largest single state investment in history—to school districts and other educational institutions for the replacement of aging school buses with zero-emission vehicles and for purchasing necessary infrastructure. The Zero-Emissions School Bus and Infrastructure (ZESBI) program is currently accepting applications for funding until September 30, 2024.

The program is a collaborative effort between the California Air Resources Board (CARB) and the California Energy Commission (CEC), and is administered by CALSTART. Award recipients can receive up to \$375,000 for replacing internal combustion engine school buses with zero-emission vehicles, along with grants of up to \$95,000 per bus for purchasing and installing necessary charging infrastructure. Recipients will be required to retire an old school bus for each new one they purchase.

Zero-emission school buses are vital to California's goal of achieving carbon neutrality by 2045 and serve to protect children, who are especially vulnerable to the health risks posed by diesel exhaust. By 2035, all school bus purchases made by school districts in California will have to be zero-emission technology, with an extension until 2040 granted for rural districts.

To date, California has invested over \$1.3 billion in incentives for school districts, funding over 2,300 zero-emission school buses, 1,100 of which are already in operation. More than 70% of these buses

serve areas facing the highest pollution burdens. Over 300 school districts and local education agencies in California have acquired at least one zero-emission bus, with some transitioning to a fully clean fleet.

### **CLEAN TRANSPORTATION**

The Federal Government is allocating hundreds of millions of dollars to California for transportation infrastructure upgrades. California, in collaboration with Oregon and Washington, secured \$102 million for the installation of charging stations and hydrogen fueling stations for zero-emissions trucks along Interstate 5 and other vital freight corridors. Additionally, \$47 million will be distributed to various entities throughout the state for electric vehicle infrastructure development. This funding comes on top of over \$250 million recently announced for airport upgrades in California and the promotion of sustainable aviation fuel.

The West Coast Truck Charging and Fueling Corridor Project is a multi-state initiative aimed at accelerating the adoption of zero-emission vehicles (ZEVs) within the trucking and logistics sectors. This funding is made possible through the federal Bipartisan Infrastructure Law. Although trucks represent only 6% of vehicles on California's roads, they contribute to more than 35% of the state's transportation-related emissions of smog-forming nitrogen oxides and account for a quarter of the state's on-road greenhouse gas emissions.

The funds will lead to the establishment of new publicly accessible charging and hydrogen fueling stations, facilitating emissions-free goods movement at local, regional, national, and international levels. Construction of these stations is projected to commence in 2026. These new facilities will complement California's policy requiring an increasing percentage of truck sales to be ZEVs.

In 2021, Oregon and Washington followed California's lead as the second and third states to adopt such a policy. By 2023, one in six new medium- and heavy-duty trucks sold in California were zero-emission vehicles, surpassing the state's ZEV sales targets two years ahead of schedule.

This funding will further aid the implementation of the Advanced Clean Fleets (ACF) standard established by California in 2023. Under the ACF guidelines, fleets statewide will begin a gradual shift to ZEVs, with all new medium- and heavy-duty truck sales required to be ZEVs by 2036.

Funding for the West Coast Truck Charging and Fueling Corridor Project supplements other state-funded initiatives aimed at zero-emission trucks. California has allocated over \$780 million to assist fleet operators in purchasing zero-emission trucks, and the state's Climate Commitment includes more than \$10 billion to expedite the ZEV transition and establish charging and fueling infrastructure.

In addition, the U.S. Department of Transportation has recently announced over \$250 million in funding for California airports and sustainable aviation fuels. Specifically, California airports will receive \$51.6 million through the Airport Improvement Program, along with \$78.2 million from the Airport Infrastructure Grants program. These funds can be utilized for various purposes, including airport planning, development, sustainability initiatives, terminal expansions, baggage system upgrades, safety improvements, and noise compatibility projects at eligible airports.

Moreover, California companies will benefit from over \$120 million awarded through the federal Fueling Aviation's Sustainable Transition (FAST) grants program. These resources will support California's shift to more sustainable aviation fuels and efforts to reduce aviation emissions, a priority outlined by the Governor in 2022.

**LEGISLATION**

SB 1158 (Archuleta): This bill is sponsored by SCAQMD and proposes to extend the time air districts have to use Carl Moyer Program funds from 4 to 6 years.

SB 1158 passed out of the Assembly Appropriations Committee on August 7, 2024 on the consent calendar with a vote of 14-0.

On August 15, 2024, SB 1158 passed off the Assembly floor on the Consent Calendar with a vote of 75-0.

SB 1158 was presented to the Governor on August 22, 2024 and he now has until September 30, 2024 to take action on the bill.

**2024 LEGISLATIVE DEADLINES**

August 5	Legislature reconvenes from Summer Recess.
August 16	Last day for fiscal committees to meet and report bills.
August 19-31	Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees.
August 23	Last day to amend bills on the Floor.
August 31	Last day for each house to pass bills. Final Recess begins upon adjournment

# RESOLUTE<sup>\*</sup>

## South Coast Air Quality Management District Legislative and Regulatory Update –August 2024

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### ❖ Important Upcoming Dates

August 31, 2024 – Last Day for Each House to Pass Bills  
September 30, 2024 – Last Day for Governor to Sign or Veto Legislation

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

- Provided ongoing updates as the Legislature worked to pass legislation in the end of session.
- Set and attended meetings with legislative offices regarding bills for the 2024 legislative session, including for SCAQMD sponsored legislation.

### ❖ AB 2522 (W. Carrillo): SCAQMD Sponsored Legislation

Summary: the bill states that each member of the board shall receive compensation of up to \$200 for each day, or portion thereof, but not to exceed up to \$2,000 per month, while attending meetings of the board or any committee, or on official business of the district. The bill also authorizes future increases to the compensation amount pegged to the Consumer Price Index (CPI) with a ceiling of 10 percent per calendar year.

The bill passed the Senate Floor on August 27 with 29 Ayes, 11 Noes, and 0 Abstains.

The bill passed the Assembly Floor (Concurrence Vote) on August 28 with 60 Ayes, 15 Noes, and 4 Abstains.

The bill will now head to the Governor where he will have until September 30 to sign or veto the legislation.

### ❖ AB 2958 (Calderon): SCAQMD Sponsored Legislation

Summary: this bill repeals the existing statute prohibiting compensation for CARB members that represent Air Districts and provides that such board members will receive the same salary as other voting CARB board members. In doing so, the bill addresses the inequity in compensation among CARB board members.

The bill was placed on the Suspense File by the Senate Appropriations Committee on August 5 with 7 Ayes and 0 No votes.

The bill was held by the Senate Appropriations Committee on August 15.

### ❖ GGRF (Greenhouse Gas Reduction Fund) Auction Revenue. On August 21, CARB released the results of the latest Cap and Trade Auction that funds the GGRF. This auction represents the FIRST quarterly auction of the 2024-2025 Fiscal Year. A total of \$950 million was raised at the August auction for the GGRF. This result is about \$200 million in less revenue compared to the May Auction.

The results summary can be found here: [https://ww2.arb.ca.gov/sites/default/files/2024-08/nc-aug\\_2024\\_summary\\_results\\_report.pdf](https://ww2.arb.ca.gov/sites/default/files/2024-08/nc-aug_2024_summary_results_report.pdf)