



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
LEGISLATIVE COMMITTEE MEETING

COMMITTEE MEMBERS

BRAD WAGENKNECHT – CHAIRPERSON

DAN DUNNIGAN

CAROL KLATT

JANET LOCKHART

TIM SMITH

ERIN GARNER–VICE CHAIRPERSON

SCOTT HAGGERTY

PATRICK KWOK

MICHAEL SHIMANSKY

MONDAY
JULY 23, 2007
9:30 A.M.

FOURTH FLOOR CONFERENCE ROOM
DISTRICT OFFICES

AGENDA

1. **CALL TO ORDER - ROLL CALL**

2. **PUBLIC COMMENT PERIOD**

(Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to five (5) minutes each.

3. **APPROVAL OF MINUTES OF APRIL 23, 2007**

4. **DISCUSSION ON SOLAR EMPOWERMENT AND GREEN POWER REQUIREMENTS**

J. Broadbent/5052

jbroadbent@baaqmd.gov

The Committee will discuss concepts regarding solar empowerment and ways to implement "green power" elements into new home constructions.

5. **CONSIDERATION OF NEW BILLS AND CORRESPONDING AGENCY POSITION**

J. Broadbent/5052

jbroadbent@baaqmd.gov

Staff will present newly-introduced air quality bills for the Committee's deliberation.

6. **UPDATE ON BILLS WHICH THE AIR DISTRICT PREVIOUSLY ADOPTED POSITIONS**

J. Broadbent/5052

jbroadbent@baaqmd.gov

Staff will provide an update on the bills on which the District has previously adopted positions.

7. COMMITTEE MEMBERS' COMMENTS

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may; ask a question for clarification, 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 take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

8. TIME AND PLACE OF NEXT MEETING: *At the Call of the Chair*

9. ADJOURNMENT

**CONTACT CLERK OF THE BOARDS - 939 ELLIS STREET
SAN FRANCISCO, CA 94109**

**(415) 749-4965
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov**

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities (notification to the Clerk's Office should be given at least three working days prior to the date of the meeting so that arrangements can be made accordingly).

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Wagenknecht and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: June 20, 2007

Re: Legislative Committee Draft Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Legislative Committee meeting of April 23, 2007.

DISCUSSION

Attached for your review and approval are the draft minutes of the April 23, 2007, Legislative Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

**Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5000**

DRAFT MINUTES

Summary of Board of Directors
Legislative Committee Meeting
9:30 a.m., Monday, April 23, 2007

1. **Call to Order - Roll Call:** Chairperson Brad Wagenknecht called the meeting to order at 9:32 a.m.

Present: Brad Wagenknecht, Chairperson, Carol Klatt, Patrick Kwok, Michael Shimansky, Tim Smith, Erin Garner (9:40 a.m.), Janet Lockhart (9:42 a.m.), Scott Haggerty (9:42 a.m.).

Absent: Dan Dunnigan.

Also Present: Mark Ross (9:40 a.m.), Pamela Torliatt (9:48 a.m.).

2. **Public Comment Period:** There were none.
3. **Approval of Minutes of March 12, 2007:** Director Smith moved approval of the minutes; seconded by Director Klatt; carried without objection.

Director Erin Garner and Board Chair Mark Ross arrived at 9:40 a.m.

4. **Consideration of New Bills and Corresponding Agency Position:** *Staff presented newly-introduced air quality bills for the Committee's deliberation.*

Jack Broadbent, Executive Officer/APCO, introduced the item.

Directors Janet Lockhart and Scott Haggerty arrived at 9:42 a.m.

Tom Addison, Senior Advanced Projects Advisor, discussed the following 2 new bills and recommended positions for consideration by the Committee.

Bill	Brief Description	Staff Recommendations
AB 619 (Emmerson)	Establishes an amnesty program for vehicles that have fraudulently reported the elements that determine a vehicle's registration fees and sales taxes	Oppose
SB 509 (Simitian)	Addresses formaldehyde emission from composite wood products.	Support

Director Pamela Torliatt arrived at 9:48 a.m.

During discussion of AB 619, Director Kwok questioned if there would be any additional impacts of continuing fraudulent registrations. Mr. Addison responded that fraudulent registrations reduce revenues to the State and local governments.

Committee Action: Director Garner moved that the Committee recommend an Oppose position on AB 619; seconded by Director Kwok; carried unanimously without objection.

Mr. Addison also provided the Committee with background information pertaining to SB 509, which addresses formaldehyde emission from composite wood products.

There were numerous questions about the bill, which staff answered, and much discussion by the Committee.

Committee Action: Director Haggerty moved that the Committee recommend a Support position on SB 509; seconded by Director Smith carried unanimously without objection.

5. Update on Status of Bills on which Air District has Adopted Positions: *Staff provided an update on the status of the bills on which the Air District has previously adopted positions.*

Mr. Broadbent turned the item over to Mr. Addison for the update. Mr. Addison discussed the current status of and recent developments with the various bills the Committee is supporting and opposing.

Mr. Broadbent mentioned that he is currently working with staff on bond monies and how to make a case for them. CARB feels that the monies should be spent on the cleanup of diesel trucks, and retrofit projects.

Director Wagenknecht suggested that staff schedule a meeting with the various ports. Mr. Broadbent responded that the Air District will continue to work with the ports and will meet with them to discuss bond funding.

Committee Action: None. This report provided for information only.

Speaker: The following individual spoke on SB 587:

Rita Loof
RadTech International
P.O. Box 1953
Upland, CA 91784

- 6. Committee Members' Comments:** There were none.
- 7. Time and Place of Next Meeting:** 9:30 a.m., Monday, June 25, 2007 – 939 Ellis Street, San Francisco, CA 94109.
- 8. Adjournment:** The meeting was adjourned at 10:23 a.m.

Vanessa Johnson
Acting Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and
Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 11, 2007

Re: Discussion on Solar Empowerment and Green Power Requirements

RECOMMENDED ACTION:

Discuss issues of 'solar empowerment' and ways to encourage or require 'green power' elements into new construction.

DISCUSSION

Staff have met and had discussions with experts in the field of solar electric issues and will be prepared to answer questions from the Committee on this issue.

Staff will also present information on different ideas regarding green power and are prepared to answer questions from the Committee on this issue about prior legislative or regulatory efforts to mandate different technologies.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

No direct impact.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Thomas Addison
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and
Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 11, 2007

Re: Consideration of New Bills

RECOMMENDED ACTION:

Discuss recently-introduced bills of air quality significance, and potentially recommend positions on some.

DISCUSSION

A number of bills of air quality significance have been introduced since the Committee last met, and several other measures will likely be introduced in the next several weeks. While the formal bill introduction deadline this year was February 23rd, new bills can and do continue to emerge through rule waivers or through the gut-and-amend process.

The recent firing and resignation of the Air Resources Board (ARB) Chair and Executive Officer have been the subject of extensive press coverage, as well as a legislative hearing. Staff believe that possible bills will address at a minimum the issues of term appointments versus pleasure appointments, ex parte communications from the Governor's office and the Legislature, and whether the appointments are to be made solely by the Governor, or whether the Assembly Speaker and Senate President Pro Tempore will share appointing authority. It is also possible that the existence or number of air district representatives on ARB will be addressed. Staff will update the Committee on any such emerging bills, and receive potential direction from the Committee on the issue.

AB 1610 is a recent bill introduced by Assembly Speaker Fabian Nunez (D- Los Angeles). It would establish a new California Petroleum Refineries Facilities Standards Board. In essence, the purpose of the Board would be to ensure that refineries are not manipulating the price of fuel (and thus inflating their profits) by limiting output through unnecessary maintenance or downtime. This Board could require air districts to inspect the records and data of refineries' maintenance and downtime "if the inspection is reasonably related to the public interest of the people of California." Air districts would also be put in charge of auditing and inspecting refineries for compliance with the regulations and requirements of this new Board. The bill does not provide funding for these new responsibilities. Perhaps more significantly, it would give districts a new and different role to play at refineries. A copy of the legislation is attached.

AB 118 is also a recent bill authored by Speaker Nunez. Generally, its purpose is to help achieve AB 32's goals by reducing the carbon content of transportation fuels and increasing the alternative fuel vehicles on the road. Through a variety of fees, the bill creates two programs: the Air Quality Improvement Program and Fund, and the Alternative and Renewable Fuel, Vehicle Technology, Carbon Reduction, and Clean Air Program and Fund. The first would be administered by the ARB in partnership with the California Energy Commission (CEC), and the second would be administered by the CEC in partnership with the ARB. The programs would

receive tens of millions of dollars annually from diverse sources. Through 2016, the current Smog Abatement Fee would increase from \$12 to \$20. (This fee is paid by cars less than seven years old in lieu of smog inspections.) \$30 million of funds from the Williams Energy Settlement with California would be directed to the second program, as would \$6.5 million from the Motor Vehicle Account and \$5 million annually from the Public Interest Research, Development, and Demonstration Fund (which comes from utility ratepayers). Finally, through 2016, existing fees for vehicle registrations, drivers licenses, boat registrations, and certain off-road registrations including cemetery equipment would be increased. The District strongly supported last year's AB 32, and staff believe AB 118 is certainly well-intended. However, staff note that the bill neither mentions nor includes a role for air districts. Furthermore, the relation of these new programs to the well-established and successful Carl Moyer program is not discussed nor clear. The new programs allow for and presumably would fund the retrofitting of older dirtier engines with newer, cleaner engines, including alternative fuel engines, as well as allowing funding for research and development of new technologies and fuels. Thus at a minimum there appears to be potential overlap with a variety of existing funding programs that are already established. A copy of the bill is attached for the Committee's consideration.

AB 1470 is authored by Assemblymember Jared Huffman (D-San Rafael), and is titled the Solar Water Heating and Efficiency Act of 2007. Essentially, it establishes a \$250 million program with higher natural gas rates to subsidize the installation of solar hot water systems. The goal would be to have an additional 200,000 new systems installed by 2017. Solar hot water systems use the sun to heat water, and thus reduce but not eliminate the amount of natural gas households use to heat water. Thus, the technology, which is available and durable, cuts emissions of greenhouse gases, as well as traditional air pollutants. A number of studies cite solar hot water as having the most potential to reduce residential gas consumption. Last year the State established the California Solar Initiative, a \$3.3 billion program wherein higher electric rates subsidize the installation of solar electric systems. However, the Initiative does not address solar thermal systems, since programs to cut natural gas use cannot be subsidized by electric ratepayers. Some opponents to AB 1470 argue that unlike solar electric, solar thermal systems are already cost-effective, and thus should not be subsidized. Opponents also argue that prior solar hot water subsidy programs primarily increased the cost of the systems, and did not reduce costs to consumers. Despite these arguments, staff recommend supporting this bill. A copy of the measure is attached.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

No direct impact.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Thomas Addison
Reviewed by: Jean Roggenkamp

AMENDED IN SENATE JULY 5, 2007
AMENDED IN ASSEMBLY JUNE 6, 2007
AMENDED IN ASSEMBLY JUNE 4, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 1610

Introduced by Assembly Members Nunez and Eng

February 23, 2007

An act to add Chapter 9 (commencing with Section 3890) to Division 3 of the Public Resources Code, *relating to fuels*.

LEGISLATIVE COUNSEL'S DIGEST

AB 1610, as amended, Nunez. California Petroleum Refinery Facilities Standards Board.

(1) Existing law establishes the State Energy Resources Conservation and Development Commission (Energy Commission) in the Resources Agency, and specifies the powers and duties of the commission with respect to energy resources in the state. Existing law requires major oil producers, refiners, major marketers, major oil transporters, and major oil storers to supply to the commission weekly, monthly, and annually certain designated information regarding petroleum supplies.

This bill would create the California Petroleum Refinery Facilities Standards Board, and would require an owner or operator of a petroleum refinery facility in the state to submit information to the board relating to the capacity and operational status of the facility. The board would be authorized to direct local air pollution control districts and air quality management districts to inspect petroleum refinery facilities ~~in the state~~ *within their districts*. By imposing new duties on these local air districts, the bill would impose a state-mandated local program.

The bill would require the board to produce supply and demand forecasts for petroleum.

The bill would authorize the Energy Commission to request a petroleum refinery facility in the state to voluntarily adjust or delay a scheduled major maintenance.

The bill would subject violations of its provisions to specified civil and criminal penalties, thereby imposing a state-mandated local program by creating a new crime.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

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

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

1 SECTION 1. Chapter 9 (commencing with Section 3890) is
2 added to Division 3 of the Public Resources Code, to read:

3
4 CHAPTER 9. REFINERY FACILITIES

5
6 3890. (a) The California Petroleum Refinery Facilities
7 Standards Board is hereby created to implement the requirements
8 of this chapter.

9 (b) The board shall consist of seven members: ~~the Attorney~~
10 ~~General; the Controller;~~ *a member of the Occupational Safety and*
11 *Health Standards Board; a member of the State Water Resources*
12 *Control Board; a member of the State Energy Resources*
13 *Conservation and Development Commission; a member of the*
14 *State Air Resources Board; a member of an air pollution control*
15 *or air quality management district board, to be selected by the*
16 *Senate Committee on Rules; a technical person appointed by the*
17 *Governor and approved by the Senate; and a public person selected*
18 *by the Speaker of the Assembly. The board shall appoint from*

1 *among its membership a chairperson and organize itself to adopt*
2 *rules and procedures to conduct the business of the board,*
3 *including, but not limited to, meeting times and locations. The*
4 board shall be supported by a reasonable number of staff members.

5 (c) The board shall provide on a quarterly basis an opportunity
6 for public comment.

7 (d) The board shall report in writing to the appropriate policy
8 committees of the Legislature on a quarterly basis on its progress
9 in implementing this chapter. The report shall include, but need
10 not be limited to, information concerning refinery downtime
11 scheduling and coordination, and wholesale price fluctuations.

12 (e) *The board, upon appropriation by the Legislature, shall*
13 *expend funds from the Energy Resources Programs Account for*
14 *administrative costs of the board.*

15 (e)

16 (f) As used in this chapter “board” means the California
17 Petroleum Refinery Facilities ~~Standards~~ Board.

18 (f)

19 (g) As used in this chapter “downtime” means any period of
20 inoperation of the facility that reduces its normal capacity to refine
21 petroleum.

22 3891. An owner or operator of a petroleum refinery facility in
23 the state shall report to the board all of the following:

24 (a) On a monthly basis, whether and to what extent, during the
25 preceding month, a facility was down or operating at reduced
26 capacity and the reasons therefore. This accounting shall reflect
27 the actual downtime at each facility. The report shall include all
28 of the following:

29 (1) Reasons for each unscheduled downtime at each refinery.

30 (2) Amount of product lost due to downtime.

31 (3) Actions taken by the refinery and its parent company to
32 minimize disruption to the market or price swings due to downtime.

33 (4) Reasons for scheduled maintenance that took longer than
34 scheduled.

35 (5) Information on the type of each scheduled project at each
36 refinery.

37 (b) On a daily basis, the operational status of each facility.

38 (c) On March 1 of each year, information regarding scheduled
39 major maintenance for the next 12 months and projections for the
40 next three years.

1 3892. (a) The board shall maintain records of petroleum
 2 refinery facility downtime and shall provide these records to the
 3 State Energy Resources Conservation and Development
 4 Commission on a daily basis.

5 (b) The board may direct air pollution control districts and air
 6 quality management districts *with a petroleum refinery facility*
 7 *within their districts* to inspect the records, data, accounts, books,
 8 or documents of a petroleum refinery facility, if the inspection is
 9 reasonably related to the public interest of the people of California.

10 (c) *The board shall not create a mandatory schedule for*
 11 *inspections.*

12 3893. (a) Information submitted to the board pursuant to this
 13 chapter shall be held in confidence by the board and ~~aggregated~~
 14 ~~to the extent necessary to ensure confidentiality, if public disclosure~~
 15 ~~of the specific information or data to the public would result in~~
 16 ~~unfair competitive disadvantage to the owner or operator that~~
 17 ~~submitted that information.~~

18 (b) ~~If the board receives a request to publicly disclose~~
 19 ~~unaggregated information, or otherwise proposes to publicly~~
 20 ~~disclose information, notice of the request or proposal shall be~~
 21 ~~provided to the owner or operator that submitted that information.~~

22 (c) ~~The board shall issue a written decision that sets forth its~~
 23 ~~reasons for making the determination whether each item of~~
 24 ~~information for which a claim of confidentiality is made shall~~
 25 ~~remain confidential or shall be publicly disclosed.~~

26 (d) ~~Information submitted to the board shall not be deemed~~
 27 ~~confidential if the owner or operator that submitted the information~~
 28 ~~has made it public. is subject to the same requirements in Section~~
 29 ~~25364.~~

30 3894. The board shall review all relevant state and federal laws,
 31 including, but not limited to, Division of Occupational Safety and
 32 Health regulations, State Air Resources Board regulations, and
 33 regional water quality control board regulations, and air pollution
 34 control and air quality management district regulations, as they
 35 pertain to petroleum refinery facilities, and prepare a report to the
 36 Legislature by January 1, 2009, identifying the laws and regulations
 37 that may be in conflict.

38 3895. (a) Air pollution control and air quality management
 39 districts shall audit and inspect petroleum refinery facilities ~~in the~~
 40 ~~state~~ *within their district* that fail to comply with procedures,

1 criteria, standards, or protocols established by the board to
2 implement the requirements of this chapter.

3 (b) Air pollution control and air quality management districts
4 are vested with the ability to investigate any petroleum refinery
5 facility ~~in the state~~ *within their district* without notice. The districts
6 are vested with the ability to investigate to ensure that the interests
7 of California's citizens and consumers are served, protected, and
8 represented in relation to the availability of gasoline.

9 3896. (a) The board shall by January 1, 2009, and every ~~three~~
10 *two* years thereafter, produce a supply and demand forecast for
11 petroleum for the next three years.

12 (b) The board shall by January 1, 2009, and every six years
13 thereafter, produce a supply and demand forecast for petroleum
14 for the next ten years.

15 3897. (a) The State Energy Resources Conservation and
16 Development Commission may request a petroleum refinery
17 facility in the state to voluntarily adjust or delay a scheduled major
18 maintenance, if the maintenance is not a regulatory compliance,
19 reliability, or safety repair.

20 (b) The refinery shall respond in writing within ~~24 hours~~ *one*
21 *week* if the refinery denies the request and explain the grounds for
22 the refusal.

23 (c) *The commission shall notify the board of any request made*
24 *to a refinery pursuant to subdivision (a), and shall notify the board*
25 *regarding the outcome of the request when the outcome becomes*
26 *known to the commission.*

27 3898. (a) The board shall notify any person who has failed to
28 timely provide the information required by this chapter. If, within
29 five days after being notified of the failure to provide the
30 information, the person fails to supply the information, the person
31 shall be subject to a civil penalty of not less than five hundred
32 dollars (\$500), but not more than two thousand dollars (\$2,000)
33 per day for each day the submission of information is refused or
34 delayed, unless the person has timely filed objections with the
35 board regarding the information and the board has not yet held a
36 hearing on the matter.

37 (b) Any person who violates any provision of this chapter is
38 guilty of a misdemeanor punishable by imprisonment in the county
39 jail for a period not to exceed one year, or by a fine of not more

1 than ten thousand dollars (\$10,000), or by both that fine and
2 imprisonment.

3 (c) Any person who willfully makes any false statement,
4 representation, or certification in any record, report, plan, or other
5 document submitted to the board pursuant to this chapter shall be
6 subject to a civil penalty not to exceed two thousand dollars
7 (\$2,000).

8 (d) The board, in consultation with the air pollution control
9 districts *with a petroleum refinery facility within their districts* and
10 air quality management districts, may adopt additional penalties
11 applicable to any person or entity who is in violation of any
12 provision of this chapter.

13 (e) The board may seek an injunction from a court of competent
14 jurisdiction to require compliance with the requirements of this
15 chapter. This subdivision shall not limit any authority of the
16 commission or air pollution control districts or air quality
17 management districts to seek injunctions within their jurisdictions.

18 (f) The remedies and penalties provided by this section are
19 cumulative to each other.

20 (g) For the purposes of this section, “person” shall mean the
21 responsible corporate officer.

22 3899. Nothing in this chapter shall result in the modification,
23 delay, or abrogation of any deadline, standard, rule, or regulation
24 adopted by a federal, state, or local agency for the purposes of
25 protecting public health or the environment, including, but not
26 limited to, any requirements imposed by the State Air Resources
27 Board or by an air pollution control district or an air quality
28 management district.

29 SEC. 2. No reimbursement is required by this act pursuant to
30 Section 6 of Article XIII B of the California Constitution for certain
31 costs that may be incurred by a local agency or school district
32 because, in that regard, this act creates a new crime or infraction,
33 eliminates a crime or infraction, or changes the penalty for a crime
34 or infraction, within the meaning of Section 17556 of the
35 Government Code, or changes the definition of a crime within the
36 meaning of Section 6 of Article XIII B of the California
37 Constitution.

38 However, if the Commission on State Mandates determines that
39 this act contains other costs mandated by the state, reimbursement
40 to local agencies and school districts for those costs shall be made

- 1 pursuant to Part 7 (commencing with Section 17500) of Division
- 2 4 of Title 2 of the Government Code.

O

AMENDED IN SENATE JUNE 26, 2007

AMENDED IN ASSEMBLY JUNE 1, 2007

AMENDED IN ASSEMBLY APRIL 17, 2007

AMENDED IN ASSEMBLY MARCH 29, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 118

Introduced by Assembly Member Nunez

January 9, 2007

An act to amend Section 16428.3 of the Government Code, to amend, repeal, and add Section 44060 of, and to add Chapter 8.9 (commencing with Section 44270) to Part 5 of Division 26 of, the Health and Safety Code, to add Section 25620.16 to the Public Resources Code, and to amend, repeal, and add Sections 9250, 9261, 9853, 14900, and 14900.1 of the Vehicle Code, relating to fuels.

LEGISLATIVE COUNSEL'S DIGEST

AB 118, as amended, Nunez. Alternative fuels and vehicle technologies: funding programs.

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution. Under existing law, the state board, in conjunction with other state agencies, is required to develop and adopt a state plan to increase the use of alternative fuels, as defined.

This bill would create the Air Quality Improvement Program, to be administered by the state board, to fund air quality improvement

projects, upon appropriation by the Legislature, relating to fuel and vehicle technologies. The bill would create the Air Quality Improvement Fund, and would require the state board to expend the moneys in that fund, upon appropriation by the Legislature, for eligible air quality improvement projects and programs.

The bill would also create the Alternative and Renewable Fuel, Vehicle Technology, Carbon Reduction, and Clean Air Program, to be administered by the State Energy Resources Conservation and Development Commission, to provide, upon appropriation by the Legislature, grants and revolving loans to public agencies, California-based businesses *and projects*, public-private partnerships, vehicle and technology consortia, *fleet owners, consumers*, and academic institutions to develop innovative technologies that transform California's fuel and vehicle types. The commission *and the state board* would be required to establish an advisory body to develop investment strategies to help implement this program. *The commission, in coordination with the state board and the advisory body, would be required to establish funding criteria and priorities and to review those criteria and priorities annually.*

The bill would create the Alternative and Renewable Fuel, Vehicle Technology, Carbon Reduction, and Clean Air Fund (Alternative Fund), and would require the commission to expend the moneys in the Alternative Fund, upon appropriation by the Legislature, for eligible projects under the Alternative and Renewable Fuel, Vehicle Technology, Carbon Reduction, and Clean Air Program. The bill would transfer to the Alternative Fund specified settlement funds in the amount of \$30,000,000, and would also transfer *to the Alternative Fund* \$6,500,000 from the Motor Vehicle Account in the State Transportation Fund. The bill would require \$5,000,000 to be transferred annually to the Alternative Fund from the Public Interest Research, Development, and Demonstration Fund.

The bill, until January 1, 2016, would increase vehicle registration fees from \$31 to \$33, vessel registration fees from \$10 to \$20 and from \$20 to \$40, as applicable, specified service fees for identification plates from \$15 to \$20, and driver's license fees from \$24 to \$25. The bill would require the additional revenue generated by those fee increases to be deposited in the Alternative Fund for the Alternative and Renewable Fuel, Vehicle Technology, Carbon Reduction, and Clean Air Program. The bill, until January 1, 2016, would also increase smog abatement fees from \$12 to \$20, and would require half of the additional

revenue generated by that fee increase to be deposited in the Air Quality Improvement Fund for the Air Quality Improvement Program and the other half of that additional revenue to be deposited in the Alternative Fund for the Alternative and Renewable Fuel, Vehicle Technology, Carbon Reduction, and Clean Air Program.

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

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

- 1 SECTION 1. The Legislature finds and declares all of the
2 following:
- 3 (a) The California Global Warming Solutions Act of 2006
4 (Division 25.5 (commencing with Section 38500) of the Health
5 and Safety Code) requires California to reduce statewide
6 greenhouse gas emissions to 1990 levels by 2020.
- 7 (b) The transportation sector is responsible for approximately
8 40 percent of statewide greenhouse gas emissions.
- 9 (c) The State Energy Resources Conservation and Development
10 Commission (Energy Commission) in its Integrated Energy Policy
11 Report recommends that alternative fuels comprise 20 percent of
12 on-road motor vehicle fuels by 2020.
- 13 (d) The State Air Resources Board is currently developing a
14 “low-carbon” fuel standard for transportation fuels to reduce the
15 carbon intensity of transportation fuels by 10 percent by 2020.
- 16 (e) The Energy Commission will adopt a state alternative fuel
17 implementation plan by June 30, 2007, to increase the use of
18 alternative transportation fuels by recommending policies and
19 financial incentives, and identifying barriers to alternative fuel
20 use.
- 21 (f) Investing in the development of innovative and pioneering
22 technologies will assist California in achieving the 2020 statewide
23 limit on emissions of greenhouse gases.
- 24 (g) Research, development, and commercialization of alternative
25 fuels and vehicle technologies in California have the potential to
26 strengthen California’s economy by providing job growth and
27 helping to reduce the state’s vulnerability to petroleum price
28 volatility.
- 29 (h) This act will provide ongoing funding for alternative fuel
30 and vehicle technology research, development, demonstration, and

1 deployment in order to advance the state's leadership in clean
2 technologies, meet the state's clean air and greenhouse gas
3 emission reduction standards, develop public-private partnerships,
4 and ensure an affordable, reliable fuel supply.

5 (i) This act will ensure that research is conducted to evaluate
6 the air quality impacts of alternative fuels and to establish clear
7 criteria to prevent net increases in criteria air pollutants and air
8 toxics.

9 (j) This act will be implemented in a manner to ensure the fair
10 treatment of people of all races, cultures, and income levels,
11 including minority populations and low-income populations of the
12 state.

13 (k) This act will provide funding consistent with the California
14 Global Warming Solutions Act of 2006, the Integrated Energy
15 Policy Report, the plan adopted pursuant to Section 43866 of the
16 Health and Safety Code, and other state goals and requirements.

17 SEC. 2. Section 16428.3 of the Government Code is amended
18 to read:

19 16428.3. (a) Except as provided in subdivision (b) of Section
20 44273 of the Health and Safety Code, any energy settlement
21 agreement entered into by the Attorney General, after reimbursing
22 the Attorney General's litigation and investigation expenses, to
23 the maximum extent possible, shall direct settlement funds to the
24 following purposes in priority order:

25 (1) To reduce ratepayer costs of those utility ratepayers harmed
26 by the actions of the settling parties. To the extent the ratepayers
27 of the investor-owned utilities were harmed, the settlement funds
28 shall be directed to reduce their costs, to the maximum extent
29 possible, through reduction of rates or the reduction of ratepayer
30 debt obligations incurred as a result of the energy crisis.

31 (2) For deposit in the fund.

32 (b) Nothing in this article shall preclude nonmonetary
33 compensation to the state through an energy settlement agreement,
34 provided that the allocation of benefits from any nonmonetary
35 compensation is consistent with paragraph (1) of subdivision (a).

36 SEC. 3. Section 44060 of the Health and Safety Code is
37 amended to read:

38 44060. (a) The department shall prescribe the form of the
39 certificate of compliance or noncompliance, repair cost waivers,
40 and economic hardship extensions.

1 (b) The certificates, repair cost waivers, and economic hardship
2 extensions shall be in the form of an electronic entry filed with the
3 department, the Department of Motor Vehicles, and any other
4 person designated by the department. The department shall ensure
5 that the motor vehicle owner or operator is provided with a written
6 report, signed by the licensed technician who performed the
7 inspection, of any test performed by a smog check station,
8 including a pass or fail indication, and written confirmation of the
9 issuance of the certificate.

10 (c) (1) The department shall charge a fee to a smog check
11 station, including a test-only station, and a station providing referee
12 functions, for a motor vehicle inspected at that station that meets
13 the requirements of this chapter and is issued a certificate of
14 compliance, a certificate of noncompliance, repair cost waiver, or
15 economic hardship extension.

16 (2) The fee charged pursuant to paragraph (1) shall be calculated
17 to recover the costs of the department and any other state agency
18 directly involved in the implementation, administration, or
19 enforcement of the motor vehicle inspection and maintenance
20 program, and shall not exceed the amount reasonably necessary
21 to fund the operation of the program, including all responsibilities,
22 requirements, and obligations imposed upon the department or
23 any of those state agencies by this chapter, that are not otherwise
24 recoverable by fees received pursuant to Section 44034.

25 (3) Except for adjustments to reflect changes in the Consumer
26 Price Index, as published by the United States Bureau of Labor
27 Statistics, the fee for each certificate, waiver, or extension shall
28 not exceed seven dollars (\$7).

29 (4) Fees collected by the department pursuant to this subdivision
30 shall be deposited in the Vehicle Inspection and Repair Fund. It
31 is the intent of the Legislature that a prudent surplus be maintained
32 in the Vehicle Inspection and Repair Fund.

33 (d) (1) Motor vehicles exempted under paragraph (4) of
34 subdivision (a) of Section 44011 shall be subject to an annual smog
35 abatement fee of twenty dollars (\$20). The department may also,
36 by regulation, subject motor vehicles that are exempted under
37 paragraph (5) of subdivision (a) of Section 44011 to the twenty
38 ~~dollars~~ *dollar* (\$20) annual smog abatement fee. Payment of the
39 annual smog abatement fee shall be made to the Department of
40 Motor Vehicles at the time of registration of the motor vehicle.

1 (2) (A) Except as provided in subdivision (a) of Section
 2 44091.1 and subparagraph (B), fees collected pursuant to this
 3 subdivision shall be deposited on a daily basis into the Vehicle
 4 Inspection and Repair Fund.

5 (B) (i) Of the total amount of each fee collected pursuant to
 6 paragraph (1), four dollars (\$4) shall be deposited into the Air
 7 Quality Improvement Fund created by Section 44270.6.

8 (ii) Of the total amount of each fee collected pursuant to
 9 paragraph (1), four dollars (\$4) shall be deposited into the
 10 Alternative and Renewable Fuel, Vehicle Technology, Carbon
 11 Reduction, and Clean Air Fund created by Section 44273.

12 (e) The sale or transfer of the certificate, waiver, or extension
 13 by a licensed smog check station or test-only station to any other
 14 licensed smog check station or to any other person, and the
 15 purchase or acquisition of the certificate, waiver, or extension, by
 16 any person, other than from the department, the department's
 17 designee, or pursuant to a vehicle's inspection or repair conducted
 18 pursuant to this chapter, is prohibited.

19 (f) Following implementation of the electronic entry certificate
 20 under subdivision (b), the department may require the modification
 21 of the analyzers and other equipment required at smog check
 22 stations to prevent the entry of a certificate that has not been issued
 23 or validated through prepayment of the fee authorized by
 24 subdivision (c).

25 (g) The fee charged by licensed smog check stations to
 26 consumers for a certificate, waiver, or extension shall be the same
 27 amount that is charged by the department.

28 (h) This section shall remain in effect only until January 1, 2016,
 29 and as of that date is repealed, unless a later enacted statute, that
 30 is enacted before January 1, 2016, deletes or extends that date.

31 SEC. 4. Section 44060 is added to the Health and Safety Code,
 32 to read:

33 44060. (a) The department shall prescribe the form of the
 34 certificate of compliance or noncompliance, repair cost waivers,
 35 and economic hardship extensions.

36 (b) The certificates, repair cost waivers, and economic hardship
 37 extensions shall be in the form of an electronic entry filed with the
 38 department, the Department of Motor Vehicles, and any other
 39 person designated by the department. The department shall ensure
 40 that the motor vehicle owner or operator is provided with a written

1 report, signed by the licensed technician who performed the
2 inspection, of any test performed by a smog check station,
3 including a pass or fail indication, and written confirmation of the
4 issuance of the certificate.

5 (c) (1) The department shall charge a fee to a smog check
6 station, including a test-only station, and a station providing referee
7 functions, for a motor vehicle inspected at that station that meets
8 the requirements of this chapter and is issued a certificate of
9 compliance, a certificate of noncompliance, repair cost waiver, or
10 economic hardship extension.

11 (2) The fee charged pursuant to paragraph (1) shall be calculated
12 to recover the costs of the department and any other state agency
13 directly involved in the implementation, administration, or
14 enforcement of the motor vehicle inspection and maintenance
15 program, and shall not exceed the amount reasonably necessary
16 to fund the operation of the program, including all responsibilities,
17 requirements, and obligations imposed upon the department or
18 any of those state agencies by this chapter, that are not otherwise
19 recoverable by fees received pursuant to Section 44034.

20 (3) Except for adjustments to reflect changes in the Consumer
21 Price Index, as published by the United States Bureau of Labor
22 Statistics, the fee for each certificate, waiver, or extension shall
23 not exceed seven dollars (\$7).

24 (4) Fees collected by the department pursuant to this subdivision
25 shall be deposited in the Vehicle Inspection and Repair Fund. It
26 is the intent of the Legislature that a prudent surplus be maintained
27 in the Vehicle Inspection and Repair Fund.

28 (d) (1) Motor vehicles exempted under paragraph (4) of
29 subdivision (a) of Section 44011 shall be subject to an annual smog
30 abatement fee of twelve dollars (\$12). The department may also,
31 by regulation, subject motor vehicles that are exempted under
32 paragraph (5) of subdivision (a) of Section 44011 to the twelve
33 dollar (\$12) annual smog abatement fee. Payment of the annual
34 smog abatement fee shall be made to the Department of Motor
35 Vehicles at the time of registration of the motor vehicle.

36 (2) Except as provided in subdivision (a) of Section 44091.1,
37 fees collected pursuant to this subdivision shall be deposited on a
38 daily basis into the Vehicle Inspection and Repair Fund.

39 (e) The sale or transfer of the certificate, waiver, or extension
40 by a licensed smog check station or test-only station to any other

1 licensed smog check station or to any other person, and the
 2 purchase or acquisition of the certificate, waiver, or extension, by
 3 any person, other than from the department, the department’s
 4 designee, or pursuant to a vehicle’s inspection or repair conducted
 5 pursuant to this chapter, is prohibited.

6 (f) Following implementation of the electronic entry certificate
 7 under subdivision (b), the department may require the modification
 8 of the analyzers and other equipment required at smog check
 9 stations to prevent the entry of a certificate that has not been issued
 10 or validated through prepayment of the fee authorized by
 11 subdivision (c).

12 (g) The fee charged by licensed smog check stations to
 13 consumers for a certificate, waiver, or extension shall be the same
 14 amount that is charged by the department.

15 (h) This section shall become operative on January 1, 2016.

16 SEC. 5. Chapter 8.9 (commencing with Section 44270) is
 17 added to Part 5 of Division 26 of the Health and Safety Code, to
 18 read:

19

20 CHAPTER 8.9. ALTERNATIVE FUEL, CLEAN AIR, AND CARBON
 21 REDUCTION PROGRAMS

22

23 44270. This chapter shall be known, and may be cited, as the
 24 California Alternative and Renewable Fuel, Vehicle Technology,
 25 Clean Air, and Carbon Reduction Act of 2007.

26 ~~44270.3. For the purposes of this chapter, the following terms~~
 27 ~~have the following meanings:~~

28 (a) ~~“Alternative fuel” means a nonpetroleum fuel, including,~~
 29 ~~but not limited to, electricity, ethanol, biodiesel, methanol, or~~
 30 ~~natural gas that, when used in vehicles, has demonstrated to the~~
 31 ~~satisfaction of the state board, to have the ability to meet applicable~~
 32 ~~vehicular emission standards. For the purpose of this chapter,~~
 33 ~~alternative fuel may also include petroleum fuel blended with~~
 34 ~~nonpetroleum constituents.~~

35 (b) ~~“Commission” means the State Energy Resources~~
 36 ~~Conservation and Development Commission.~~

37 (c) ~~“Full fuel-cycle assessment” or “life-cycle assessment”~~
 38 ~~means evaluating and comparing the full environmental and health~~
 39 ~~impacts of each step in the life cycle of a fuel, including, but not~~
 40 ~~limited to, all of the following:~~

- 1 ~~(1) Feedstock production, extraction, transport, and storage.~~
- 2 ~~(2) Fuel production, distribution, transport, and storage.~~
- 3 ~~(3) Vehicle operation, including refueling, combustion,~~
- 4 ~~conversion, permeation, and evaporation.~~

5 ~~44270.5. (a) The Air Quality Improvement Program is hereby~~
6 ~~created to fund, upon appropriation by the Legislature, air quality~~
7 ~~improvement projects relating to fuel and vehicle technologies not~~
8 ~~addressed by the Carl Moyer Memorial Air Quality Standards~~
9 ~~Attainment Program created by Chapter 9 (commencing with~~
10 ~~Section 44275). The program shall be administered by the state~~
11 ~~board in coordination with the commission, and other state agencies~~
12 ~~that the state board deems appropriate.~~

13 ~~(b) Projects to be funded by the Air Quality Improvement~~
14 ~~Program shall include, but not be limited to, all of the following:~~

15 ~~(1) Off-road equipment projects that contemplate action not~~
16 ~~required by control measures adopted by the state board or any~~
17 ~~other laws, to mitigate for criteria air pollutant and toxic air~~
18 ~~contaminant emissions.~~

19 ~~(2) Projects that provide mitigation for air pollution resulting~~
20 ~~from on-road emissions prior to 2012 that were associated with~~
21 ~~permeation or hydrocarbon emissions or oxides of nitrogen~~
22 ~~emissions that occurred as a result of the phase out of methyl~~
23 ~~tertiary-butyl ether (MTBE) and its replacement with ethanol.~~

24 ~~(3) Projects that provide mitigation for off-road gasoline exhaust~~
25 ~~and evaporative emissions not currently regulated by the state~~
26 ~~board.~~

27 ~~(4) Projects that provide research to determine the air quality~~
28 ~~impacts of alternative fuels and projects that study the life-cycle~~
29 ~~impacts of alternative fuels and conventional fuels, the emissions~~
30 ~~of biofuel and advanced reformulated gasoline mixes, and air~~
31 ~~pollution improvement and control technologies for use with~~
32 ~~alternative fuels and vehicles.~~

33 ~~(5) Projects that augment the University of California's~~
34 ~~Agricultural Extension Program for research to increase sustainable~~
35 ~~biofuels production and improve the collection of biomass~~
36 ~~feedstocks.~~

37 ~~(6) Incentives for small off-road equipment replacement to~~
38 ~~encourage consumers to replace internal combustion engine lawn~~
39 ~~and garden equipment.~~

1 ~~(7) Incentives for heavy-duty vehicles and equipment mitigation,~~
2 ~~including all of the following:~~
3 ~~(A) Lower emission schoolbus programs.~~
4 ~~(B) Heavy-duty electric off-road equipment.~~
5 ~~(C) Regional air quality improvement and attainment programs~~
6 ~~to assess the most impacted regions of the state.~~
7 ~~(e) The Air Quality Improvement Program may be used to~~
8 ~~augment the program created by Article 10 (commencing with~~
9 ~~Section 44100) of Chapter 5.~~
10 ~~44270.6. The Air Quality Improvement Fund is hereby created~~
11 ~~in the State Treasury, to be administered by the state board. The~~
12 ~~moneys in the Air Quality Improvement Fund, upon appropriation~~
13 ~~by the Legislature, shall be expended by the state board in~~
14 ~~accordance with Section 44270.5.~~
15 ~~44270.5. (a) The Air Quality Improvement Program is hereby~~
16 ~~created to fund, upon appropriation by the Legislature, air quality~~
17 ~~improvement projects relating to fuel and vehicle technologies.~~
18 ~~The program shall be administered by the state board in~~
19 ~~coordination with the commission, and other state agencies that~~
20 ~~the state board deems appropriate.~~
21 ~~(b) Projects to be funded by the Air Quality Improvement~~
22 ~~Program shall include, but not be limited to, all of the following:~~
23 ~~(1) Off-road equipment projects that contemplate action not~~
24 ~~required by control measures adopted by the state board or any~~
25 ~~other laws to mitigate for criteria air pollutant and toxic air~~
26 ~~contaminant emissions.~~
27 ~~(2) Projects that provide mitigation for off-road gasoline exhaust~~
28 ~~and evaporative emissions not currently regulated by the state~~
29 ~~board.~~
30 ~~(3) Projects that provide research to determine the air quality~~
31 ~~impacts of alternative fuels and projects that study the life-cycle~~
32 ~~impacts of alternative fuels and conventional fuels, the emissions~~
33 ~~of biofuel and advanced reformulated gasoline mixes, and air~~
34 ~~pollution improvements and control technologies for use with~~
35 ~~alternative fuels and vehicles.~~
36 ~~(4) Projects that augment the University of California's~~
37 ~~Agricultural Extension Program for research to increase~~
38 ~~sustainable biofuels production and improve the collection of~~
39 ~~biomass feedstock.~~

1 (5) *Incentives for small off-road equipment replacement to*
2 *encourage consumers to replace internal combustion engine lawn*
3 *and garden equipment.*

4 (6) *Incentives for heavy-duty vehicles and equipment mitigation,*
5 *including all of the following:*

6 (A) *Lower emission schoolbus programs.*

7 (B) *Heavy-duty electric off-road equipment.*

8 (C) *Regional air quality improvement and attainment programs*
9 *to assess the most impacted regions of the state.*

10 (c) *The Air Quality Improvement Program may be used to*
11 *augment the program created by Article 10 (commencing with*
12 *Section 44100) of Chapter 5.*

13 44270.6. (a) *The Air Quality Improvement Fund is hereby*
14 *created in the State Treasury, to be administered by the state board.*
15 *The moneys in the Air Quality Improvement Fund, upon*
16 *appropriation by the Legislature, shall be expended by the state*
17 *board in accordance with Section 44270.5.*

18 (b) *Projects proposed for funding pursuant to subdivision (a)*
19 *shall be evaluated based on their proposed or potential reduction*
20 *of criteria air pollutants, cost-effectiveness, contribution to*
21 *regional air quality improvement, and their ability to promote the*
22 *use of clean alternative fuels as determined by the state board in*
23 *coordination with the commission.*

24 44271. (a) *There is hereby created the Alternative and*
25 *Renewable Fuel, Vehicle Technology, Carbon Reduction, and*
26 *Clean Air Program. The program shall be administered, in*
27 *accordance with this chapter, by the commission in partnership*
28 *with the state board and in ~~coordination~~ partnership with other*
29 *state agencies deemed appropriate by the commission.*

30 (b) *The state board shall adopt and submit to the commission*
31 *criteria to ensure that the activities undertaken pursuant to the*
32 *program complement, and do not interfere with, efforts to achieve*
33 *and maintain federal and state ambient air quality standards and*
34 *to reduce toxic air contaminant emissions.*

35 (c) (1) *The program shall provide, upon appropriation by the*
36 *Legislature, grants and revolving loans to public agencies,*
37 *California-based businesses and projects, public-private*
38 *partnerships, vehicle and technology consortia, fleet owners,*
39 *consumers, and academic institutions to develop innovative*
40 *technologies that transform California's fuel and vehicle types to*

1 help attain the state's climate change policies, without adopting
2 any one preferred fuel or technology.

3 (2) The program shall provide funding complementary to
4 existing public and private investments, including existing state
5 programs that further the goals of this chapter.

6 (d) The commission *and the state board* shall establish an
7 advisory body to develop investment strategies to help implement
8 the Alternative and Renewable Fuel, Vehicle Technology, Carbon
9 Reduction, and Clean Air Program. The advisory body shall have
10 representatives from the ~~State Resources Agency~~, the Business,
11 Transportation and Housing Agency, the California Environmental
12 Protection Agency, fuel and vehicle technology consortia,
13 environmental *justice and public health* organizations, consumer
14 advocates, academic institutions, and private industry.

15 (e) (1) The commission, in coordination with the state board
16 and the advisory body created pursuant to subdivision (d), shall
17 establish criteria ~~and priorities for the awarding of competitive~~
18 ~~grants based on an applicant's use of private matching dollars,~~
19 ~~ability to support existing and future state climate change policy,~~
20 ~~ability to provide transformative technology advancements, ability~~
21 ~~to develop innovative new technology solutions, and the promotion~~
22 ~~of California-based technology firms, among other criteria.~~ The
23 commission shall annually review priorities, guidelines, and other
24 criteria ~~made by the commission, in coordination with the state~~
25 ~~board and the advisory body.~~ *and priorities for the purpose of*
26 *allocating funds under the Alternative and Renewable Fuel, Vehicle*
27 *Technology, Carbon Reduction, and Clean Air Program.*

28 (2) *The commission shall annually review these criteria and*
29 *priorities, in coordination with the state board and the advisory*
30 *body.*

31 (3) *Funding criteria and priorities shall reflect a consideration*
32 *of both of the following:*

33 (A) *The extent to which the project significantly increases the*
34 *state's ability to meet existing and future state climate change*
35 *policy and low-carbon fuel standards, reduces petroleum-based*
36 *fuel consumption, and reduces criteria air pollutants and air toxics.*

37 (B) *The extent to which the project attempts to decrease, on a*
38 *life-cycle basis, the emissions of water pollutants or any other*
39 *substances known to damage human health or the environment,*
40 *in comparison to the production and use of California Phase 2*

1 *Reformulated Gasoline or diesel fuel produced and sold pursuant*
2 *to California diesel fuel regulations set forth in Article 2*
3 *(commencing with Section 2280) of Chapter 5 of Division 3 of*
4 *Title 13 of the California Code of Regulations.*

5 *(C) The project is not otherwise required to be undertaken*
6 *pursuant to state or federal law.*

7 *(4) The commission, in partnership with the state board, shall*
8 *develop sustainability criteria to ensure that any fuel or technology*
9 *deployment project meets all of the following requirements:*

10 *(A) The project does not adversely impact the state's natural*
11 *resources.*

12 *(B) The project complies with all applicable laws and*
13 *regulations.*

14 *(C) A full fuel cycle analysis has been undertaken with regard*
15 *to the project.*

16 *(5) Eligible biomass projects shall not be derived from*
17 *environmentally sensitive lands protected by state or federal law.*

18 *(6) Funding criteria shall be established to prioritize a research*
19 *development and deployment project that includes, at a minimum,*
20 *any of the following features:*

21 *(A) The project provides private matching funds.*

22 *(B) The project demonstrates an ability to provide*
23 *transformative technology advancements.*

24 *(C) The project demonstrates the ability to develop innovative*
25 *new technology.*

26 *(D) The project promotes California-based technology firms.*

27 44272. Projects to be funded by the Alternative and Renewable
28 Fuel, Vehicle Technology, Carbon Reduction, and Clean Air
29 Program shall include, but not be limited to, all of the following:

30 (a) Alternative and renewable fuel research and development
31 projects to improve and develop alternative and low-carbon fuels,
32 including ethanol, dimethyl ether, renewable diesel, natural gas,
33 and biomethane, among others, and their feedstocks that have high
34 potential for long-term or short-term commercialization.

35 (b) Alternative and renewable fuel deployment projects that
36 optimize fuels for existing and developing engine technologies,
37 production of alternative and low-carbon fuels in California, and
38 development of less carbon intensive processes for current fuels.

39 (c) Technology deployment projects to decrease the overall
40 impact of a fuel's life-cycle carbon footprint and sustainability.

1 (d) Alternative and renewable fuel infrastructure, fueling
2 stations, and equipment incentive projects, including revolving
3 loans and grants to small- and medium-sized businesses for these
4 purposes.

5 (e) Alternative and renewable fuel and efficient vehicle
6 technology research development projects for the improvement
7 and development of light-, medium- and heavy-duty vehicle
8 technologies that provide for better fuel efficiency, alternative fuel
9 usage and storage, or emission reductions, including propulsion
10 systems, light weight materials, energy storage, engine optimization
11 with a target particularly for renewable and low carbon fuels,
12 electronic and electrified components, hybrid technology, plug-in
13 hybrid technology, and fuel cell technology.

14 (f) Alternative and renewable fuel and efficient vehicle
15 technology deployment programs and projects for the
16 demonstration and deployment of vehicle technologies in California
17 that accelerate the commercialization of vehicle technology,
18 including buy-down programs for near-market and market-path
19 deployments.

20 (g) Revolving loans to small and medium size businesses for
21 medium- and heavy-duty vehicle fleets to retrofit existing fleets
22 with technologies that create higher fuel efficiencies, including
23 idle management technology and aerodynamic retrofits that
24 decrease fuel consumption.

25 (h) Alternative fuel and electric infrastructure projects that
26 promote infrastructure development connected with existing fleets,
27 public transit, and existing transportation corridors.

28 44273. (a) The Alternative and Renewable Fuel, Vehicle
29 Technology, Carbon Reduction, and Clean Air Fund is hereby
30 created in the State Treasury, to be administered by the
31 commission. The moneys in the Alternative and Renewable Fuel,
32 Vehicle Technology, Carbon Reduction, and Clean Air Fund, upon
33 appropriation by the Legislature, shall be expended by the
34 commission in accordance with Sections 44271 and 44272.

35 (b) (1) For the purposes of this subdivision, “Williams
36 settlement funds” means any moneys obtained, and any interest
37 generated on the moneys, through the settlement of litigation with
38 The Williams Companies, Inc. and Williams Energy Marketing
39 & Trading Company, made and entered into as of November 11,
40 2002.

1 (2) Notwithstanding Section 16428.3 of the Government Code
2 and any other provision of law, of the Williams settlement funds
3 deposited in the Ratepayer Relief Fund, the sum of thirty million
4 dollars (\$30,000,000) is hereby transferred to the Alternative and
5 Renewable Fuel, Vehicle Technology, Carbon Reduction, and
6 Clean Air Fund.

7 (c) The sum of six million five hundred thousand dollars
8 (\$6,500,000) is hereby transferred from the Motor Vehicle Account
9 in the State Transportation Fund to the Alternative and Renewable
10 Fuel, Vehicle Technology, Carbon Reduction, and Clean Air Fund.

11 (d) Notwithstanding any other provision of law, the sum of five
12 million dollars (\$5,000,000) shall be transferred annually from the
13 Public Interest Research, Development, and Demonstration Fund
14 created by Section 384 of the Public Utilities Code to the
15 Alternative and Renewable Fuel, Vehicle Technology, Carbon
16 Reduction, and Clean Air Fund.

17 SEC. 6. Section 25620.16 is added to the Public Resources
18 Code, to read:

19 25620.16. Notwithstanding any other provision of law, the sum
20 of five million dollars (\$5,000,000) shall be transferred annually
21 from the Public Interest Research, Development, and
22 Demonstration Fund to the Alternative and Renewable Fuel,
23 Vehicle Technology, Carbon Reduction, and Clean Air Fund
24 created by Section 44273 of the Health and Safety Code.

25 SEC. 7. Section 9250 of the Vehicle Code is amended to read:

26 9250. (a) A registration fee of thirty-three dollars (\$33) shall
27 be paid to the department for the registration of every vehicle or
28 trailer coach of a type subject to registration under this code, except
29 those vehicles that are expressly exempted under this code from
30 the payment of registration fees.

31 (b) The registration fee imposed under this section applies to
32 all vehicles described in Section 5004, whether or not special
33 identification plates are issued to that vehicle.

34 (c) Trailer coaches are subject to the fee provided in subdivision
35 (a) for each unit of the trailer coach.

36 (d) This section applies to all of the following:

37 (1) The initial or original registration, on or after January 1,
38 2004, of any vehicle not previously registered in this state.

39 (2) The renewal of registration of any vehicle for which the
40 registration period expires on or after January 1, 2004, regardless

1 of whether a renewal application was mailed to the registered
2 owner prior to January 1, 2004.

3 (3) Any renewal of a registration that expired on or before
4 December 31, 2003, but for which the fees are not paid until on
5 or after January 1, 2004.

6 (e) Notwithstanding any other provision of law, of the total
7 amount of each fee collected pursuant to subdivision (a), two
8 dollars (\$2) shall be deposited into the Alternative and Renewable
9 Fuel, Vehicle Technology, Carbon Reduction, and Clean Air Fund
10 created by Section 44273 of the Health and Safety Code.

11 (f) This section shall remain in effect only until January 1, 2016,
12 and as of that date is repealed, unless a later enacted statute, that
13 is enacted before January 1, 2016, deletes or extends that date.

14 SEC. 8. Section 9250 is added to the Vehicle Code, to read:

15 9250. (a) A registration fee of thirty-one dollars (\$31) shall
16 be paid to the department for the registration of every vehicle or
17 trailer coach of a type subject to registration under this code, except
18 those vehicles that are expressly exempted under this code from
19 the payment of registration fees.

20 (b) The registration fee imposed under this section applies to
21 all vehicles described in Section 5004, whether or not special
22 identification plates are issued to that vehicle.

23 (c) Trailer coaches are subject to the fee provided in subdivision
24 (a) for each unit of the trailer coach.

25 (d) This section applies to all of the following:

26 (1) The initial or original registration, on or after January 1,
27 2004, of any vehicle not previously registered in this state.

28 (2) The renewal of registration of any vehicle for which the
29 registration period expires on or after January 1, 2004, regardless
30 of whether a renewal application was mailed to the registered
31 owner prior to January 1, 2004.

32 (3) Any renewal of a registration that expired on or before
33 December 31, 2003, but for which the fees are not paid until on
34 or after January 1, 2004.

35 (e) This section shall become operative on January 1, 2016.

36 SEC. 9. Section 9261 of the Vehicle Code is amended to read:

37 9261. (a) A service fee of twenty dollars (\$20) shall be paid
38 for an identification plate issued pursuant to Section 5014. Publicly
39 owned special construction equipment, cemetery equipment, special

1 mobile equipment, logging vehicles, and implements of husbandry
2 are exempt from the service charge.

3 (b) A service fee of twenty dollars (\$20) shall be paid for an
4 identification plate issued pursuant to Section 5016.5.

5 (c) Upon application for the transfer of interest of an owner in
6 a piece of equipment, vehicle, or implement of husbandry identified
7 pursuant to Section 5014, the transferee shall pay a fee of twenty
8 dollars (\$20).

9 (d) A fee of twenty dollars (\$20) shall be paid upon the renewal
10 of an identification plate issued pursuant to Section 5014 or 5016.5.

11 (e) Notwithstanding any other provision of law, of the total
12 amount of each fee collected pursuant to this section, five dollars
13 (\$5) shall be deposited into the Alternative and Renewable Fuel,
14 Vehicle Technology, Carbon Reduction, and Clean Air Fund
15 created by Section 44273 of the Health and Safety Code.

16 (f) This section shall remain in effect only until January 1, 2016,
17 and as of that date is repealed, unless a later enacted statute, that
18 is enacted before January 1, 2016, deletes or extends that date.

19 SEC. 10. Section 9261 is added to the Vehicle Code, to read:

20 9261. (a) A service fee of fifteen dollars (\$15) shall be paid
21 for an identification plate issued pursuant to Section 5014. Publicly
22 owned special construction equipment, cemetery equipment, special
23 mobile equipment, logging vehicles, and implements of husbandry
24 are exempt from the service charge.

25 (b) A service fee of fifteen dollars (\$15) shall be paid for an
26 identification plate issued pursuant to Section 5016.5.

27 (c) Upon application for the transfer of interest of an owner in
28 a piece of equipment, vehicle, or implement of husbandry identified
29 pursuant to Section 5014, the transferee shall pay a fee of fifteen
30 dollars (\$15).

31 (d) A fee of fifteen dollars (\$15) shall be paid upon the renewal
32 of an identification plate issued pursuant to Section 5014 or 5016.5.

33 (e) This section shall become operative on January 1, 2016.

34 SEC. 11. Section 9853 of the Vehicle Code is amended to read:

35 9853. (a) The owner of each vessel requiring numbering by
36 this state shall file an initial application for a number with the
37 department or with an agent authorized by the department on forms
38 approved by the department. The forms shall be prepared in
39 cooperation with the Department of Boating and Waterways. The
40 application shall contain the true name and address of the owner

1 and of the legal owner, if any, and the hull identification number
2 of the vessel as may be required by the department. The application
3 shall be signed by the owner of the vessel and shall be accompanied
4 by a fee of nine dollars (\$9), in addition to the fees required under
5 subdivision (b), except that an owner of a vessel registered outside
6 this state who is submitting an application for registration in this
7 state shall pay a fee of thirty-seven dollars (\$37), in addition to
8 the fees required under subdivision (b).

9 (b) (1) Whenever the fee for original registration of a vessel
10 becomes due between January 1 and December 31 of any
11 even-numbered year, the application shall be accompanied by a
12 fee of twenty dollars (\$20), in addition to any other fees that are
13 then due and payable.

14 (2) Whenever the fee for original registration of a vessel
15 becomes due, or is filed with the department, between January 1
16 and December 31 of any odd-numbered year, the application shall
17 be accompanied by a fee of forty dollars (\$40) in addition to any
18 other fees that are then due and payable.

19 (c) Notwithstanding any other provision of law, of the total
20 amount of each fee collected pursuant to subdivision (b), ten dollars
21 (\$10) shall be deposited into the Alternative and Renewable Fuel,
22 Vehicle Technology, Carbon Reduction, and Clean Air Fund
23 created by Section 44273 of the Health and Safety Code.

24 (d) This section shall remain in effect only until January 1, 2016,
25 and as of that date is repealed, unless a later enacted statute, that
26 is enacted before January 1, 2016, deletes or extends that date.

27 SEC. 12. Section 9853 is added to the Vehicle Code, to read:

28 9853. (a) The owner of each vessel requiring numbering by
29 this state shall file an initial application for a number with the
30 department or with an agent authorized by the department on forms
31 approved by the department. The forms shall be prepared in
32 cooperation with the Department of Boating and Waterways. The
33 application shall contain the true name and address of the owner
34 and of the legal owner, if any, and the hull identification number
35 of the vessel as may be required by the department. The application
36 shall be signed by the owner of the vessel and shall be accompanied
37 by a fee of nine dollars (\$9), in addition to the fees required under
38 subdivision (b), except that an owner of a vessel registered outside
39 this state who is submitting an application for registration in this

1 state shall pay a fee of thirty-seven dollars (\$37), in addition to
2 the fees required under subdivision (b).

3 (b) (1) Whenever the fee for original registration of a vessel
4 becomes due between January 1 and December 31 of any
5 even-numbered year, the application shall be accompanied by a
6 fee of ten dollars (\$10), in addition to any other fees that are then
7 due and payable.

8 (2) Whenever the fee for original registration of a vessel
9 becomes due, or is filed with the department, between January 1
10 and December 31 of any odd-numbered year, the application shall
11 be accompanied by a fee of twenty dollars (\$20) in addition to any
12 other fees that are then due and payable.

13 (c) This section shall become operative on January 1, 2016.

14 SEC. 13. Section 14900 of the Vehicle Code is amended to
15 read:

16 14900. (a) Upon application for an original class C or M
17 driver's license, there shall be paid to the department a fee of
18 twenty-five dollars (\$25) for a license that will expire on the fifth
19 birthday of the applicant following the date of the application. The
20 payment of the fee entitles the person paying the fee to apply for
21 a driver's license and to take three examinations within a period
22 of 12 months from the date of the application or during the period
23 that an instruction permit is valid, as provided in Section 12509.

24 (b) In addition to the application fee specified in subdivision
25 (a), a person who fails to successfully complete the driving skill
26 test on the first attempt shall be required to pay an additional fee
27 of five dollars (\$5) for each additional driving skill test
28 administered under that application.

29 (c) The fee specified in subdivision (b) shall be collected in
30 conjunction with any application submitted on or after July 1,
31 2003.

32 (d) Notwithstanding any other provision of law, of the total
33 amount of each fee collected pursuant to subdivision (a), one dollar
34 (\$1) shall be deposited into the Alternative and Renewable Fuel,
35 Vehicle Technology, Carbon Reduction, and Clean Air Fund
36 created by Section 44273 of the Health and Safety Code.

37 (e) This section shall remain in effect only until January 1, 2016,
38 and as of that date is repealed, unless a later enacted statute, that
39 is enacted before January 1, 2016, deletes or extends that date.

40 SEC. 14. Section 14900 is added to the Vehicle Code, to read:

1 14900. (a) Upon application for an original class C or M
2 driver's license, there shall be paid to the department a fee of
3 twenty-four dollars (\$24) for a license that will expire on the fifth
4 birthday of the applicant following the date of the application. The
5 payment of the fee entitles the person paying the fee to apply for
6 a driver's license and to take three examinations within a period
7 of 12 months from the date of the application or during the period
8 that an instruction permit is valid, as provided in Section 12509.

9 (b) In addition to the application fee specified in subdivision
10 (a), a person who fails to successfully complete the driving skill
11 test on the first attempt shall be required to pay an additional fee
12 of five dollars (\$5) for each additional driving skill test
13 administered under that application.

14 (c) The fee specified in subdivision (b) shall be collected in
15 conjunction with any application submitted on or after July 1,
16 2003.

17 (d) This section shall become operative on January 1, 2016.

18 SEC. 15. Section 14900.1 of the Vehicle Code is amended to
19 read:

20 14900.1. (a) Except as provided in Sections 15250.6 and
21 15255.1, upon application for the renewal of a driver's license or
22 for a license to operate a different class of vehicle, there shall be
23 paid to the department a fee of twenty-five dollars (\$25) for a
24 license that will expire on the fifth birthday of the applicant
25 following the date of the application. The payment of the fee
26 entitles the person paying the fee to apply for a driver's license
27 and to take three examinations within a period of 12 months from
28 the date of the application or during the period that an instruction
29 permit is valid, as provided in Section 12509.

30 (b) In addition to the application fee specified in subdivision
31 (a), a person who fails to successfully complete the driving skill
32 test on the first attempt shall be required to pay an additional fee
33 of five dollars (\$5) for each additional driving skill test
34 administered under that application.

35 (c) The fee specified in subdivision (b) shall be collected in
36 conjunction with any application submitted on or after July 1,
37 2003.

38 (d) Notwithstanding any other provision of law, of the total
39 amount of each fee collected pursuant to subdivision (a), one dollar
40 (\$1) shall be deposited into the Alternative and Renewable Fuel,

1 Vehicle Technology, Carbon Reduction, and Clean Air Fund
2 created by Section 44273 of the Health and Safety Code.

3 (e) This section shall remain in effect only until January 1, 2016,
4 and as of that date is repealed, unless a later enacted statute, that
5 is enacted before January 1, 2016, deletes or extends that date.

6 SEC. 16. Section 14900.1 is added to the Vehicle Code, to
7 read:

8 14900.1. (a) Except as provided in Sections 15250.6 and
9 15255.1, upon application for the renewal of a driver's license or
10 for a license to operate a different class of vehicle, there shall be
11 paid to the department a fee of twenty-four dollars (\$24) for a
12 license that will expire on the fifth birthday of the applicant
13 following the date of the application. The payment of the fee
14 entitles the person paying the fee to apply for a driver's license
15 and to take three examinations within a period of 12 months from
16 the date of the application or during the period that an instruction
17 permit is valid, as provided in Section 12509.

18 (b) In addition to the application fee specified in subdivision
19 (a), a person who fails to successfully complete the driving skill
20 test on the first attempt shall be required to pay an additional fee
21 of five dollars (\$5) for each additional driving skill test
22 administered under that application.

23 (c) The fee specified in subdivision (b) shall be collected in
24 conjunction with any application submitted on or after July 1,
25 2003.

26 (d) This section shall become operative on January 1, 2016.

O

AMENDED IN SENATE JULY 10, 2007

AMENDED IN SENATE JUNE 26, 2007

AMENDED IN ASSEMBLY JUNE 1, 2007

AMENDED IN ASSEMBLY MAY 2, 2007

AMENDED IN ASSEMBLY APRIL 12, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 1470

**Introduced by Assembly Member Huffman
(Principal coauthor: Assembly Member Leno)**

**(Coauthors: Assembly Members Beall, Carter, DeSaulnier,
Krekorian, Laird, Maze, Wolk, and Saldana)**

(Coauthors: Senators ~~Kuehl and Romero~~ *Corbett, Florez, Kuehl,
Romero, Scott, and Wiggins*)

February 23, 2007

An act to add the heading of Article 1 (commencing with Section 2851) to, and to add and repeal Article 2 (commencing with Section 2860) of, Chapter 9 of Part 2 of Division 1 of, the Public Utilities Code, relating to solar energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1470, as amended, Huffman. Solar energy: Solar Water Heating and Efficiency Act of 2007.

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including gas corporations. The commission is required to implement elements of the California Solar Initiative, which modifies the self-generation incentive program

for distributed generation resources and provides incentives to customer-side photovoltaics and solar thermal electric projects under one megawatt. The commission is required to award monetary incentives for up to the first megawatt of alternating current generated by solar energy systems that meet the eligibility criteria established by the State Energy Resources Conservation and Development Commission (Energy Commission). The commission is required to adopt a performance-based incentive program for solar energy photovoltaic systems and is authorized to award monetary incentives for solar thermal and solar water heating devices in a total amount up to \$100,800,000.

This bill would establish the Solar Water Heating and Efficiency Act of 2007. The bill would make findings and declarations of the Legislature relating to the promotion of solar water heating systems and other technologies that reduce natural gas demand. The bill would define several terms for purposes of the act. The bill would require the commission, ~~after the receipt and evaluation of data on the appropriate level and type of incentives needed to promote installation of solar water heating systems~~ *to evaluate the data available* from a specified pilot program, *and, if it makes a specified determination*, to design and implement a program to incentivize the installation of 200,000 solar water heating systems in homes and businesses throughout the state by 2017.

The bill would require the commission, in consultation with the Energy Commission and interested members of the public, to establish eligibility criteria for the solar water heating systems receiving gas customer funded incentives. The commission would be required to establish conditions on those incentives. The bill would specify that, except for the Solar Water Heating Pilot Program in San Diego, only solar water heating technologies that displace electricity are eligible for a portion of California Solar Initiative funds, as determined by the commission. The commission would be required to allocate not less than 10% of the overall funds for installation of solar water heating systems for specified affordable housing projects and specify that no moneys be diverted from any existing programs for low-income ratepayers. The bill would specify that the consumer rebates decline over time and be structured to reduce the cost of solar water heating technologies. The Energy Commission, in coordination with the commission, would be required to consider, when appropriate, coupling rebates for solar water heating systems with complementary energy efficient technologies. The commission would be required to report to

the Legislature, not later than July 1, 2010, on the effectiveness of the program. The bill would repeal these provisions on August 1, 2018.

(2) Existing law establishes a surcharge on all natural gas consumed in the state to fund certain low-income assistance programs, cost-effective energy efficiency and conservation activities, and public interest research and development. Existing law requires a public utility gas corporation, as defined, to collect the surcharge from natural gas consumers, as specified. The moneys from the surcharge are deposited in the Gas Consumption Surcharge Fund and are continuously appropriated to specified entities, including to the commission, or to an entity designated by the commission, to fund low-income assistance programs, cost-effective energy efficiency and conservation activities, and public interest research and development not adequately provided by the competitive and regulated markets.

This bill would require the commission to fund the program of the Solar Water Heating and Efficiency Act of 2007, for the service territories of the gas corporations, through a surcharge applied to gas customers in those service territories based on the amount of natural gas consumed, not to exceed \$250,000,000 over the course of the 10-year program. The bill would require the commission to annually establish a surcharge rate for each class of gas customers. The bill would exempt from that surcharge those gas customers participating in the California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) programs. The bill would also authorize those individual and families whose household income is at or below 300% of the federal poverty level to apply for an exemption. The bill would require a gas corporation to provide information to their ratepayers no fewer than 2 times per year regarding the availability of these exemptions. The bill would require that the program be administered by the gas corporations or 3rd party administrators, as determined by the commission, and subject to the supervision of the commission.

(3) The bill would require the governing body of each publicly owned utility providing gas service to retail end-use gas customers, to adopt, implement, and finance a solar water heating system incentive program meeting certain requirements, thereby imposing a state-mandated local program.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

1 SECTION 1. The heading of Article 1 (commencing with
2 Section 2851) is added to Chapter 9 of Part 2 of Division 1 of the
3 Public Utilities Code, to read:

4
5 Article 1. Solar Energy Systems
6

7 SEC. 2. Article 2 (commencing with Section 2860) is added
8 to Chapter 9 of Part 2 of Division 1 of the Public Utilities Code,
9 to read:

10
11 Article 2. Solar Water Heating Systems
12

13 2860. This article shall be known, and may be cited, as the
14 Solar Water Heating and Efficiency Act of 2007.

15 2861. As used in this article, the following terms have the
16 following meanings:

17 (a) “Energy Commission” means the State Energy Resources
18 Conservation and Development Commission.

19 (b) “Gas customer” includes both “core” and “noncore”
20 customers, as those terms are used in Chapter 2.2 (commencing
21 with Section 328) of Part 1, that receive retail end-use gas service
22 within the service territory of a gas corporation.

23 (c) “kW_{th}” means the kilowatt thermal capacity of a solar water
24 heating system, measured consistent with the standard established
25 by the SRCC.

26 (d) “kWh_{th}” means kilowatthours thermal as measured by the
27 number of kilowatts thermal generated, or displaced, in an hour.

28 (e) “New Solar Homes Partnership” means the 10-year program,
29 administered by the Energy Commission, encouraging solar energy
30 systems in new home construction.

31 (f) “Solar heating collector” means a device that is used to
32 collect or capture heat from the sun and that is generally, but need
33 not be, located on a roof.

1 (g) “Solar water heating system” means a solar energy device
2 that has the primary purpose of reducing demand for natural gas
3 through water heating, space heating, or other methods of capturing
4 energy from the sun to reduce natural gas consumption in a home,
5 business, or any building receiving natural gas that is subject to
6 the surcharge established pursuant to Section 2860, or exempt
7 from the surcharge pursuant to subdivision (c) of Section 2863,
8 and that meets or exceeds the eligibility criteria established
9 pursuant to Section 2864. “Solar water heating systems” do not
10 include solar pool heating systems.

11 (h) “SRCC” means the Solar Rating and Certification
12 Corporation.

13 2862. The Legislature finds and declares all of the following:

14 (a) California is heavily dependent on natural gas, importing
15 more than 80 percent of the natural gas it consumes.

16 (b) Rising worldwide demand for natural gas and a shrinking
17 supply create rising and unstable prices that can harm California
18 consumers and the economy.

19 (c) Natural gas is a fossil fuel and a major source of global
20 warming pollution and the pollutants that cause air pollution,
21 including smog.

22 (d) California’s growing population and economy will put a
23 strain on energy supplies and threaten the ability of the state to
24 meet its global warming goals unless specific steps are taken to
25 reduce demand and generate energy cleanly and efficiently.

26 (e) Water heating for domestic and industrial use relies almost
27 entirely on natural gas and accounts for a significant percentage
28 of the state’s natural gas consumption.

29 (f) Solar water heating systems represent the largest untapped
30 natural gas saving potential remaining in California.

31 (g) In addition to financial and energy savings, solar water
32 heating systems can help protect against future gas and electricity
33 shortages and reduce our dependence on foreign sources of energy.

34 (h) Solar water heating systems can also help preserve the
35 environment and protect public health by reducing air pollution,
36 including carbon dioxide, a leading global warming gas, and
37 nitrogen oxide, a precursor to smog.

38 (i) Growing demand for these technologies will create jobs in
39 California as well as promote greater energy independence, protect
40 consumers from rising energy costs and result in cleaner air.

1 (j) It is in the interest of the State of California to promote solar
2 water heating systems and other technologies that directly reduce
3 demand for natural gas in homes and businesses.

4 (k) It is the intent of the Legislature to build a mainstream
5 market for solar water heating systems that directly reduces demand
6 for natural gas in homes, businesses, and government buildings.
7 Toward that end, it is the goal of this article to install at least
8 200,000 solar water heating systems on homes, businesses, and
9 government buildings throughout the state by 2017, thereby
10 lowering prices and creating a self-sufficient market that will
11 sustain itself beyond the life of this program.

12 (l) It is the intent of the Legislature that the solar water heating
13 system incentives created by the act should be a cost-effective
14 investment by gas customers. Gas customers will recoup the cost
15 of their investment through lower prices as a result of avoiding
16 purchases of natural gas, and benefit from additional system
17 stability and pollution reduction benefits.

18 2863. (a) ~~After meaningful data is available and evaluated by~~
19 ~~the commission~~ *The commission shall evaluate the data available*
20 *from the Solar Water Heating Pilot Project conducted by the*
21 *California Center for Sustainable Energy on the appropriate level*
22 ~~and type of incentives needed to promote installation of solar water~~
23 ~~heating systems~~ *Energy. If, after a public hearing, the commission*
24 *determines that a solar water heating program is cost effective for*
25 *ratepayers and in the public interest, the commission shall do all*
26 *of the following:*

27 (1) Design and implement a program applicable to the service
28 territories of a gas corporation, to achieve the goal of the
29 Legislature to promote the installation of 200,000 solar water
30 heating systems in homes and businesses throughout the state by
31 2017.

32 (2) The program shall be administered by gas corporations or
33 third-party administrators, as determined by the commission, and
34 subject to the supervision of the commission.

35 (3) The commission shall coordinate the program with the
36 Energy Commission’s New Solar Homes Partnership to achieve
37 the goal of building zero-energy homes.

38 (b) (1) The commission shall fund the program through the use
39 of a surcharge applied to gas customers based upon the amount of
40 natural gas consumed. The surcharge shall be in addition to any

1 other charges for natural gas sold or transported for consumption
2 in this state.

3 (2) The commission shall impose the surcharge at a level that
4 is necessary to meet the goal of installing 200,000 solar water
5 heating systems, or the equivalent output of 200,000 solar water
6 heating systems, on homes and businesses in California by 2017.
7 Funding for the program established by this article shall not, for
8 the collective service territories of all gas corporations, exceed
9 two hundred fifty million dollars (\$250,000,000) over the course
10 of the 10-year program.

11 (3) The commission shall annually establish a surcharge rate
12 for each class of gas customers. Any gas customer participating
13 in the California Alternate Rates for Energy (CARE) or Family
14 Electric Rate Assistance (FERA) programs shall be exempt from
15 paying any surcharge imposed to fund the program designed and
16 implemented pursuant to this article. Additionally, individuals and
17 families whose household income is at or below 300 percent of
18 the federal poverty level may apply for an exemption from paying
19 any surcharge designed and implemented pursuant to this article.
20 Gas corporations shall provide information to their ratepayers no
21 fewer than two times per year regarding the availability of these
22 exemptions.

23 (4) Any surcharge imposed to fund the program designed and
24 implemented pursuant to this article shall not be imposed upon the
25 portion of any gas customer's procurement of natural gas that is
26 used or employed for a purpose that Section 896 excludes from
27 being categorized as the consumption of natural gas.

28 (5) The gas corporation or other person or entity providing
29 revenue cycle services, as defined in Section 328.1, shall be
30 responsible for collecting the surcharge.

31 (c) Funds shall be allocated for the benefit of gas customers to
32 promote utilization of solar water heating systems.

33 (d) In designing and implementing the program required by this
34 article, no moneys shall be diverted from any existing programs
35 for low-income ratepayers or cost-effective energy efficiency
36 programs.

37 2864. (a) The commission, in consultation with the Energy
38 Commission and interested members of the public, shall establish
39 eligibility criteria for solar water heating systems receiving gas

1 customer funded incentives pursuant to this article. The criteria
2 should specify and include all of the following:

3 (1) Design, installation, and energy output or displacement
4 standards. To be eligible for rebate funding, a residential solar
5 water heating system shall, at a minimum, have a SRCC OG-300
6 Solar Water Heating System Certification. Solar collectors used
7 in systems for multifamily residential, commercial, or industrial
8 water heating shall, at a minimum, have a SRCC OG-100 Solar
9 Water Heating System Certification.

10 (2) Require that solar water heating system components are new
11 and unused, and have not previously been placed in service in any
12 other location or for any other application.

13 (3) Require that solar water heating collectors have a warranty
14 of not less than 10 years to protect against defects and undue
15 degradation.

16 (4) Require that solar water heating systems are in buildings
17 connected to a natural gas utility’s distribution system within the
18 state.

19 (5) Require that solar water heating systems have meters or
20 other kWh_{th} measuring devices in place to monitor and measure
21 the system’s performance and the quantity of energy generated or
22 displaced by the system. The criteria shall require meters for
23 systems with a capacity for displacing over 30 kW_{th}. The criteria
24 may require meters for systems with a capacity of 30 kW_{th} or
25 smaller.

26 (6) Require that solar water heating systems are installed in
27 conformity with the manufacturer’s specifications and all
28 applicable codes and standards.

29 (b) No gas customer funded incentives shall be made for a solar
30 water heating system that does not meet the eligibility criteria.

31 2865. (a) The commission shall establish conditions on gas
32 customer funded incentives pursuant to this article. The conditions
33 shall require both of the following:

34 (1) Appropriate siting and high-quality installation of the solar
35 water heating system based on installation guidelines that maximize
36 the performance of the system and prevent qualified systems from
37 being inefficiently or inappropriately installed. The conditions
38 shall not impact housing designs or densities presently authorized
39 by a city, county, or city and county. The goal of this paragraph
40 is to achieve efficient installation of solar water heating systems

1 and promote the greatest energy production or displacement per
2 gas customer dollar.

3 (2) Appropriate energy efficiency improvements in the new or
4 existing home or commercial structure where the solar hot water
5 system is installed.

6 (b) The commission shall set rating standards for equipment,
7 components, and systems to ensure reasonable performance and
8 shall develop standards that provide for compliance with the
9 minimum ratings.

10 2866. The commission shall provide not less than 10 percent
11 of the overall funds for installation of solar water heating systems
12 on low-income and affordable housing projects undertaken
13 pursuant to Section 50052.5, 50053, 50079.5, or 50199.14 of the
14 Health and Safety Code. If deemed appropriate in consultation
15 with the California Tax Credit Allocation Committee, the
16 commission may establish a grant program or a revolving loan or
17 loan guarantee program for affordable housing projects consistent
18 with the requirements of Chapter 5.3 (commencing with Section
19 25425) of Division 15 of the Public Resources Code.

20 2867. (a) The rebates provided through this program shall
21 decline over time. They shall be structured so as to drive down the
22 cost of the solar water heating technologies, and be paid out on a
23 performance-based incentive basis so that incentives are earned
24 based on the actual energy savings, or on predicted energy savings
25 as established by the commission.

26 (b) The commission shall consider federal tax credits and other
27 incentives available for this technology when determining the
28 appropriate rebate amount.

29 (c) The commission shall consider the impact of rebates for
30 solar water heating systems pursuant to this article on existing
31 incentive programs for energy efficiency technology.

32 (d) In coordination with the commission, the Energy
33 Commission shall consider, when appropriate, coupling rebates
34 for solar water heating systems with complementary energy
35 efficiency technologies, including, but not limited to, efficient hot
36 water heating tanks and tankless or on demand hot water systems
37 that can be installed in addition to the solar water heating system.

38 2867.1. Not later than July 1, 2010, the commission shall report
39 to the Legislature as to the effectiveness of the program and make
40 recommendations as to any changes that should be made to the

1 program. This report shall include justification for the size of the
2 rebate program in terms of total available incentive moneys as
3 well as the anticipated benefits of the program in its entirety. To
4 facilitate the understanding of how solar water heating systems
5 compare with other clean energy and energy efficiency
6 technologies, all documents related to and rebates provided by this
7 program shall be measured in both kWh_{th} and therms of natural
8 gas saved.

9 2867.2. Except for the Solar Water Heating Pilot Program in
10 San Diego, solar water heating technologies shall not be eligible
11 for California Solar Initiative (CSI) funds, pursuant to Section
12 2851, unless they also displace electricity, in which case only the
13 electricity displacing portion of the technology may be eligible
14 under the CSI program, as determined by the commission.

15 2867.3. In order to further the state goal of encouraging the
16 installation of 200,000 solar water heaters by 2017, the governing
17 body of each publicly owned utility providing gas service to retail
18 end-use gas customers shall, after a public proceeding, adopt,
19 implement, and finance a solar water heating system incentive
20 program that does all the following:

21 (a) Ensures that any solar water heating system receiving
22 monetary incentives complies with eligibility criteria adopted by
23 the governing body. The eligibility criteria shall include those
24 elements contained in paragraphs (1) to (6), inclusive, of
25 subdivision (a) of Section 2864.

26 (b) Includes minimum ratings and standards for equipment,
27 components, and systems to ensure reasonable performance and
28 compliance with the minimum ratings and standards.

29 (c) Includes an element that addresses the installation of solar
30 water heating systems on low-income and affordable housing
31 projects undertaken pursuant to Section 50052.5, 50053, or
32 50199.14 of the Health and Safety Code. If deemed appropriate
33 in consultation with the California Tax Credit Allocation
34 Committee, the governing board may establish a grant program
35 or a revolving loan or loan guarantee program for affordable
36 housing projects consistent with the requirements of Chapter 5.3
37 (commencing with Section 25425) of Division 15 of the Public
38 Resources Code.

1 2867.4. This article shall remain in effect only until August 1,
2 2018, and as of that date is repealed, unless a later enacted statute,
3 that is enacted before August 1, 2018, deletes or extends that date.

4 SEC. 3. No reimbursement is required by this act pursuant to
5 Section 6 of Article XIII B of the California Constitution because
6 a local agency or school district has the authority to levy service
7 charges, fees, or assessments sufficient to pay for the program or
8 level of service mandated by this act, within the meaning of Section
9 17556 of the Government Code.

O

AB 1610 Support:

California Professional Firefighters
California Small Business Association
Consumers for Auto Reliability and Safety

AB 1610 Oppose:

Western States Petroleum Association

AB 118 Support:

American Federation of State, County and Municipal Employees
AFS Trinity Power Corporation
Advanced Energy Conversion
Agile Turbine Technology LLC
Alliance of Automobile Manufacturers
American Lung Association
Automotive X PRIZE
Azure Dynamics
BSST
Bluewater Network
California Energy Asset Management
California Hydrogen Business Council
California Independent Oil Marketers Association
California League of Conservation Voters
California Natural Gas Vehicle Coalition
California Renewable Fuels Partnership
CALSTART
Capital Green Fuels
Capricorn Investment Group LLC
Capstone Turbine
Ceres
Clean Energy
Clean Energy Asset Management
College of Engineering Center for Environmental Research & Technology
CMEA Ventures
Coalition for Clean Air
Enova Systems Inc.
Daimler Chrysler International
DEHydS
Enova Systems Inc.
Environment California
Environmental Defense
Friends of the Earth
Gas Technology Institute
Haldex Hydraulics Corporation
Hydrogen Business Council
Hydrogenics
Intelligent Energy Inc.
International Truck and Engine Corporation
ISE Corporation
Mack Trucks Inc.
Maxwell Technologies
Mobile Energy Solutions
Moller International Inc.
Natural Resource Defense Council

Nature's Fuel Corporation
Neste Oil
Pacific Ethanol
Planning and Conservation League
Quallion LLC
Quantum Technologies
Sacramento Municipal Utility District
San Francisco PUC
Sierra Club California
State Association of Electrical Workers
State Building and Construction Trades Council-AFL-CIO
State Pipes Trades Council
Superprotonic Inc.
T3 Motion Inc.
Tesla Motors
The BOC Group Inc.
Union of Concerned Scientists
US Hybrid Corporation
UQM Technologies
US Hybrid
UTC Power
Virtual Group L.C.C.
Volvo Trucks North America
Waste Connections
Waste Management
Western Propane Gas Association
Western State Council of Sheet Metal Workers
Westport Innovations

AB 118 Oppose:

Automobile Club of Southern California
California Association of Harbor Masters and Port Captains
Howard Jarvis Taxpayers Association

AB 1470 Support:

American Institute of Architects, San Fernando Valley Chapter
Association of California Community and Energy Services
Campesinos Unidos, Inc.
Center for Biological Diversity
Central Coast Alliance United for a Sustainable Economy
City of Galt
City of Palo Alto
Clean Power Campaign
Community Action Agency of Butte County, Inc.
Community Action Partnership of San Bernardino
Community Environmental Council
Community Resource Project, Inc.
Davis Energy Group
Diablo Solar Services, Inc.
East Bay Municipal Utility District
Environment California (**SPONSOR**)
FAFCO, Inc.
Lee, Burkhardt, Liu Architects
National Wildlife Federation
Natural Resources Defense Council
NO LNG Community Alliance
NorCal Solar Energy Association
Pacific Environment
Pacific Gas and Electric Company
Planning and Conservation League
Sierra Club California
Sierra Pacific Solar
Southern California Forum for Environmental and Human Services
SunTechnics Energy Systems, Inc.
Union of Concerned Scientists
Voter Solar Initiative
Working Assets
Two individuals

AB 1470 Oppose:

California Taxpayers' Association
Howard Jarvis Taxpayers Association
Sempra Energy
Stop Hidden Taxes Coalition
The Utility Reform Network

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and
Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 11, 2007

Re: Update on Bills on which the District has Previously Adopted Positions

RECOMMENDED ACTION:

None. For information only.

DISCUSSION

July 13th is the deadline for bills to make it out of their assigned policy committees in their second house. Remaining steps to becoming law include Appropriations Committee hearings for fiscal bills, a floor vote, a subsequent floor vote in their house of origin if amendments were made subsequent to the bill leaving the house of origin, and signature by the Governor. Staff will update the Committee on the current status of some of the measures on which the District adopted formal positions. Staff will also update the Committee on the status of budget discussions, including those directly relevant to air quality such as the Proposition 1B air quality funds.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

No direct impact.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Thomas Addison
Reviewed by: Jean Roggenkamp

BAAQMD BILL DISCUSSION LIST

July 16, 2007

* Bill significantly amended since District adopted position

BILL NO.	AUTHOR	SUBJECT	BAAQMD, OTHER AGENCY POSITIONS	STATUS
AB 6	Houston	Would require (instead of allow) ARB to adopt market-based programs to implement AB 32		2-yr. bill
AB 94	Levine	Would increase current goals for renewable electricity production to 33% of total power by 2020		2-yr. bill
AB 99	Feuer	Expresses legislative intent that 50% of new cars sold in California by 2012 use clean alternative fuels		2-yr. bill.
AB 109	Nunez	Requires ARB to annually report to the Legislature on the implementation of AB 32 of 2006		Sen. Approps.
AB 114	Blakeslee	Requires CEC by 2010 to develop a program to encourage, for industrial sources, containment, scrubbing, and capture technologies for carbon dioxide		2-yr. bill
AB 118	Nunez	Funding for emission reductions and alternative fuels		Sen. Approps.
AB 217	Beall	Would change current annual vehicle license fee to biennial, with total amounts paid not changing		2-yr. bill
AB 218	Saldana	Eliminates current loophole allowing vehicle registration without smog certificate without penalty	BAAQMD, MTC Support	Sen. Floor
AB 233	Jones	Children's Breathing Rights Act; makes changes to air penalties and requires air districts to report penalty data to ARB		Sen. Approps.
AB 236	Lieu	Requires maximum use of alternate fuel in flexible fueled state vehicles, and revises purchasing criteria for state fleet		Sen. Approps.
AB 242	Blakeslee	States legislative intent that early reducers of carbon emissions be rewarded with credits, in effect promoting a market-based implementation of AB 32		2-yr. bill

AB 255	DeLeon	Establishes Clean Air and Energy Independence Fund, funded with a \$4 annual increase in fees paid by vehicles less than 7 years old currently exempted from smog check; administered by ARB		2-yr. bill
AB 294	Adams	Addresses manganese particulate matter in the air		Sen. Approps.
AB 307	Hayashi	Exempts fuel cell transit buses bought by public agencies from sales tax		2-yr. bill
AB 391	Lieu	Increases size of SCAQMD Board from 12 to 13; new member from a west side city other than LA		2-yr. bill.
AB 444	Hancock	Authorizes Alameda and Contra Costa congestion management agencies to impose an annual \$10 vehicle registration fee surcharge for congestion mitigation		Sen. Rev.& Tax
AB 463 *	Huffman	<i>Previously California Clean Ferry Act of 2007; now disabled persons parking measure</i>	BAAQMD Support	Asm. Trans.
AB 493	Ruskin	Establishes fees and rebates respectively at the time of sale of high and low-emitting new motor vehicles	BAAQMD Support	2-yr. bill
AB 505	Plescia	Income tax credits for hybrid vehicles		2-yr. bill
AB 532	Wolk	Requires solar electric installation by 2009 on all state buildings where feasible		Sen. Approps.
AB 534	Smyth	Increases Bicycle Transportation Account funding		Sen. Approps.
AB 568	Karnette	Requires establishment of Port Community Advisory Committees		Sen. Loc. Govt.
AB 575	Arambula	Prioritizes Proposition 1B air quality bond funding to South Coast and San Joaquin	BAAQMD Oppose	2-yr. bill
AB 616	Jones	Requires annual (instead of biennial) smog checks for cars at least 15 years old currently in the program	BAAQMD, MTC Support	Sen. Approps.
AB 619 *	Emmerson	Amnesty for vehicles that committed title fraud (<i>amended to address BAAQMD concerns</i>)	BAAQMD Oppose	Sen. Approps.
AB 630	Price	Requires ARB to submit local district waiver request to EPA		2-yr. bill
AB 631	Horton	Requires new fueling stations by 2010 to be able to provide ethanol (E-85)		2-yr. bill
AB 657	Jeffries	Spot bill on greenhouse gas emissions		2-yr. bill
AB 700	Lieu	ARB study of air pollution from Santa Monica airport		Sen. Approps.
AB 705	Huffman	Requires state regulations for geologic carbon sequestration		2-yr. bill

AB 712	DeLeon	Bill to provide funding for trash trucks to comply with ARB pending off-road regulations		Sen. Approps.
AB 746	Krekorian	Expedited processing of renewable power plants		Sen. Approps.
AB 747	Levine	Requires ARB to develop regulations to cut carbon in transportation fuels, using market approaches		2-yr. bill
AB 785	Hancock	Addresses urban heat islands		Sen. Approps.
AB 829	Duvall	Affects after-market motorcycle parts certified by the ARB and their use		Sen. Floor
AB 842	Jones	States intent to award Prop 1B funds to jurisdictions that have a plan to reduce vehicle miles traveled	MTC, ABAG Oppose	2-yr. bill
AB 846	Blakeslee	Clean Marine Fuels Tax Incentive Act	BAAQMD Support	2-yr. bill
AB 934	Duvall	Would prohibit air districts from adopting airborne toxic control measures for non-stationary sources	BAAQMD Oppose	2-yr. bill.
AB 995	Nava	Prop 1B bond funding of trade corridor and air quality improvements		Sen. Approps.
AB 1077	Lieber	California Plug-in Hybrid Electric Vehicle Leadership Act of 2007	BAAQMD Support	Sen. Approps.
AB 1083	Huffman	Tax credits for sale of biodiesel fuel		2-yr. bill
AB 1094	Arambula	Tax credits for biodiesel vendors		2-yr. bill
AB 1119	Fuller	Affects ARB requirements for particulate traps		Sen. Env. Quality
AB 1138	Brownley	Requires ARB to resolve questions regarding local AQMD boundaries		2-yr. bill.
AB 1209 *	Karnette	Establishes health-based criteria for distribution of Prop 1B air quality funds	BAAQMD Oppose	Sen. Approps.
AB 1225	DeSaulnier	Requires guidelines on environmental factors to guide state fleet purchases, and local government fleets of more than 100 vehicles		2-yr. bill
AB 1455	Arambula	Would establish California Air Quality Zones, and allow loans for entities within these areas		Sen. Approps.
AB 1488	Mendoza	Requires a pilot program to integrate light-duty diesel vehicles into smog check		Sen. Approps.
AB 1613	Blakeslee	Waste Heat and Carbon Emissions Reduction Act		Sen. Approps.
AB 1651	Alarcon	Tax credits for 'green' businesses acquiring 'green' machinery		2-yr. bill

SB 9	Lowenthal	Criteria for expenditure of trade corridor funds from Prop 1B		Asm. Approps.
SB 19	Lowenthal	Criteria for expenditure of air quality funds from Prop 1B		Asm. Approps.
SB 23	Cogdill	Establishes a SJVUAQMD program to replace gross polluters with donated cleaner vehicles		Asm. Approps.
SB 70	Florez	Establishes standards for biodiesel and biodiesel blends		Asm. Approps.
SB 71	Florez	Requires ARB to administer a program to ensure that diesel vehicles owned by the State, cities, counties, and mass transit districts use B20 biodiesel		2-yr. bill
SB 72	Florez	Requires ARB to see that diesel schoolbuses (public and private contractors) use B20 biodiesel		2-yr. bill
SB 73	Florez	Establishes tax credits for producers of biodiesel		2-yr. bill
SB 74	Florez	Exempts biodiesel from sales tax		2-yr. bill
SB 75	Florez	Requires state diesel vehicles to be warranted to use B20 biodiesel		2-yr. bill
SB 140	Kehoe	Requires California diesel to increase its renewable content first to at least 2%, and then to 5%		Asm. Approps.
SB 210	Kehoe	Requires ARB to develop a program to reduce carbon content of California transportation fuels by 10% by 2020, and implement a low-carbon fuel standard		Asm. Approps.
SB 240	Florez	Authorizes SJVUAQMD to increase vehicle registration fee to \$30		Asm. Approps.
SB 412	Simitian	Spot bill on siting of LNG terminals		Asm. Approps.
SB 494	Kehoe	Requires ARB to adopt a program so that by 2020 half of new vehicles sold use clean alternative fuels		Asm. Trans.
SB 509	Simitian	Requires ARB to adopt regulations to limit formaldehyde emissions from composite wood to EU standards	BAAQMD Support	Sen. Approps.
SB 531	Oropeza	Declares legislative intent to reform regulation of air toxics		2-yr. bill
SB 532	Oropeza	Spot bill on port air pollution		2-yr. bill
SB 572	Cogdill	Declares legislative intent to consider carbon emissions from wildfire, and forest carbon sequestration		2-yr. bill
SB 587	Runner	Establishes exemptions from air district permit requirements for certain printing, coating, adhesive application, and laminating operations, subject to specified criteria	BAAQMD Oppose	2-yr. bill

SB 613	Simitian	Extends sunset of local San Mateo \$4 vehicle registration fee surcharge from 2009 to 2019		Asm. Floor
SB 719	Machado	Increases SJVUAQMD Board to 15, with 2 Governor's appointees and 5 city council members		Asm. Approps.
SB 842	Scott	Adds air protective requirements to gasification (conversion of solid waste to fuel)		2-yr. bill
SB 857	Correa	Authorizes study of tax credits for air pollution reduction equipment in SCAQMD and SJVUAQMD		2-yr. bill
SB 871	Kehoe	Reestablishes through 2012 the expedited review process for new powerplants		2-yr. bill
SB 876	Calderon	Requires ARB to consider economic impacts of diesel fleet rules on small businesses		2-yr. bill
SB 886	Negrete McLeod	Ends term limits for South Coast, Sacramento, and Mojave air district board chairs; increases SCAQMD Board from 12 to 13		Asm. Approps.
SB 974	Lowenthal	Establishes a container fee of \$30 per twenty-foot equivalent unit at LA, Long Beach, and Oakland ports	BAAQMD Support	Asm. Approps.