

AMENDED IN ASSEMBLY APRIL 3, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2868**

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**Introduced by Assembly Member De Leon**

February 22, 2008

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~~An act relating to the environment.~~ *An act to amend Sections 44272 and 44274 of the Health and Safety Code, relating to air pollution.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2868, as amended, De Leon. Environmental training programs.

The existing California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007 ~~provides for~~ *makes eligible for funding* workforce training programs related to alternative and renewable fuel ~~production fuels and other technologies~~ *workforce training initiatives related to advanced energy technology designed to reduce air pollution.*

~~This bill would express the intent of the Legislature to use moneys from certain funds made available by that act for those purposes to fund these training programs~~ *specify that any studies on how best to implement these provisions shall be eligible for funding.*

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

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

- 1 *SECTION 1. Section 44272 of the Health and Safety Code is*
- 2 *amended to read:*
- 3 *44272. (a) The Alternative and Renewable Fuel and Vehicle*
- 4 *Technology Program is hereby created. The program shall be*

1 administered by the commission. The program shall provide, upon  
2 appropriation by the Legislature, grants, revolving loans, loan  
3 guarantees, loans, or other appropriate measures, to public agencies,  
4 vehicle and technology consortia, businesses and projects,  
5 public-private partnerships, workforce training partnerships and  
6 collaboratives, fleet owners, consumers, recreational boaters, and  
7 academic institutions to develop and deploy innovative  
8 technologies that transform California's fuel and vehicle types to  
9 help attain the state's climate change policies. The emphasis of  
10 this program shall be to develop and deploy technology and  
11 alternative and renewable fuels in the marketplace, without  
12 adopting any one preferred fuel or technology.

13 (b) The commission shall provide preferences to those projects  
14 that maximize the goals of the Alternative and Renewable Fuel  
15 and Vehicle Technology Program created by Section 44272, based  
16 on the following criteria, as appropriate:

17 (1) The project's ability to provide a measurable transition from  
18 the nearly exclusive use of petroleum fuels to a diverse portfolio  
19 of viable alternative fuels that meet petroleum reduction and  
20 alternative fuel use goals.

21 (2) The project's consistency with existing and future state  
22 climate change policy and low-carbon fuel standards.

23 (3) The project's ability to reduce criteria air pollutants and air  
24 toxics and reduce or avoid multimedia environmental impacts.

25 (4) The project's ability to decrease, on a life-cycle basis, the  
26 emissions of water pollutants or any other substances known to  
27 damage human health or the environment, in comparison to the  
28 production and use of California Phase 2 Reformulated Gasoline  
29 or diesel fuel produced and sold pursuant to California diesel fuel  
30 regulations set forth in Article 2 (commencing with Section 2280)  
31 of Chapter 5 of Division 3 of Title 13 of the California Code of  
32 Regulations.

33 (5) The project does not adversely impact the sustainability of  
34 the state's natural resources, especially state and federal lands.

35 (6) The project provides nonstate matching funds.

36 (7) The project provides economic benefits for California by  
37 promoting California-based technology firms, jobs, and businesses.

38 (8) The project uses existing or proposed fueling infrastructure  
39 to maximize the outcome of the project.

1 (9) The project’s ability to reduce on a life-cycle assessment  
2 greenhouse gas emissions by at least 10 percent, and higher  
3 percentages in the future, from current reformulated gasoline and  
4 diesel fuel standards established by the state board.

5 (10) The project’s use of alternative fuel blends of at least 20  
6 percent, and higher blend ratios in the future, with a preference  
7 for projects with higher blends.

8 (11) The project drives new technology advancement for  
9 vehicles, vessels, engines, and other equipment, and promotes the  
10 deployment of that technology in the marketplace.

11 (c) All of the following shall be eligible for funding:

12 (1) Alternative and renewable fuel projects to develop and  
13 improve alternative and renewable low-carbon fuels, including  
14 electricity, ethanol, dimethyl ether, renewable diesel, natural gas,  
15 hydrogen, and biomethane, among others, and their feedstocks  
16 that have high potential for long-term or short-term  
17 commercialization, including projects that lead to sustainable  
18 feedstocks.

19 (2) Demonstration and deployment projects that optimize  
20 alternative and renewable fuels for existing and developing engine  
21 technologies.

22 (3) Projects to produce alternative and renewable low-carbon  
23 fuels in California.

24 (4) Projects to decrease the overall impact of an alternative and  
25 renewable fuel’s life-cycle carbon footprint and increase  
26 sustainability.

27 (5) Alternative and renewable fuel infrastructure, fueling  
28 stations, and equipment. The preference in paragraph (10) of  
29 subdivision (b) shall not apply to these projects.

30 (6) Projects to develop and improve light-, medium-, and  
31 heavy-duty vehicle technologies that provide for better fuel  
32 efficiency and lower greenhouse gas emissions, alternative fuel  
33 usage and storage, or emission reductions, including propulsion  
34 systems, advanced internal combustion engines with a 40 percent  
35 or better efficiency level over the current market standard,  
36 light-weight materials, energy storage, control systems and system  
37 integration, physical measurement and metering systems and  
38 software, development of design standards and testing and  
39 certification protocols, battery recycling and reuse, engine and fuel  
40 optimization electronic and electrified components, hybrid

1 technology, plug-in hybrid technology, fuel cell technology, and  
2 conversions of hybrid technology to plug-in technology through  
3 the installation of safety certified supplemental battery modules.

4 (7) Programs and projects that accelerate the commercialization  
5 of vehicles and alternative and renewable fuels including buy-down  
6 programs through near-market and market-path deployments,  
7 advanced technology warranty or replacement insurance,  
8 development of market niches, and supply-chain development.

9 (8) Programs and projects to retrofit medium- and heavy-duty  
10 on-road and nonroad vehicle fleets with technologies that create  
11 higher fuel efficiencies, including alternative and renewable fuel  
12 vehicles and technologies, idle management technology, and  
13 aerodynamic retrofits that decrease fuel consumption.

14 (9) Infrastructure projects that promote alternative and renewable  
15 fuel infrastructure development connected with existing fleets,  
16 public transit, and existing transportation corridors, including  
17 physical measurement or metering equipment and truck stop  
18 electrification.

19 (10) Workforce training programs related to alternative and  
20 renewable fuel feedstock production and extraction, renewable  
21 fuel production, distribution, transport, and storage,  
22 high-performance and low-emission vehicle technology and high  
23 tower electronics, automotive computer systems, mass transit fleet  
24 conversion, servicing, and maintenance, and other sectors or  
25 occupations related to the purposes of this chapter. *Any studies on*  
26 *how best to implement this paragraph shall be eligible for funding.*

27 (11) Block grants administered by not-for-profit technology  
28 consortia for multiple projects, education and program promotion  
29 within California, and development of alternative and renewable  
30 fuel and vehicle technology centers.

31 (d) The same requirements in Section 25620.5 of the Public  
32 Resources Code shall apply to awards made on a single source  
33 basis or a sole sources basis.

34 *SEC. 2. Section 44274 of the Health and Safety Code is*  
35 *amended to read:*

36 44274. (a) The Air Quality Improvement Program is hereby  
37 created. The program shall be administered by the state board, in  
38 consultation with the districts. The purpose of the program shall  
39 be to fund, upon appropriation by the Legislature, air quality  
40 improvement projects relating to fuel and vehicle technologies.

1 The primary purpose of the program shall be to fund projects to  
2 reduce criteria air pollutants, improve air quality, and provide  
3 funding for research to determine and improve the air quality  
4 impacts of alternative transportation fuels and vehicles, vessels,  
5 and equipment technologies.

6 (b) Projects proposed for funding pursuant to subdivision (a)  
7 shall be evaluated based on their proposed or potential reduction  
8 of criteria or toxic air pollutants, cost-effectiveness, contribution  
9 to regional air quality improvement, and ability to promote the use  
10 of clean alternative fuels and vehicle technologies as determined  
11 by the state board, in coordination with the commission.

12 (c) The program shall be limited to competitive grants. Projects  
13 to be funded include the following:

14 (1) On- and off-road equipment projects that are cost effective.

15 (2) Projects that provide mitigation for off-road gasoline exhaust  
16 and evaporative emissions.

17 (3) Projects that provide research to determine the air quality  
18 impacts of alternative fuels and projects that study the life-cycle  
19 impacts of alternative fuels and conventional fuels, the emissions  
20 of biofuel and advanced reformulated gasoline mixes, and air  
21 pollution improvements and control technologies for use with  
22 alternative fuels and vehicles.

23 (4) Projects that augment the University of California's  
24 agricultural experiment station and cooperative extension programs  
25 for research to increase sustainable biofuels production and  
26 improve the collection of biomass feedstock.

27 (5) Incentives for small off-road equipment replacement to  
28 encourage consumers to replace internal combustion engine lawn  
29 and garden equipment.

30 (6) Incentives for medium- and heavy-duty vehicles and  
31 equipment mitigation, including all of the following:

32 (A) Lower emission schoolbus programs.

33 (B) Electric, hybrid, and plug-in hybrid on- and off-road  
34 medium- and heavy-duty equipment.

35 (C) Regional air quality improvement and attainment programs  
36 implemented by the state or districts in the most impacted regions  
37 of the state.

38 (7) Workforce training initiatives related to advanced energy  
39 technology designed to reduce air pollution, including  
40 state-of-the-art equipment and goods, and new processes and

1 systems. Workforce training initiatives funded shall be broad-based  
2 partnerships that leverage other public and private job training  
3 programs and resources. These partnerships may include, though  
4 are not limited to, employers, labor unions, labor-management  
5 partnerships, community organizations, workforce investment  
6 boards, postsecondary education providers including community  
7 colleges, and economic development agencies. *Any studies on how*  
8 *best to implement this paragraph shall be eligible for funding.*

9 (8) Incentives to identify and reduce emissions from high  
10 emitting light-duty vehicles.

11 ~~SECTION 1. It is the intent of the Legislature to authorize the~~  
12 ~~State Energy Resources Conservation and Development~~  
13 ~~Commission, and the State Air Resources Board, to use funds~~  
14 ~~made available in Chapter 8.9 (commencing with Section 44270)~~  
15 ~~of Part 5 of Division 26 of the Health and Safety Code through~~  
16 ~~the Alternative and Renewable Fuel and Vehicle Technology Fund,~~  
17 ~~and the Air Quality Improvement Fund, respectively, for the~~  
18 ~~purposes of assessing the workforce training needs of the state, in~~  
19 ~~order to implement workforce training programs and initiatives as~~  
20 ~~outlined in paragraph (10) of subdivision (c) of Section 44272 and~~  
21 ~~paragraph (7) of subdivision (c) of Section 44274 of the Health~~  
22 ~~and Safety Code and promote “green collar” jobs within the state.~~