

AMENDED IN SENATE AUGUST 3, 2010

AMENDED IN SENATE JULY 15, 2010

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AMENDED IN SENATE JUNE 25, 2009

AMENDED IN ASSEMBLY MAY 6, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1106

Introduced by Assembly Members ~~Member Fuentes and Ruskin~~
(Coauthors: Senators Price and Padilla)

February 27, 2009

An act to amend Section 44272 of the Health and Safety Code, relating to alternative and renewable fuel and vehicle technology, *and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1106, as amended, Fuentes. Alternative and renewable fuel and vehicle technology.

The California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007 establishes the Alternative and Renewable Fuel and Vehicle Technology Program, which is administered by the State Energy Resources Conservation and Development Commission. The program is required to provide, upon appropriation by the Legislature, competitive grants, revolving loans, loan guarantees, or other appropriate funding measures to public agencies, vehicle and technology entities, businesses and projects, public-private partnerships, workforce training partnerships and

collaboratives, fleet owners, consumers, recreational boaters, and academic institutions to develop and deploy innovative technologies that transform the state’s fuel and vehicle types to help attain the state’s climate change policies. The commission is authorized, until January 1, 2012, to contract with the Treasurer to expend funds through programs implemented by the Treasurer, if that expenditure is consistent with all of the requirements of the act.

This bill would also authorize the commission, until January 1, 2012, to contract with small business financial development corporations established by the Business, Transportation and Housing Agency to expend funds through the Small Business Loan Guarantee Program, if the expenditure is consistent with all of the requirements of the program and the act.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes. 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
 5 administered by the commission. The commission shall implement
 6 the program by regulation pursuant to the requirements of Chapter
 7 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
 8 Title 2 of the Government Code. The program shall provide, upon
 9 appropriation by the Legislature, competitive grants, revolving
 10 loans, loan guarantees, loans, or other appropriate funding
 11 measures, to public agencies, vehicle and technology entities,
 12 businesses and projects, public-private partnerships, workforce
 13 training partnerships and collaboratives, fleet owners, consumers,
 14 recreational boaters, and academic institutions to develop and
 15 deploy innovative technologies that transform California’s fuel
 16 and vehicle types to help attain the state’s climate change policies.
 17 The emphasis of this program shall be to develop and deploy
 18 technology and alternative and renewable fuels in the marketplace,
 19 without adopting any one preferred fuel or technology.

1 (b) A project funded by the commission shall be approved at a
2 noticed public hearing of the commission and shall be consistent
3 with the priorities established by the investment plan adopted
4 pursuant to Section 44272.5.

5 (c) The commission shall provide preferences to those projects
6 that maximize the goals of the Alternative and Renewable Fuel
7 and Vehicle Technology Program, based on the following criteria,
8 as applicable:

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

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

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

17 (4) The project's ability to decrease, on a life cycle basis, the
18 discharge of water pollutants or any other substances known to
19 damage human health or the environment, in comparison to the
20 production and use of California Phase 2 Reformulated Gasoline
21 or diesel fuel produced and sold pursuant to California diesel fuel
22 regulations set forth in Article 2 (commencing with Section 2280)
23 of Chapter 5 of Division 3 of Title 13 of the California Code of
24 Regulations.

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

27 (6) The project provides nonstate matching funds.

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

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

32 (9) The project's ability to reduce on a life cycle assessment
33 greenhouse gas emissions by at least 10 percent, and higher
34 percentages in the future, from current reformulated gasoline and
35 diesel fuel standards established by the state board.

36 (10) The project's use of alternative fuel blends of at least 20
37 percent, and higher blend ratios in the future, with a preference
38 for projects with higher blends.

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

4 (d) Only the following shall be eligible for funding:

5 (1) Alternative and renewable fuel projects to develop and
6 improve alternative and renewable low-carbon fuels, including
7 electricity, ethanol, dimethyl ether, renewable diesel, natural gas,
8 hydrogen, and biomethane, among others, and their feedstocks
9 that have high potential for long-term or short-term
10 commercialization, including projects that lead to sustainable
11 feedstocks.

12 (2) Demonstration and deployment projects that optimize
13 alternative and renewable fuels for existing and developing engine
14 technologies.

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

17 (4) Projects to decrease the overall impact of an alternative and
18 renewable fuel’s life cycle carbon footprint and increase
19 sustainability.

20 (5) Alternative and renewable fuel infrastructure, fueling
21 stations, and equipment. The preference in paragraph (10) of
22 subdivision (c) shall not apply to renewable diesel or biodiesel
23 infrastructure, fueling stations, and equipment used solely for
24 renewable diesel or biodiesel fuel.

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

1 (7) Programs and projects that accelerate the commercialization
2 of vehicles and alternative and renewable fuels including buy-down
3 programs through near-market and market-path deployments,
4 advanced technology warranty or replacement insurance,
5 development of market niches, supply-chain development, and
6 research related to the pedestrian safety impacts of vehicle
7 technologies and alternative and renewable fuels.

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

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

18 (10) Workforce training programs related to alternative and
19 renewable fuel feedstock production and extraction, renewable
20 fuel production, distribution, transport, and storage,
21 high-performance and low-emission vehicle technology and high
22 tower electronics, automotive computer systems, mass transit fleet
23 conversion, servicing, and maintenance, and other sectors or
24 occupations related to the purposes of this chapter.

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

29 (12) Life cycle and multimedia analyses, sustainability and
30 environmental impact evaluations, and market, financial, and
31 technology assessments performed by a state agency to determine
32 the impacts of increasing the use of low-carbon transportation fuels
33 and technologies, and to assist in the preparation of the investment
34 plan and program implementation.

35 (e) The commission may make a single source or sole source
36 award pursuant to this section for applied research. The same
37 requirements set forth in Section 25620.5 of the Public Resources
38 Code shall apply to awards made on a single source basis or a sole
39 source basis. This subdivision does not authorize the commission

1 to make a single source or sole source award for a project or
2 activity other than for applied research.

3 (f) Until January 1, 2012, the commission may do both of the
4 following:

5 (1) Contract with the Treasurer to expend funds through
6 programs implemented by the Treasurer, if the expenditure is
7 consistent with all of the requirements of this chapter.

8 (2) Contract with small business financial development
9 corporations established by the Business, Transportation and
10 Housing Agency to expend funds through the Small Business Loan
11 Guarantee Program if the expenditure is consistent with all of the
12 requirements of the program and this chapter.

13 *SEC. 2. This act is an urgency statute necessary for the*
14 *immediate preservation of the public peace, health, or safety within*
15 *the meaning of Article IV of the Constitution and shall go into*
16 *immediate effect. The facts constituting the necessity are:*

17 *In order that needed additional funding sources are made*
18 *available for small business financial development corporations,*
19 *it is necessary that this act take effect immediately.*