

AMENDED IN SENATE APRIL 22, 2010

SENATE BILL

No. 1340

Introduced by Senator Kehoe

February 19, 2010

An act to amend Section 44272 of the Health and Safety Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1340, as amended, Kehoe. Energy: alternative fuels and vehicle technologies.

Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission (Energy Commission), to provide to specified entities, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, or other appropriate measures, for the development and deployment of innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change goals. Existing law specifies that only certain projects or programs are eligible for funding.

This bill would, additionally, specify projects eligible for funding under the program to include a *cost-effective* program to provide funding for homeowners who purchase an electric vehicle to offset costs associated with modifying electrical sources to include ~~an in-home~~ a *residential plug-in* electric vehicle charging station.

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. 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 Division 3 of Title 2 of
8 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.

20 (b) A project funded by the commission shall be approved at a
21 noticed public hearing of the commission and shall be consistent
22 with the priorities established by the investment plan adopted
23 pursuant to Section 44272.5.

24 (c) The commission shall provide preferences to those projects
25 that maximize the goals of the Alternative and Renewable Fuel
26 and Vehicle Technology Program, based on the following criteria,
27 as applicable:

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

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

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

36 (4) The project's ability to decrease, on a life-cycle basis, the
37 discharge of water pollutants or any other substances known to
38 damage human health or the environment, in comparison to the

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

6 (5) The project does not adversely impact the sustainability of
7 the state’s natural resources, especially state and federal lands.

8 (6) The project provides nonstate matching funds.

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

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

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

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

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

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

24 (1) Alternative and renewable fuel projects to develop and
25 improve alternative and renewable low-carbon fuels, including
26 electricity, ethanol, dimethyl ether, renewable diesel, natural gas,
27 hydrogen, and biomethane, among others, and their feedstocks
28 that have high potential for long-term or short-term
29 commercialization, including projects that lead to sustainable
30 feedstocks.

31 (2) Demonstration and deployment projects that optimize
32 alternative and renewable fuels for existing and developing engine
33 technologies.

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

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

39 (5) Alternative and renewable fuel infrastructure, fueling
40 stations, and equipment. The preference in paragraph (10) of

1 subdivision (c) shall not apply to renewable diesel or biodiesel
2 infrastructure, fueling stations, and equipment used solely for
3 renewable diesel or biodiesel fuel.

4 (6) Projects to develop and improve light-, medium-, and
5 heavy-duty vehicle technologies that provide for better fuel
6 efficiency and lower greenhouse gas emissions, alternative fuel
7 usage and storage, or emission reductions, including propulsion
8 systems, advanced internal combustion engines with a 40 percent
9 or better efficiency level over the current market standard,
10 light-weight materials, energy storage, control systems and system
11 integration, physical measurement and metering systems and
12 software, development of design standards and testing and
13 certification protocols, battery recycling and reuse, engine and fuel
14 optimization electronic and electrified components, hybrid
15 technology, plug-in hybrid technology, battery electric vehicle
16 technology, fuel cell technology, and conversions of hybrid
17 technology to plug-in technology through the installation of safety
18 certified supplemental battery modules.

19 (7) Programs and projects that accelerate the commercialization
20 of vehicles and alternative and renewable fuels including buy-down
21 programs through near-market and market-path deployments,
22 advanced technology warranty or replacement insurance,
23 development of market niches, supply-chain development, and
24 research related to the pedestrian safety impacts of vehicle
25 technologies and alternative and renewable fuels.

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

31 (9) Infrastructure projects that promote alternative and renewable
32 fuel infrastructure development connected with existing fleets,
33 public transit, and existing transportation corridors, including
34 physical measurement or metering equipment and truck stop
35 electrification.

36 (10) Workforce training programs related to alternative and
37 renewable fuel feedstock production and extraction, renewable
38 fuel production, distribution, transport, and storage,
39 high-performance and low-emission vehicle technology and high
40 tower electronics, automotive computer systems, mass transit fleet

1 conversion, servicing, and maintenance, and other sectors or
2 occupations related to the purposes of this chapter.

3 (11) Block grants administered by not-for-profit technology
4 entities for multiple projects, education and program promotion
5 within California, and development of alternative and renewable
6 fuel and vehicle technology centers.

7 (12) Life-cycle and multimedia analyses, sustainability and
8 environmental impact evaluations, and market, financial, and
9 technology assessments performed by a state agency to determine
10 the impacts of increasing the use of low-carbon transportation fuels
11 and technologies, and to assist in the preparation of the investment
12 plan and program implementation.

13 (13) A *cost-effective* program to provide funding for
14 homeowners who purchase an electric vehicle to offset costs
15 associated with modifying electrical sources to include ~~an in-home~~
16 *a residential plug-in* electric vehicle charging station.

17 (e) The commission may make a single source or sole source
18 award pursuant to this section for applied research. The same
19 requirements set forth in Section 25620.5 of the Public Resources
20 Code shall apply to awards made on a single source basis or a sole
21 source basis. This subdivision does not authorize the commission
22 to make a single source or sole source award for a project or
23 activity other than for applied research.

24 (f) Until January 1, 2012, the commission may contract with
25 the Treasurer to expend funds through programs implemented by
26 the Treasurer, if that expenditure is consistent with all of the
27 requirements of this chapter.

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