

ASSEMBLY BILL

No. 2404

Introduced by Assembly Member Fuentes

February 24, 2012

An act to add Part 8 (commencing with Section 38600) to Division 25.5 of the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

AB 2404, as introduced, Fuentes. California Global Warming Solutions Act of 2006: Local Emission Reduction Fund.

The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to adopt regulations to require the reporting and verification of emissions of greenhouse gases and to monitor and enforce compliance with the reporting and verification program, and requires the state board to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020. The act requires the state board to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions and authorizes the state board to use market-based compliance mechanisms to achieve these ends. The act authorizes the state board to adopt a schedule of fees to be paid by the sources of greenhouse gas emissions regulated pursuant to the act, and requires the revenues collected pursuant to that fee to be deposited into the Air Pollution Control Fund and be available, upon appropriation by the Legislature, for the purposes of carrying out the act.

This bill would create the Local Emission Reduction Fund and would require specified moneys collected under the market-based compliance mechanisms be deposited in that fund. The bill would provide that the

moneys in that fund be available, upon appropriation by the Legislature, for award to specified local governmental entities for specified purposes by the state board. The bill would require the state board, in coordination with other state agencies, as appropriate, to develop standards and guidelines to ensure the funded projects maximize the funds appropriated, provide environmental and economic benefits, and do not conflict with the act.

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 reduction of greenhouse gas emissions is critical to
- 4 public health, safety, the economy, and the natural environment
- 5 that residents rely on.
- 6 (b) State investments in local and regional greenhouse gas
- 7 emission reduction projects help local communities thrive, support
- 8 the state’s emission-reduction and clean-energy targets, lower the
- 9 statewide unemployment rate, and spur new job growth.
- 10 (c) Incentivizing local governments to plan and implement their
- 11 own greenhouse gas emission reduction efforts will assist the state
- 12 to reach its emission-reduction targets faster and more efficiently.
- 13 (d) Local and regional governments that partner with
- 14 not-for-profit entities and community groups can identify, plan,
- 15 and implement innovative community-scale emission-reduction
- 16 initiatives and projects that utilities and other regulated entities
- 17 may not identify or participate in.
- 18 (e) Local greenhouse gas emission reduction initiatives best
- 19 recognize the particular reduction opportunities at the local level
- 20 and provide an opportunity to enhance the environment and
- 21 economy of local and regional places through multi-benefit
- 22 projects.
- 23 (f) Local governments are well-suited to coordinate and
- 24 aggregate micro-, small-, community-, and regional-scale projects
- 25 that will help the state reach its environmental targets while
- 26 incentivizing investments and job growth at the local level.

1 (g) It is the intent of the Legislature to promote investments in
2 coordinated and aggregated local and regional greenhouse gas
3 emission reduction projects.

4 SEC. 2. Part 8 (commencing with Section 38600) is added to
5 Division 25.5 of the Health and Safety Code, to read:

6
7 PART 8. LOCAL EMISSION REDUCTION FUND
8

9 38600. (a) The Local Emission Reduction Fund is hereby
10 created in the State Treasury.

11 (b) Notwithstanding Section 38597, moneys collected pursuant
12 to Part 5, excluding penalties and fines, shall be deposited in the
13 Local Emission Reduction Fund, which is hereby established, and
14 shall be available, upon appropriation by the Legislature, for
15 purposes of carrying out this division.

16 (c) The state board shall award the moneys in the Local
17 Emission Reduction Fund to cities, counties, city and county
18 governments, metropolitan planning organizations, and joint
19 powers authorities for measures and programs that are consistent
20 with a locally adopted greenhouse gas emissions reduction plan
21 that includes and maximizes viable partnerships with other local
22 governments, Native American tribes, not-for-profit entities,
23 regional bodies, California Conservation Corps, state-certified
24 local conservation corps, and local Youth Build programs. The
25 plan shall identify and maximize all of the following:

26 (1) Micro-, small-, community-, and regional-scale greenhouse
27 gas emission reduction opportunities, including sequestration.

28 (2) Opportunities to change or update existing local and regional
29 plans, policies, or programs to achieve greenhouse gas emission
30 reductions.

31 (3) Opportunities to achieve greenhouse gas emission reductions
32 in ways that increase adaptability or resiliency to extreme weather
33 events.

34 (4) Opportunities to achieve greenhouse gas emission reductions
35 in ways that create local job training and job creation benefits.

36 (5) Opportunities to achieve greenhouse gas emission reductions
37 in ways that decrease air or water pollution.

38 (6) Opportunities to achieve greenhouse gas emission reductions
39 in ways that reduce the consumption of natural resources or energy.

1 (7) Opportunities to achieve greenhouse gas emission reductions
2 in ways that increase localized energy resources.

3 (8) Opportunities to achieve greenhouse gas emission reductions
4 in ways that increase the reliability of local water supplies.

5 (9) Opportunities to achieve greenhouse gas emission reductions
6 in ways that reduce or avoid vehicle miles traveled.

7 (10) Opportunities to coordinate and aggregate greenhouse gas
8 emission reduction projects or programs.

9 (11) Opportunities to achieve greenhouse gas emission
10 reductions in ways that reduce or avoid costs to the state or local
11 governments.

12 (d) Any greenhouse gas emission reduction plan adopted for
13 purposes of subdivision (c) shall provide for public notice and at
14 least one opportunity for public input.

15 38601. The state board, in coordination with other state
16 agencies, as appropriate, shall develop standards and guidelines
17 to ensure projects funded pursuant to this part maximize funds
18 appropriated, provide environmental and economic benefits, and
19 do not conflict with this division.

20 38602. The state board shall approve funding for a measure or
21 program, awarded pursuant to this part, only after determining,
22 based on the available evidence, that the use of moneys for that
23 measure or program is consistent with the requirements for the use
24 of moneys derived from valid regulatory fees, as established by
25 the California Supreme Court in *Sinclair Paint Co. v. State Bd. of*
26 *Equalization* (1997) 15 Cal.4th 866.