

AMENDED IN ASSEMBLY APRIL 11, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2404**

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**Introduced by Assembly Member Fuentes**

February 24, 2012

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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 amended, Fuentes. California Global Warming Solutions Act of 2006: Local Emission Reduction ~~Fund~~ *Program*.

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~~ *Program* 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 *under the program* 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~~ PROGRAM

8  
9 38600. (a) The Local Emission Reduction ~~Fund~~ Program is  
10 hereby created ~~in the State Treasury~~.

11 (b) ~~Notwithstanding Section 38597, moneys~~ Moneys collected  
12 pursuant to Part 5, excluding penalties and fines, ~~shall be deposited~~  
13 ~~in the Local Emission Reduction Fund, which is hereby established,~~  
14 ~~and~~ 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~~ appropriated to  
17 the Local Emission Reduction ~~Fund~~ Program to cities, counties,  
18 city and county governments, metropolitan planning organizations,  
19 special districts, and joint powers authorities for measures and  
20 programs that are consistent with a locally adopted greenhouse  
21 gas ~~emissions~~ emission reduction plan that includes and maximizes  
22 viable partnerships with other local governments, Native American  
23 tribes, not-for-profit entities, regional bodies, California  
24 Conservation Corps, state-certified local conservation corps, and  
25 local Youth Build programs. The plan shall identify and maximize  
26 all of the following:

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

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

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

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

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

39 (6) Opportunities to achieve greenhouse gas emission reductions  
40 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.