

Introduced by Senator WolkFebruary 9, 2011

An act to add Part 9 (commencing with Section 38700) to Division 25.5 of the Health and Safety Code, relating to greenhouse gas emissions.

LEGISLATIVE COUNSEL'S DIGEST

SB 237, as introduced, Wolk. California Global Warming Solutions Act of 2006: agriculture.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions. The state board is authorized to adopt market-based compliance mechanisms, as defined, meeting specified requirements to be used for compliance with those regulations.

This bill would provide that an unspecified percentage of funds generated from the state sale of emission allowances for market-based compliance mechanisms adopted pursuant to the act and funds from federal global warming programs shall be made available, upon appropriation by the Legislature, to fund activities that will reduce greenhouse gas emissions, or adapt to global warming, in the state's agricultural sector. The bill would require an unspecified agency to administer these funds for a specified grant program. The bill would provide for the creation of the California Agricultural Climate Benefits

Advisory Committee to assist in the implementation of these requirements, as provided.

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. (a) The Legislature finds and declares all of the
2 following:

3 (1) California agriculture is a \$35 billion per year industry, one
4 of the state's largest and most significant industries. California
5 agriculture supplies 90 percent of the nation's almonds, apricots,
6 raisins, olives, pistachios, walnuts, and wine grapes, and more than
7 one-half of the country's fruit and vegetables.

8 (2) Dependent on land and natural resources, California
9 agriculture is uniquely vulnerable to global warming. Global
10 warming poses a serious threat to California agriculture with rising
11 temperatures, constrained water resources, increases in extreme
12 weather events, reduced winter chilling hours, and rising sea levels.

13 (3) California agriculture is also uniquely positioned to provide
14 climate benefits by reducing greenhouse gas emissions. Research
15 funded by the California Energy Commission's Public Interest
16 Energy Research (PIER) program suggests that some agricultural
17 practices will not only reduce greenhouse gas emissions, but they
18 may also help to sequester atmospheric carbon in the soil.
19 Atmospheric carbon sequestration is an important strategy to help
20 meet the state's greenhouse gas emissions targets.

21 (4) To reduce California agriculture's vulnerability to global
22 warming, the industry will have to adapt to changing weather
23 patterns and conditions. As summarized in the 2009 California
24 Climate Change Adaptation Strategy, California will need to
25 employ a diversity of strategies to support an ongoing robust
26 agricultural industry, including farmland protection, increased
27 biodiversity, new crop varieties, and on-farm conservation
28 measures.

29 (5) Steps taken by California agriculture to reduce greenhouse
30 gas emissions, sequester atmospheric carbon, and adapt to global
31 warming can provide other important environmental cobenefits,
32 such as improved air and water quality, water conservation, and
33 enhanced wildlife habitat.

1 (b) It is therefore the intent of the Legislature to enhance the
2 long-term viability of California agriculture by supporting activities
3 that reduce global warming impacts that may negatively impact it
4 and the rest of the state.

5 (c) It is further the intent of the Legislature that the _____,
6 pursuant to this act, support California agriculture in pursuing
7 voluntary reductions in greenhouse gas emissions, atmospheric
8 carbon sequestration, and adaptation to global warming.

9 SEC. 2. Part 9 (commencing with Section 38700) is added to
10 Division 25.5 of the Health and Safety Code, to read:

11

12 PART 9. AGRICULTURAL CLIMATE BENEFITS

13

14 38700. The purpose of this part is to ensure that California
15 maximizes its opportunities to achieve voluntary greenhouse gas
16 emission reductions and global warming adaptation activities in
17 the state’s agricultural sector while also achieving environmental
18 cobenefits.

19 38701. For the purposes of this part, the following terms have
20 the following meanings:

21 (a) “Advisory committee” means the California Agricultural
22 Climate Benefits Advisory Committee created pursuant to Section
23 38704.

24 (b) “Environmental cobenefits” means benefits or improvements
25 to the environment, including, but not limited to, water
26 conservation, improved air or water quality, increased soil organic
27 matter, and enhanced wildlife habitat, that occur as a result of
28 reduced greenhouse gas emissions or sequestration of atmospheric
29 carbon.

30 (c) “Processor” means the persons, places, and establishments
31 described in Sections 20019, 32513, and 55407 of the Food and
32 Agricultural Code.

33 (d) “Producer” means the persons described in Sections 55408
34 and 64507 of the Food and Agricultural Code.

35 38702. Notwithstanding any other law, not less than _____
36 percent of funds generated pursuant to either of the following shall
37 be made available, upon appropriation by the Legislature, to fund
38 activities consistent with this part that will reduce greenhouse gas
39 emissions, or adapt to global warming, in the state’s agricultural
40 sector:

1 (a) Revenues generated from the state sale of emission
2 allowances for market-based compliance mechanisms adopted
3 pursuant to this division, other than revenues collected for
4 administrative purposes.

5 (b) Funds from federal global warming programs that are
6 dedicated to or otherwise accrue to the state for global warming
7 projects and programs that are consistent with the purposes of this
8 part.

9 38703. Funds made available pursuant to Section 38702 shall
10 be administered by the _____, in consultation with the advisory
11 committee, and may be used for either of the following:

12 (a) The cost of administering this part.

13 (b) Grants for any of the following:

14 (1) Research and demonstration projects that reduce greenhouse
15 gas emissions, sequester atmospheric carbon through agricultural
16 technologies, practices, or farming systems, or adapt to global
17 warming, and provide environmental cobenefits. Eligible recipients
18 may include California producers, California institutions of higher
19 education, state or local agencies, and nonprofit organizations.

20 (2) Technical assistance, which shall include, but not be limited
21 to, development of outreach and training programs to assist
22 agricultural producers in adopting agricultural technologies,
23 practices, or farming systems that reduce greenhouse gas emissions
24 or sequester atmospheric carbon, and provide environmental
25 cobenefits. Eligible recipients may include California institutions
26 of higher education, state or local agencies, and nonprofit
27 organizations with a demonstrated capacity to deliver technical
28 assistance to California agricultural producers.

29 (3) Financial incentives for California agricultural producers to
30 do any of the following:

31 (A) Generate greenhouse gas emission reductions that may not
32 be economically viable as an offset project.

33 (B) Demonstrate and test new or uncertain methods to reduce
34 greenhouse gas emissions or sequester atmospheric carbon.

35 (C) Be an early adopter of agricultural technologies, practices,
36 or farming systems that reduce greenhouse gas emissions or
37 sequester atmospheric carbon, or adapt to global warming.

38 (4) Research and demonstration projects, technical assistance
39 and financial incentives for California processors to reduce
40 greenhouse gas emissions from their facilities through energy

1 efficiency, renewable energy, or processing efficiencies. In
2 recommending and selecting projects from this category, the
3 advisory committee and the ____ shall give preference to those
4 projects that include environmental cobenefits.

5 (c) Grant funds shall be divided equally across all four grant
6 categories, as described in subdivision (b), unless the ____
7 determines, in consultation with the advisory committee, that a
8 different apportionment of funds would best serve the purposes of
9 this part.

10 (d) Notwithstanding subdivision (c), not more than 25 percent
11 of grant funds shall be awarded to projects for processors as
12 described in paragraph (4) of subdivision (b).

13 38704. (a) Not later than July 1, 2012, the ____ shall establish
14 the California Agricultural Climate Benefits Advisory Committee
15 to achieve the purposes of this part. The ____ shall appoint its
16 members as follows:

17 (1) Five members who are agricultural producers, including at
18 least two certified organic producers.

19 (2) Three members who are researchers with an institution of
20 higher education with expertise in agriculture and climate change.

21 (3) Three members from nonprofit organizations with expertise
22 in climate change and agriculture.

23 (4) One member who is a processor.

24 (5) One ex officio member from each of the following public
25 agencies:

26 (A) Department of Conservation.

27 (B) State Air Resources Board.

28 (C) United States Department of Agriculture, Natural Resources
29 Conservation Service.

30 (D) United States Environmental Protection Agency, Region
31 IX.

32 (E) The Department of Food and Agriculture.

33 (b) Each advisory committee member shall designate his or her
34 alternate, who shall meet the same qualifications identified in
35 subdivision (a) as the member for whom the alternate is serving.
36 An alternate member shall serve at an advisory committee meeting
37 only in the absence of, and shall have the same powers and duties
38 as, the member for whom he or she is designated as an alternate,
39 except for duties and powers as an officer of the committee. The

1 number of alternates present who are not serving in the capacity
2 of a member shall not be considered in determining a quorum.

3 (c) An alternate member may serve at an advisory committee
4 subcommittee meeting only in the absence of, and shall have the
5 same powers and duties as, the member for whom he or she is
6 designated as an alternate, except for duties and powers as a
7 subcommittee chairperson.

8 (d) The members and alternates of the advisory committee shall
9 serve without compensation but shall be reimbursed for the
10 reasonable expenses actually incurred in the performance of their
11 duties, as determined by the advisory committee and approved by
12 the ____.

13 (e) The ____ shall appoint the members of the committee from
14 nominations by interested persons and organizations with expertise
15 in agriculture and climate change. The ____ shall make all feasible
16 efforts to appoint members of the advisory committee who reflect
17 a range of views from agricultural, scientific, environmental
18 protection, and resource conservation interests that will enhance
19 the successful implementation of this part.

20 (f) A member of the committee shall serve for a term of three
21 years, except that the ____ shall appoint the original members of
22 the committee for staggered terms as follows:

23 (1) One member appointed pursuant to paragraphs (1), (2), and
24 (3) of subdivision (a) shall serve for one year.

25 (2) Two members appointed pursuant to paragraph (1), and one
26 member appointed pursuant to paragraphs (2) and (3), of
27 subdivision (a) shall serve for two years.

28 (3) Two members appointed pursuant to paragraph (1), and one
29 member appointed pursuant to paragraphs (2) and (3), of
30 subdivision (a) shall serve for three years.

31 (g) In administering grant funds pursuant to Section 38703, the
32 ____ shall seek and consider input from the advisory committee
33 on matters related to the purposes of this part, including, but not
34 limited to, all of the following:

35 (1) Establishing criteria for grant proposals.

36 (2) Reviewing grant proposals.

37 (3) Recommendations regarding the approval of grant proposals.

38 (4) Recommendations regarding the implementation of this part.

1 (h) Advisory committee members shall recuse themselves from
2 reviewing grant proposals from any grant category in which either
3 of the following conditions are met:

4 (1) For a member appointed pursuant to paragraph (1) , (3), or
5 (4) of subdivision (a), if a person from the same private business
6 or nonprofit organization as the member has applied for a grant
7 pursuant to this part and would directly benefit from the grant
8 funding.

9 (2) For a member appointed pursuant to paragraph (2) of
10 subdivision (a), if a person from the same department or field
11 station as the member has applied for a grant pursuant to this part
12 and would directly benefit from the grant funding.

13 (i) Advisory committee members shall not be required to recuse
14 themselves from reviewing grant proposals in any grant category
15 for which the conditions of subdivision (h) have not been met.

16 (j) The _____ shall designate department staff to provide
17 appropriate staff services to the advisory committee.

18 38705. In establishing criteria for grant proposals and awarding
19 grants, the advisory committee and the _____ shall do all of the
20 following:

21 (a) Give priority to proposals for research and demonstration
22 projects, pursuant to paragraph (1) of subdivision (b) of Section
23 38703, that include multiple coapplicants and that include at least
24 one agricultural producer in the development and implementation
25 of the project.

26 (b) Consider the appropriate use of matching fund requirements
27 for research and demonstration projects and technical assistance
28 projects, pursuant to paragraphs (1) and (2) of subdivision (b) of
29 Section 38703. If matching fund requirements are adopted, the
30 requirements shall not exceed 25 percent of the total award by the
31 state.