

ASSEMBLY BILL

No. 450

Introduced by Assembly Member McCarty

February 23, 2015

An act to amend Section 39712 of the Health and Safety Code, relating to greenhouse gas.

LEGISLATIVE COUNSEL'S DIGEST

AB 450, as introduced, McCarty. Greenhouse gas: energy efficiency: financing.

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. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation.

Existing law authorizes a public agency to issue revenue bonds (PACE bonds) that are secured by a voluntary contractual assessment agreed to between the public agency and a property owner to finance the installation of distributed generation renewable energy sources or energy or water efficiency improvements that are permanently affixed on the owner's real property.

Existing law requires the California Alternative Energy and Advanced Transportation Financing Authority to develop and administer a PACE

Reserve program to reduce the overall costs to property owners of PACE bonds by providing a reserve of no more than 10% of the initial principal amount of the PACE bonds.

This bill would authorize the use of the moneys in the Greenhouse Gas Reduction Fund to provide funding for the implementation of the PACE Reserve program.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 39712 of the Health and Safety Code is
2 amended to read:

3 39712. (a) (1) It is the intent of the Legislature that moneys
4 shall be appropriated from the fund only in a manner consistent
5 with the requirements of this chapter and Article 9.7 (commencing
6 with Section 16428.8) of Chapter 2 of Part 2 of Division 4 of Title
7 2 of the Government Code.

8 (2) The state shall not approve allocations for a measure or
9 program using moneys appropriated from the fund except after
10 determining, based on the available evidence, that the use of those
11 moneys furthers the regulatory purposes of Division 25.5
12 (commencing with Section 38500) and is consistent with law. If
13 any expenditure of moneys from the fund for any measure or
14 project is determined by a court to be inconsistent with law, the
15 allocations for the remaining measures or projects shall be
16 severable and shall not be affected.

17 (b) Moneys shall be used to facilitate the achievement of
18 reductions of greenhouse gas emissions in this state consistent
19 with Division 25.5 (commencing with Section 38500) and, where
20 applicable and to the extent feasible:

21 (1) Maximize economic, environmental, and public health
22 benefits to the state.

23 (2) Foster job creation by promoting in-state greenhouse gas
24 emissions reduction projects carried out by California workers and
25 businesses.

26 (3) Complement efforts to improve air quality.

27 (4) Direct investment toward the most disadvantaged
28 communities and households in the state.

1 (5) Provide opportunities for businesses, public agencies,
2 nonprofits, and other community institutions to participate in and
3 benefit from statewide efforts to reduce greenhouse gas emissions.

4 (6) Lessen the impacts and effects of climate change on the
5 state's communities, economy, and environment.

6 (c) Moneys appropriated from the fund may be allocated,
7 consistent with subdivision (a), for the purpose of reducing
8 greenhouse gas emissions in this state through investments that
9 may include, but are not limited to, any of the following:

10 (1) Funding to reduce greenhouse gas emissions through energy
11 efficiency, clean and renewable energy generation, distributed
12 renewable energy generation, transmission and storage, and other
13 related actions, including, but not limited to, at public universities,
14 state and local public buildings, and industrial and manufacturing
15 facilities. *Funding may also be used for the implementation of*
16 *Article 2 (commencing with Section 26060) of Chapter 4 of*
17 *Division 16 of the Public Resources Code.*

18 (2) Funding to reduce greenhouse gas emissions through the
19 development of state-of-the-art systems to move goods and freight,
20 advanced technology vehicles and vehicle infrastructure, advanced
21 biofuels, and low-carbon and efficient public transportation.

22 (3) Funding to reduce greenhouse gas emissions associated with
23 water use and supply, land and natural resource conservation and
24 management, forestry, and sustainable agriculture.

25 (4) Funding to reduce greenhouse gas emissions through
26 strategic planning and development of sustainable infrastructure
27 projects, including, but not limited to, transportation and housing.

28 (5) Funding to reduce greenhouse gas emissions through
29 increased in-state diversion of municipal solid waste from disposal
30 through waste reduction, diversion, and reuse.

31 (6) Funding to reduce greenhouse gas emissions through
32 investments in programs implemented by local and regional
33 agencies, local and regional collaboratives, and nonprofit
34 organizations coordinating with local governments.

35 (7) Funding research, development, and deployment of
36 innovative technologies, measures, and practices related to
37 programs and projects funded pursuant to this chapter.

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