

AMENDED IN SENATE AUGUST 15, 2016
AMENDED IN ASSEMBLY APRIL 25, 2016
AMENDED IN ASSEMBLY APRIL 12, 2016
AMENDED IN ASSEMBLY MARCH 16, 2016
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1697

Introduced by Assembly Member Bonilla
(Coauthors: Assembly Members ~~Brown~~ *Brown, Campos, and Chu*)

January 21, 2016

An act to amend Section 44272 of the Health and Safety Code, relating to vehicular air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 1697, as amended, Bonilla. Alternative and Renewable Fuel and Vehicle Technology Program.

Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission. Existing law requires the program to provide funding measures to certain entities to develop and deploy innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change policies. Existing law requires the commission to provide preferences to projects that maximize the goals of the program based on certain criteria, including the project's ability to provide economic benefits for California by promoting California-based technology firms, jobs, and businesses. Existing law specifies that projects eligible for funding

include workforce training programs related to various sectors or occupations related to the purposes of the program.

This bill would add a project’s ability to ~~provide a path for trained workers to transition to jobs in the clean technology and renewable fuels sectors and a project’s ability to promote employment of trained workers in those sectors~~ *transition workers to, or promote employment in, the alternative and renewable fuels and vehicle technology sector* as additional criteria on which preference under the program shall be provided. The bill would revise the eligibility criteria for workforce training programs, as specified. *The bill would require the commission to collaborate with entities, as specified, that have expertise in workforce development to implement the workforce development components of the program.*

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 California Global Warming Solutions Act of 2006
- 4 (Division 25.5 (commencing with Section 38500) of the Health
- 5 and Safety Code) requires California to reduce the emissions of
- 6 greenhouse gases to 1990 levels by 2020.
- 7 (b) In January 2015, Governor Brown issued an executive order
- 8 declaring a statewide goal of reducing petroleum use by 50 percent
- 9 by 2030 in order to reduce the emissions of greenhouse gases.
- 10 (c) To address the long-term goals of reducing the emissions of
- 11 greenhouse gases in California, the Legislature enacted the
- 12 California Alternative and Renewable Fuel, Vehicle Technology,
- 13 Clean Air and Carbon Reduction Act of 2007 (Chapter 8.9
- 14 (commencing with Section 44270) of Part 5 of Division 26 of the
- 15 Health and Safety Code) that established the Alternative and
- 16 Renewable Fuel and Vehicle Technology Program to provide up
- 17 to \$100 million in grants each year to help California establish and
- 18 expand alternative and renewable fuel production and
- 19 infrastructure.
- 20 (d) As policies that reduce the emissions of greenhouse gases
- 21 and petroleum use go into effect, the job market will inevitably
- 22 change, resulting in a greater emphasis on green jobs.

1 (e) To ensure that the skills and technical training in existing
2 industries are integrated into the new green economy, it is
3 incumbent on the state to foster earn-and-learn pathways and
4 additional training opportunities to transition workers from the
5 carbon-based economy to jobs focused on alternative and
6 renewable fuels to match growing demand.

7 SEC. 2. Section 44272 of the Health and Safety Code is
8 amended to read:

9 44272. (a) The Alternative and Renewable Fuel and Vehicle
10 Technology Program is hereby created. The program shall be
11 administered by the commission. The commission shall implement
12 the program by regulation pursuant to the requirements of Chapter
13 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
14 Title 2 of the Government Code. The program shall provide, upon
15 appropriation by the Legislature, competitive grants, revolving
16 loans, loan guarantees, loans, or other appropriate funding measures
17 to public agencies, vehicle and technology entities, businesses and
18 projects, public-private partnerships, workforce training
19 partnerships and collaboratives, fleet owners, consumers,
20 recreational boaters, and academic institutions to develop and
21 deploy innovative technologies that transform California's fuel
22 and vehicle types to help attain the state's climate change policies.
23 The emphasis of this program shall be to develop and deploy
24 technology and alternative and renewable fuels in the marketplace,
25 without adopting any one preferred fuel or technology.

26 (b) A project that receives more than seventy-five thousand
27 dollars (\$75,000) in funds from the commission shall be approved
28 at a noticed public meeting of the commission and shall be
29 consistent with the priorities established by the investment plan
30 adopted pursuant to Section 44272.5. Under this article, the
31 commission may delegate to the commission's executive director,
32 or his or her designee, the authority to approve either of the
33 following:

34 (1) A contract, grant, loan, or other agreement or award that
35 receives seventy-five thousand dollars (\$75,000) or less in funds
36 from the commission.

37 (2) Amendments to a contract, grant, loan, or other agreement
38 or award as long as the amendments do not increase the amount
39 of the award, change the scope of the project, or modify the purpose
40 of the agreement.

1 (c) The commission shall provide preferences to those projects
2 that maximize the goals of the Alternative and Renewable Fuel
3 and Vehicle Technology Program, based on the following criteria,
4 as applicable:

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

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

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

13 (4) The project's ability to decrease, on a life-cycle basis, the
14 discharge of water pollutants or any other substances known to
15 damage human health or the environment, in comparison to the
16 production and use of California Phase 2 Reformulated Gasoline
17 or diesel fuel produced and sold pursuant to California diesel fuel
18 regulations set forth in Article 2 (commencing with Section 2280)
19 of Chapter 5 of Division 3 of Title 13 of the California Code of
20 Regulations.

21 (5) The project does not adversely impact the sustainability of
22 the state's natural resources, especially state and federal lands.

23 (6) The project provides nonstate matching funds. Costs incurred
24 from the date a proposed award is noticed may be counted as
25 nonstate matching funds. The commission may adopt further
26 requirements for the purposes of this paragraph. The commission
27 is not liable for costs incurred pursuant to this paragraph if the
28 commission does not give final approval for the project or the
29 proposed recipient does not meet requirements adopted by the
30 commission pursuant to this paragraph.

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

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

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

1 (10) The project's use of alternative fuel blends of at least 20
2 percent, and higher blend ratios in the future, with a preference
3 for projects with higher blends.

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

7 ~~(12) The project's ability to provide a path for trained workers
8 to transition to jobs in the clean technology and renewable fuels
9 sectors.~~

10 ~~(13) The project's ability to promote employment of trained
11 workers in the clean technology and renewable fuels sectors.~~

12 *(12) The project's ability to transition workers to, or promote
13 employment in, the alternative and renewable fuel and vehicle
14 technology sector.*

15 (d) The commission shall rank applications for projects proposed
16 for funding awards based on solicitation criteria developed in
17 accordance with subdivision (c), and shall give additional
18 preference to funding those projects with higher benefit-cost scores.

19 (e) Only the following shall be eligible for funding:

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

27 (2) Demonstration and deployment projects that optimize
28 alternative and renewable fuels for existing and developing engine
29 technologies.

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

32 (4) Projects to decrease the overall impact of an alternative and
33 renewable fuel's life-cycle carbon footprint and increase
34 sustainability.

35 (5) Alternative and renewable fuel infrastructure, fueling
36 stations, and equipment. The preference in paragraph (10) of
37 subdivision (c) shall not apply to renewable diesel or biodiesel
38 infrastructure, fueling stations, and equipment used solely for
39 renewable diesel or biodiesel fuel.

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

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

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

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

34 (10) Workforce training programs related to the development
35 and deployment of ~~innovative~~ technologies that transform
36 California's fuel and vehicle types and assist the state in
37 implementing its climate change policies, ~~including~~ *including, but*
38 *not limited to, alternative and renewable fuel feedstock production*
39 *and extraction; renewable fuel production, distribution, transport,*
40 *and storage; high-performance and low-emission vehicle*

1 *technology and high tower electronics; automotive computer*
2 *systems; mass transit fleet conversion, servicing, and maintenance;*
3 *and other sectors or occupations related to the purposes of this*
4 *chapter, including training programs to transition dislocated*
5 *workers affected by the state’s greenhouse gas emission policies,*
6 *including those from fossil fuel sectors, or training programs that*
7 ~~*are linked to career pathways for experienced workers in jobs that*~~
8 ~~*will be phased out as the state transitions to a low-carbon economy*~~
9 ~~*and for low-skilled workers to enter or continue in a career pathway*~~
10 ~~*that leads to middle skill, industry-recognized certifications*~~
11 ~~*credentials or state-approved apprenticeship opportunities.*~~
12 ~~*opportunities in occupations related to the purposes of this chapter.*~~

13 (11) Block grants or incentive programs administered by public
14 entities or not-for-profit technology entities for multiple projects,
15 education and program promotion within California, and
16 development of alternative and renewable fuel and vehicle
17 technology centers. The commission may adopt guidelines for
18 implementing the block grant or incentive program, which shall
19 be approved at a noticed public meeting of the commission.

20 (12) Life-cycle and multimedia analyses, sustainability and
21 environmental impact evaluations, and market, financial, and
22 technology assessments performed by a state agency to determine
23 the impacts of increasing the use of low-carbon transportation fuels
24 and technologies, and to assist in the preparation of the investment
25 plan and program implementation.

26 (13) A program to provide funding for homeowners who
27 purchase a plug-in electric vehicle to offset costs associated with
28 modifying electrical sources to include a residential plug-in electric
29 vehicle charging station. In establishing this program, the
30 commission shall consider funding criteria to maximize the public
31 benefit of the program.

32 (f) The commission may make a single source or sole source
33 award pursuant to this section for applied research. The same
34 requirements set forth in Section 25620.5 of the Public Resources
35 Code shall apply to awards made on a single source basis or a sole
36 source basis. This subdivision does not authorize the commission
37 to make a single source or sole source award for a project or
38 activity other than for applied research.

39 (g) The commission may do all of the following:

1 (1) Contract with the Treasurer to expend funds through
2 programs implemented by the Treasurer, if the expenditure is
3 consistent with all of the requirements of this article and Article
4 1 (commencing with Section 44270).

5 (2) Contract with small business financial development
6 corporations established by the Governor's Office of Business and
7 Economic Development to expend funds through the Small
8 Business Loan Guarantee Program if the expenditure is consistent
9 with all of the requirements of this article and Article 1
10 (commencing with Section 44270).

11 (3) Advance funds, pursuant to an agreement with the
12 commission, to any of the following:

13 (A) A public entity.

14 (B) A recipient to enable it to make advance payments to a
15 public entity that is a subrecipient of the funds and under a binding
16 and enforceable subagreement with the recipient.

17 (C) An administrator of a block grant program.

18 *(h) The commission shall collaborate with entities that have*
19 *expertise in workforce development to implement the workforce*
20 *development components of this section, including, but not limited*
21 *to, the California Workforce Development Board, the Employment*
22 *Training Panel, the Employment Development Department, and*
23 *the Division of Apprenticeship Standards.*