

AMENDED IN ASSEMBLY MAY 27, 2016
AMENDED IN ASSEMBLY APRIL 11, 2016
AMENDED IN ASSEMBLY MARCH 28, 2016
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2223

Introduced by Assembly Member Gray

February 18, 2016

An act to add Section 412 to the Food and Agricultural Code, relating to ~~greenhouse gases~~; *dairy methane reduction*, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2223, as amended, Gray. ~~Greenhouse Gas Reduction Fund; dairy digesters~~. *Dairy methane reduction*.

~~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 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 as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature.~~

Existing law establishes the Department of Food and Agriculture under the administration of the Secretary of Food and Agriculture to promote and protect the agricultural industry of the state.

~~This bill would provide that up to \$100,000,000 shall be made available, upon appropriation, from the fund appropriate \$10,000,000~~

from the General Fund to the Department of Food and Agriculture to provide ~~incentives~~ loans for the implementation of dairy digesters and other dairy methane reduction projects and management practices.

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~ yes. 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 State Air Resources Board has embarked on an~~
- 4 ~~ambitious strategy to reduce dairy methane emissions. These~~
- 5 ~~voluntary reductions cannot begin to be achieved unless the state~~
- 6 ~~provides a substantial and ongoing financial commitment to offset~~
- 7 ~~the costs of achieving these reductions.~~
- 8 ~~(b) Dairy methane reduction projects are among the most~~
- 9 ~~cost-effective investments the state can make to reduce greenhouse~~
- 10 ~~gas emissions.~~
- 11 ~~(c) Investments in dairy digesters and other methane reduction~~
- 12 ~~projects on dairies in the state will provide significant greenhouse~~
- 13 ~~gas and short-lived climate pollutant emissions reductions, as well~~
- 14 ~~as all of the following:~~
- 15 ~~(1) Significant benefits to disadvantaged communities, as~~
- 16 ~~identified pursuant to Section 39711 of the Health and Safety Code,~~
- 17 ~~including criteria pollutant reductions, water quality improvements,~~
- 18 ~~and nuisance and odor control.~~
- 19 ~~(2) Help in achieving a 50 percent reduction in petroleum use~~
- 20 ~~by replacing diesel with renewable natural gas.~~
- 21 ~~(3) Furtherance of the California Sustainable Freight Action~~
- 22 ~~Plan.~~
- 23 ~~(4) Substantial clean energy production, including renewable~~
- 24 ~~electricity, renewable natural gas, and renewable carbon-negative~~
- 25 ~~transportation fuel.~~
- 26 ~~(5) Increased decarbonization of the state's natural gas system.~~
- 27 ~~(6) Job creation and economic development in~~
- 28 ~~high-unemployment rural communities.~~
- 29 ~~(7) Significant greenhouse gas emissions offsets and credit~~
- 30 ~~production pursuant to the Low Carbon Fuel Standard regulation~~
- 31 ~~(Subarticle 7 (commencing with Section 95480) of Article 4 of~~

1 ~~Subchapter 10 of Chapter 1 of Division 3 of Title 17 of the~~
2 ~~California Code of Regulations).~~

3 ~~(8) Significant water quality benefits from advancements in~~
4 ~~manure management.~~

5 ~~SEC. 2.~~

6 *SECTION 1.* Section 412 is added to the Food and Agricultural
7 Code, to read:

8 412. ~~Up to one hundred~~ *(a) Ten million dollars (\$100,000,000)*
9 ~~from the Greenhouse Gas Reduction Fund, created pursuant to~~
10 ~~Section 16428.8 of the Government Code, shall be available, upon~~
11 ~~appropriation by the Legislature, (\$10,000,000) is hereby~~
12 ~~appropriated to the department to provide incentives loans for the~~
13 ~~implementation of dairy digesters and other dairy methane~~
14 ~~reduction projects and management practices.~~

15 *(b) Loans issued by the department for the purposes specified*
16 *in subdivision (a) shall be repaid within 10 years, and the payments*
17 *shall be deposited into the General Fund.*