

AMENDED IN SENATE APRIL 6, 2015

**SENATE BILL**

**No. 706**

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**Introduced by Senator Pavley**

February 27, 2015

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~~An act to amend Section 25200 of the Public Resources Code, relating to energy. An act to amend Section 39712 of the Health and Safety Code, relating to greenhouse gases.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 706, as amended, Pavley. ~~State Energy Resources Conservation and Development Commission. Greenhouse Gas Reduction Fund: alternative fuels.~~

*Existing law establishes the Greenhouse Gas Reduction Fund and requires moneys collected by the State Air Resources Board from the auction or sale of allowances pursuant to a market-based compliance mechanism authorized under the California Global Warming Solutions Act of 2006 be deposited in the fund. Existing law authorizes moneys in the fund, upon appropriation by the Legislature, to be used for, among other things, the reduction of greenhouse gas emissions through the development of advanced biofuels.*

*This bill would authorize the use of the moneys in the fund to encourage the in-state production of alternative fuels with low carbon intensity from new and existing facilities using sustainable feedstocks.*

~~Existing law establishes the State Energy Resources Conservation and Development Commission consisting of 5 members appointed by the Governor subject to confirmation by the Senate.~~

~~This bill would make a technical, nonsubstantive change to that provision.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-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) *Petroleum fuels are a leading cause of in-state greenhouse*
- 4     *gas emissions.*
- 5     (b) *California is vulnerable to oil market shocks given the small*
- 6     *number of in-state oil refineries.*
- 7     (c) *It is the policy of the state to address climate goals and*
- 8     *economic security of Californian drivers to support low-carbon*
- 9     *fuels production that boosts supply and diversity and provides*
- 10    *energy security.*
- 11    SEC. 2. *Section 39712 of the Health and Safety Code is*
- 12    *amended to read:*
- 13    39712. (a) (1) *It is the intent of the Legislature that moneys*
- 14    *shall be appropriated from the fund only in a manner consistent*
- 15    *with the requirements of this chapter and Article 9.7 (commencing*
- 16    *with Section 16428.8) of Chapter 2 of Part 2 of Division 4 of Title*
- 17    *2 of the Government Code.*
- 18    (2) *The state shall not approve allocations for a measure or*
- 19    *program using moneys appropriated from the fund except after*
- 20    *determining, based on the available evidence, that the use of those*
- 21    *moneys furthers the regulatory purposes of Division 25.5*
- 22    *(commencing with Section 38500) and is consistent with law. If*
- 23    *any expenditure of moneys from the fund for any measure or*
- 24    *project is determined by a court to be inconsistent with law, the*
- 25    *allocations for the remaining measures or projects shall be*
- 26    *severable and shall not be affected.*
- 27    (b) *Moneys shall be used to facilitate the achievement of*
- 28    *reductions of greenhouse gas emissions in this state consistent*
- 29    *with Division 25.5 (commencing with Section 38500) and, where*
- 30    *applicable and to the extent feasible:*
- 31    (1) *Maximize economic, environmental, and public health*
- 32    *benefits to the state.*
- 33    (2) *Foster job creation by promoting in-state greenhouse gas*
- 34    *emissions reduction projects carried out by California workers and*
- 35    *businesses.*

1 (3) Complement efforts to improve air quality.

2 (4) Direct investment toward the most disadvantaged  
3 communities and households in the state.

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

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

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

13 (1) Funding to reduce greenhouse gas emissions through energy  
14 efficiency, clean and renewable energy generation, distributed  
15 renewable energy generation, transmission and storage, and other  
16 related actions, including, but not limited to, at public universities,  
17 state and local public buildings, and industrial and manufacturing  
18 facilities.

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

24 (B) *To promote and further California climate goals, funding*  
25 *shall be available, with preference for disadvantaged communities,*  
26 *to encourage the in-state production of alternative fuels with*  
27 *low-carbon intensity from new and existing facilities using*  
28 *sustainable feedstock.*

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

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

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

38 (6) Funding to reduce greenhouse gas emissions through  
39 investments in programs implemented by local and regional

1 agencies, local and regional collaboratives, and nonprofit  
2 organizations coordinating with local governments.

3 (7) Funding research, development, and deployment of  
4 innovative technologies, measures, and practices related to  
5 programs and projects funded pursuant to this chapter.

6 ~~SECTION 1. Section 25200 of the Public Resources Code is~~  
7 ~~amended to read:~~

8 ~~25200. There is in the Natural Resources Agency the State~~  
9 ~~Energy Resources Conservation and Development Commission,~~  
10 ~~consisting of five members appointed by the Governor subject to~~  
11 ~~Section 25204.~~