

AMENDED IN SENATE MAY 31, 2016
AMENDED IN SENATE MARCH 28, 2016

SENATE BILL

No. 1074

Introduced by Senator Hueso

February 16, 2016

An act to amend ~~Section~~ *Sections 3823 and 25463* of the Public Resources Code, relating to energy, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1074, as amended, Hueso. Energy: Federal Trust ~~Fund~~. *Fund: geothermal projects.*

Existing law requires that all revenues received by the state pursuant to specified federal laws be deposited in the Geothermal Resources Development Account and continuously appropriated as specified. Existing law requires some of those revenues to be disbursed to counties in which the federal government has leased land for geothermal development and another portion of those revenues to be available for distribution by the State Energy Resources Conservation and Development Commission (Energy Commission) as grants or loans made to local jurisdictions or private entities. Existing law specifies purposes primarily relating to geothermal energy development and mitigation for which recipients may expend these moneys.

This bill would additionally authorize those recipients to expend those revenues to undertake projects to recover lithium, metals, agricultural products, and other beneficial minerals from highly mineralized geothermal brines at existing geothermal facilities that are in disadvantaged communities and provide local employment opportunities.

Existing law authorizes the State Energy Resources Conservation and Development Commission to administer funds appropriated by the federal American Recovery and Reinvestment Act of 2009 (federal act) for the federal Energy Efficiency and Conservation Block Grant Program to award contracts, grants, and loans for energy-related projects.

This bill would, for the ~~fiscal year 2016–17~~, 2016– 17 fiscal year, appropriate to the commission \$13,000,000 from the moneys derived from the federal act in the Federal Trust Fund for the ~~above purposes~~. *purposes specified in existing law for funds derived from the federal act and, of those moneys, would allocate \$2,500,000 to the commission for the geothermal brine treatment projects that would be authorized by this bill.* The bill would, for the 2017–18 fiscal year ~~2017–18~~ and each fiscal year thereafter, continuously appropriate \$2,500,000 annually to the ~~commission~~ *commission*, from the moneys derived from the federal act in the Federal Trust Fund for the ~~above purposes~~. *purposes specified in existing law* until all of those moneys are encumbered or expended.

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

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

- 1 SECTION 1. Section 3823 of the Public Resources Code is
- 2 amended to read:
- 3 3823. Revenues disbursed to counties of origin pursuant to
- 4 Section 3821 and grants or loans made to local jurisdictions or
- 5 private entities pursuant to Section 3822 shall be expended by the
- 6 recipient for the following purposes:
- 7 (a) Undertaking research and development projects relating to
- 8 geothermal resource assessment and exploration, and direct-use
- 9 and electric generation technology.
- 10 (b) Local and regional planning and policy development and
- 11 implementation necessary for compliance with programs required
- 12 by local, state, or federal laws and regulations.
- 13 (c) Identification of feasible measures that will mitigate the
- 14 adverse impacts of the development of geothermal resources and
- 15 the adoption of ordinances, regulations, and guidelines to
- 16 implement those measures.
- 17 (d) Collecting baseline data and conducting environmental
- 18 monitoring.

1 (e) Preparation or revision of geothermal resource elements, or
2 geothermal components of energy elements, for inclusion in the
3 local general plan, zoning and other ordinances, and related
4 planning and environmental documents.

5 (f) Administrative costs incurred by the local jurisdiction that
6 are attributable to the development or production of geothermal
7 resources.

8 (g) Monitoring and inspecting geothermal facilities and related
9 activities to assure compliance with applicable laws, regulations,
10 and ordinances.

11 (h) Identifying, researching, and implementing feasible measures
12 that will mitigate the adverse impacts of that development or
13 production.

14 (i) Planning, constructing, providing, operating, and maintaining
15 those public services and facilities that are necessitated by and
16 result from the development or production.

17 (j) Undertaking projects demonstrating the technical and
18 economic feasibility of geothermal direct heat and electrical
19 generation applications.

20 (k) Undertaking projects for the enhancement, restoration, or
21 preservation of natural resources, including, but not limited to,
22 water development, water quality improvement, fisheries
23 enhancement, and park and recreation facilities and areas.

24 *(l) In furtherance of the state's zero-emission vehicle and energy
25 storage objectives, undertaking projects to recover lithium, metals,
26 agricultural products, and other beneficial minerals from highly
27 mineralized geothermal brines at an existing geothermal facility
28 that is in a disadvantaged community and provides local
29 employment opportunities.*

30 **SECTION 1.**

31 *SEC. 2.* Section 25463 of the Public Resources Code is
32 amended to read:

33 25463. (a) Notwithstanding any other provision of this
34 division, federal funds available to the commission pursuant to
35 this chapter may be used by the commission to augment funding
36 for any programs or measures authorized by this division unless
37 otherwise prohibited by the American Recovery and Reinvestment
38 Act of 2009 (Public Law 111-5). The commission may administer
39 any funds used to augment other programs using the procedures
40 of the augmented program consistent with applicable federal law.

1 (b) This section shall be liberally construed to maximize the
2 commission’s ability to utilize and award federal funds
3 expeditiously and in accordance with the American Recovery and
4 Reinvestment Act of 2009 or federal acts related to the American
5 Recovery and Reinvestment Act of 2009.

6 (c) (1) For the ~~fiscal year 2016–17~~, *2016–17 fiscal year*, the
7 sum of thirteen million dollars (\$13,000,000) is hereby appropriated
8 to the commission from the moneys derived from the American
9 Recovery and Reinvestment Act of 2009 in the Federal Trust Fund
10 for purposes authorized by Section 25461. *Of these moneys, the*
11 *sum of two million five hundred thousand dollars (\$2,500,000) is*
12 *hereby allocated for purposes consistent with subdivision (l) of*
13 *Section 3823. No later than February 1, 2017, the commission*
14 *shall issue a competitive solicitation for projects pursuant to*
15 *subdivision (l) of Section 3823 to be funded from this allocation.*

16 (2) Notwithstanding Section 13340 of the Government Code,
17 for the ~~2017–18 fiscal year~~ and each fiscal year thereafter
18 until all moneys in the Federal Trust Fund derived from the
19 American Recovery and Reinvestment Act of 2009 have been
20 encumbered or expended, the sum of two million five hundred
21 thousand dollars (\$2,500,000) annually is hereby continuously
22 appropriated to the commission for the purposes authorized by
23 Section 25461.