

AMENDED IN ASSEMBLY AUGUST 19, 2016

AMENDED IN ASSEMBLY JUNE 20, 2016

AMENDED IN SENATE JUNE 1, 2016

AMENDED IN SENATE MAY 31, 2016

AMENDED IN SENATE MARCH 28, 2016

**SENATE BILL**

**No. 1074**

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**Introduced by Senator Hueso**

*(Coauthor: Assembly Member Eduardo Garcia)*

February 16, 2016

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An act to amend 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: 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 Energy 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 of the moneys appropriated to commission in the 2016–17 fiscal year, appropriate to the commission \$13,000,000 year~~ from the moneys derived from the federal act in the Federal Trust Fund for the purposes specified in existing law for funds derived from the federal act and, ~~of those moneys, would~~ *act*, 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 and each fiscal year thereafter, continuously appropriate \$2,500,000 annually to the commission from the moneys derived from the federal act in the Federal Trust Fund for the above 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

1 the adoption of ordinances, regulations, and guidelines to  
2 implement those measures.

3 (d) Collecting baseline data and conducting environmental  
4 monitoring.

5 (e) Preparation or revision of geothermal resource elements, or  
6 geothermal components of energy elements, for inclusion in the  
7 local general plan, zoning and other ordinances, and related  
8 planning and environmental documents.

9 (f) Administrative costs incurred by the local jurisdiction that  
10 are attributable to the development or production of geothermal  
11 resources.

12 (g) Monitoring and inspecting geothermal facilities and related  
13 activities to assure compliance with applicable laws, regulations,  
14 and ordinances.

15 (h) Identifying, researching, and implementing feasible measures  
16 that will mitigate the adverse impacts of that development or  
17 production.

18 (i) Planning, constructing, providing, operating, and maintaining  
19 those public services and facilities that are necessitated ~~by~~ *by*, and  
20 result ~~from~~ *from*, the development or production.

21 (j) Undertaking projects demonstrating the technical and  
22 economic feasibility of geothermal direct heat and electrical  
23 generation applications.

24 (k) Undertaking projects for the enhancement, restoration, or  
25 preservation of natural resources, including, but not limited to,  
26 water development, water quality improvement, fisheries  
27 enhancement, and park and recreation facilities and areas.

28 (l) In furtherance of the state's zero-emission vehicle and energy  
29 storage objectives, undertaking projects to recover lithium, metals,  
30 agricultural products, and other beneficial minerals from highly  
31 mineralized geothermal brines ~~at an existing~~ *a* geothermal facility  
32 *in existence on January 1, 2017*, that is in a disadvantaged  
33 community and provides local employment opportunities.

34 SEC. 2. Section 25463 of the Public Resources Code is  
35 amended to read:

36 25463. (a) Notwithstanding any other provision of this  
37 division, federal funds available to the commission pursuant to  
38 this chapter may be used by the commission to augment funding  
39 for any programs or measures authorized by this division unless  
40 otherwise prohibited by the American Recovery and Reinvestment

1 Act of 2009 (Public Law 111-5). The commission may administer  
2 any funds used to augment other programs using the procedures  
3 of the augmented program consistent with applicable federal law.

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

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

20 (2) Notwithstanding Section 13340 of the Government Code,  
21 for the 2017–18 fiscal year and each fiscal year thereafter until all  
22 moneys in the Federal Trust Fund derived from the American  
23 Recovery and Reinvestment Act of 2009 have been encumbered  
24 or expended, the sum of two million five hundred thousand dollars  
25 (\$2,500,000) annually is hereby continuously appropriated to the  
26 commission for the purposes authorized by Section 25461.

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