

AMENDED IN SENATE APRIL 11, 2016

**SENATE BILL**

**No. 1464**

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**Introduced by Senator De León**

February 19, 2016

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An act to amend Section ~~38564~~ 39716 of the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

SB 1464, as amended, De León. California Global Warming Solutions Act of 2006: greenhouse gas emissions 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 state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions.

~~Existing law requires the state board to consult with other states, the federal government, and other nations to identify the most effective strategies and methods to reduce greenhouse gases, manage greenhouse gas control programs, and facilitate the development of integrated and cost-effective regional, national, and international greenhouse gas reduction programs.~~

~~This bill would require the state board to also consult with local agencies for these purposes.~~

*Existing law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop and update, as specified, a 3-year investment plan for the moneys*

*deposited in the Greenhouse Gas Reduction Fund. Existing law requires the investment plan to, among other things, identify priority programmatic investments of moneys that will facilitate the achievement of feasible and cost-effective greenhouse gas emissions reductions toward achievement of greenhouse gas reduction goals and targets by sector.*

*This bill would require, in identifying priority programmatic investments, that the investment plan assess how proposed investments interact with current state regulations, policies, and programs, and evaluate if and how the proposed investments could be incorporated into existing programs. The bill would also require the investment plan to recommend metrics that would measure progress and benefits from the proposed programmatic investments.*

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. Section 39716 of the Health and Safety Code is  
2     amended to read:  
3     39716. (a) The Department of Finance, on behalf of the  
4     Governor, and in consultation with the state board and any other  
5     relevant state entity, shall develop and submit to the Legislature  
6     at the time of the department's adjustments to the proposed  
7     2013–14 fiscal year budget pursuant to subdivision (e) of Section  
8     13308 of the Government Code a three-year investment plan.  
9     Commencing with the 2016–17 fiscal year budget and every three  
10    years thereafter, with the release of the Governor's budget proposal,  
11    the Department of Finance shall include updates to the investment  
12    plan following the public process described in subdivisions (b)  
13    and (c). The investment plan, consistent with the requirements of  
14    Section 39712, shall do all of the following:  
15    (1) Identify the state's near-term and long-term greenhouse gas  
16    emissions reduction goals and targets by sector.  
17    (2) Analyze gaps, where applicable, in current state strategies  
18    to meeting the state's greenhouse gas emissions reduction goals  
19    and targets by sector.  
20    (3) (A) Identify priority programmatic investments of moneys  
21    that will facilitate the achievement of feasible and cost-effective  
22    greenhouse gas emissions reductions toward achievement of

1 greenhouse gas reduction goals and targets by sector, consistent  
2 with subdivision (c) of Section 39712.

3 *(B) In identifying priority programmatic investments, the*  
4 *investment plan shall do both of the following:*

5 *(i) Assess how proposed investments interact with current state*  
6 *regulations, policies, and programs.*

7 *(ii) Evaluate if and how those proposed investments could be*  
8 *incorporated into existing programs.*

9 *(4) Recommend metrics that would measure progress and*  
10 *benefits from the proposed programmatic investments.*

11 (b) (1) The state board shall hold at least two public workshops  
12 in different regions of the state and one public hearing prior to the  
13 Department of Finance submitting the investment plan.

14 (2) The state board shall, prior to the submission of each  
15 investment plan, consult with the Public Utilities Commission to  
16 ensure the investment plan is coordinated with, and does not  
17 conflict with or unduly overlap with, activities under the oversight  
18 or administration of the Public Utilities Commission undertaken  
19 pursuant to Part 5 (commencing with Section 38570) of Division  
20 25.5 or other activities under the oversight or administration of  
21 the Public Utilities Commission that facilitate greenhouse gas  
22 emissions reductions consistent with this division. The investment  
23 plan shall include a description of the use of any moneys generated  
24 by the sale of allowances received at no cost by the investor-owned  
25 utilities pursuant to a market-based compliance mechanism.

26 (c) The Climate Action Team, established under Executive  
27 Order S-3-05, shall provide information to the Department of  
28 Finance and the state board to assist in the development of each  
29 investment plan. The Climate Action Team shall participate in  
30 each public workshop held on an investment plan and provide  
31 testimony to the state board on each investment plan. For purposes  
32 of this section, the Secretary of Labor and Workforce Development  
33 shall assist the Climate Action Team in its efforts.

34 ~~SECTION 1. Section 38564 of the Health and Safety Code is~~  
35 ~~amended to read:~~

36 ~~38564. The state board shall consult with local agencies, other~~  
37 ~~states, the federal government, and other nations to identify the~~  
38 ~~most effective strategies and methods to reduce greenhouse gases,~~  
39 ~~manage greenhouse gas control programs, and facilitate the~~

- 1 ~~development of integrated and cost-effective regional, national,~~
- 2 ~~and international greenhouse gas reduction programs.~~

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