

AMENDED IN SENATE AUGUST 31, 2000
AMENDED IN SENATE AUGUST 29, 2000
AMENDED IN SENATE AUGUST 14, 2000
AMENDED IN SENATE AUGUST 7, 2000
AMENDED IN ASSEMBLY MAY 26, 2000
AMENDED IN ASSEMBLY MAY 10, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 2825

Introduced by Assembly Members Battin and Florez

February 28, 2000

An act to amend the heading of Part 3 (commencing with Section ~~1101~~; *1101*), of Division 1 of, and to amend Sections 1101, 1102, 1103, and 1107 of, the Food and Agricultural Code, and to repeal Section 21083.2.5 of the Public Resources Code, relating to ~~biomass facilities~~ *the environment*, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2825, as amended, Battin. Biomass facilities: grant program.

(1) Chapter 144 of the Statutes of 2000 enacted the Central Valley Agricultural Biomass-to-Energy Incentive Grant Program, which permits air districts, as defined, to apply to the Trade and Commerce Agency to receive grants to provide incentives to facilities that convert qualified agricultural

biomass, as defined, to fuel. Under existing law, specified terms are defined for purposes of the program.

This bill would revise the name of the program to the “Agricultural Biomass to Energy Incentive Grant Program.” The bill would also revise the definition of the term “facility” to delete the requirement that the facility convert qualified agricultural biomass from the Central Valley, and to include only those facilities that do not produce electricity for sale to a public utility, as specified, and would revise the definition of the term “qualified agricultural biomass” to include only that qualified agricultural biomass that the State Air Resources Board determines has been historically open-field burned in the geographic jurisdiction of the air district from which the agricultural residues are derived for purposes of that program.

(2) *This bill would repeal provisions in AB 2752, if that measure is chaptered, that require a lead agency to minimize any significant impact of a project on the free exercise of Native American religion.*

(3) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

1 SECTION 1. The heading of Part 3 (commencing
2 with Section 1101) of Division 1 of the Food and
3 Agricultural Code, as added by Chapter 144 of the
4 Statutes of 2000, is amended to read:

5
6 PART 3. AGRICULTURAL BIOMASS-TO-ENERGY
7 INCENTIVE GRANT PROGRAM

8
9 SEC. 2. Section 1101 of the Food and Agricultural
10 Code, as added by Chapter 144 of the Statutes of 2000, is
11 amended to read:

12 1101. This part shall be known, and may be cited, as
13 the Agricultural Biomass-to-Energy Incentive Grant
14 Program.



1 SEC. 3. Section 1102 of the Food and Agricultural
2 Code, as added by Chapter 144 of the Statutes of 2000, is
3 amended to read:

4 1102. The Legislature finds and declares all of the
5 following:

6 (a) California agriculture produces substantial
7 quantities of residual materials from farming practices,
8 including orchard and vineyard pruning and removals.
9 These residual materials are disposed of primarily by
10 open field burning, resulting in air emissions that would
11 be substantially reduced if the residual materials instead
12 were converted into energy at a biomass-to-energy
13 facility.

14 (b) California's longstanding energy policy
15 encourages a diversity of electrical power generation
16 sources, including biomass-to-energy and renewables.
17 Existing biomass-to-energy powerplants provide an
18 important alternative use for agricultural residue
19 materials as well as electrical power for the people of
20 California.

21 (c) California seeks to improve environmental quality
22 and sustain our natural resources, in part through various
23 strategies and programs that reduce agricultural,
24 rangeland, and forest burning, and programs that foster
25 higher value uses for materials that otherwise would be
26 managed as wastes. Air districts currently administer air
27 quality permit and emission requirement provisions,
28 under state law, for various types of project facilities,
29 including those using agricultural residue products as
30 biomass fuel to produce electrical energy.

31 (d) Additional incentives are necessary to reduce
32 open field burning of agricultural residual materials that
33 degrade air quality, to produce electrical power from a
34 renewable source, and to foster and sustain the biomass
35 industry, including collection, hauling, and processing
36 infrastructure, and, therefore, the Legislature establishes
37 the Agricultural Biomass-to-Energy Incentive Grant
38 Program.

39 (e) The Legislature further finds and declares that
40 providing the grants set forth under this program is in the



1 public interest, serves a public purpose, and that
2 providing incentives to facilities will promote the
3 prosperity, health, safety, and welfare of the citizens of
4 the State of California.

5 (f) It is also the intent of the Legislature to provide
6 funding of thirty million dollars (\$30,000,000) over the
7 three-year duration of the grant program.

8 SEC. 4. Section 1103 of the Food and Agricultural
9 Code, as added by Chapter 144 of the Statutes of 2000, is
10 amended to read:

11 1103. For the purposes of this part, the following
12 definitions apply:

13 (a) "Agency" means the Trade and Commerce
14 Agency.

15 (b) "Air district" means an air pollution control
16 district or an air quality management district established
17 or continued in existence pursuant to Part 3
18 (commencing with Section 40000) of the Health and
19 Safety Code.

20 (c) "Facility" means any California site that meets
21 both of the following criteria:

22 (1) As of July 1, 2000, converted, and continues to
23 convert, qualified agricultural biomass to energy and the
24 conversion results in lower oxides of nitrogen (NO_x)
25 emissions than would otherwise be produced if burned in
26 the open field during the ozone season, as determined by
27 the air district in which the site operates.

28 (2) Does not produce electricity for sale to a public
29 utility pursuant to a contract with that public utility, or,
30 if the site does produce electricity for sale to a public
31 utility pursuant to a contract with that public utility, the
32 site does not qualify for the fixed energy prices under the
33 terms of that contract at the time the application for the
34 grant is made.

35 (d) "Grant" means an award of funds by the agency to
36 an air district that shall, in turn, grant incentive payments
37 to a facility after deducting the air district's
38 administrative fee as provided in Section 1104.

39 (e) "Incentive payment" means a payment by an air
40 district to facilities for qualified agricultural biomass to be



1 received and converted into energy after July 1, 2000.
2 This payment shall be in the amount of ten dollars (\$10)
3 for each ton of qualified agricultural biomass received for
4 conversion to energy.

5 (f) “Qualified agricultural biomass” means
6 agricultural residues that historically have been
7 open-field burned in the jurisdiction of the air district
8 from which the agricultural residues are derived, as
9 determined by the air district, excluding urban and forest
10 wood products, that include either of the following:

11 (1) Field and seed crop residues, including, but not
12 limited to, straws from rice and wheat.

13 (2) Fruit and nut crop residues, including, but not
14 limited to, orchard and vineyard pruning and removals.

15 SEC. 5. Section 1107 of the Food and Agricultural
16 Code, as added by Chapter 144 of the Statutes of 2000, is
17 amended to read:

18 1107. The multiagency review panel established
19 pursuant to Section 1105 shall provide a report to the
20 Legislature on the results and effectiveness of the
21 Agricultural Biomass-to-Energy Incentive Program by
22 January 1, 2003.

23 SEC. 6. *Section 21083.2.5 of the Public Resources*
24 *Code, as proposed to be added by Assembly Bill 2752 of*
25 *the 1999–2000 Regular Session, is repealed.*

26 SEC. 7. *It is the intent of the Legislature that if this bill*
27 *is chaptered after Assembly Bill 2752 of the 1999–2000*
28 *Regular Session, that the repeal of Section 21083.2.5 of the*
29 *Public Resources Code by this bill prevail over the*
30 *addition of that Section by Assembly Bill 2752.*

31 SEC. 8. This act is an urgency statute necessary for
32 the immediate preservation of the public peace, health,
33 or safety within the meaning of Article IV of the
34 Constitution and shall go into immediate effect. The facts
35 constituting the necessity are:

36 In order to make various changes to the Agricultural
37 Biomass-to-Energy Incentive Grant Program as soon as



1 possible, it is necessary for this act to take effect
2 immediately.

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