



October 2016

Monterey Bay Regional Climate Action Compact - 3rd Climate Action Summit
New Legislation and Funding Opportunities

California Adopts Spending Plan for \$900 Million Cap-and-trade Revenues

Governor Brown signed a package of climate change legislation into law in September (2016), which provides a comprehensive plan for spending \$900 million in unallocated Cap-and-trade funds for fiscal year 2016-2017 and reserves \$462 million for allocation in future years. The bills included AB 1550- Gomez, AB 2722- Burke: The Transformative Climate Communities Program: The Greenhouse Gas Reduction Fund. The spending plan calls for a diverse portfolio of investments in climate protection measures, including:

- \$150 mil for Heavy-duty Vehicles and Off-road Equipment investments.
- \$140 mil for the Strategic Growth Council (SGC) for Transformative Climate Communities grants.
- \$135 million to the Transportation Agency for the Transit and Intercity Rail Program.
- \$133 million to the Clean Vehicle Rebate Program.
- \$80 million to the Enhanced Fleet Modernization Program.
- \$80 million to the Natural Resources Agency for the Urban Greening program.
- \$50 million for Methane Reductions from Dairy and Livestock operations.
- \$40 million to CalRecycle for Waste Diversion and GHG Reduction financial assistance.
- \$25 million for the Healthy Forest Program.
- \$20 million to Community Services and Development for Weatherization and Renewable Energy.
- \$15 million for Urban Forestry programs.
- \$10 million to the Department of Transportation for the Active Transportation Program.
- \$7.5 million for the Healthy Soils Program.
- \$7.5 for the State Water Efficiency and Enhancement Program.
- \$5 million for Black Carbon Wood Smoke programs.
- \$2 million for the SGC to provide technical assistance to Disadvantaged Communities.

Recently Adopted State Legislation Addressing Climate Change and Clean Energy

[SB 350 - De Leon & Len: Clean Energy and Pollution Reduction Act of 2015ⁱ](#)

This bill enacts significant changes intended to reduce the carbon intensity of California's energy grid through increased efficiencies and increased integration of renewables and distributed clean energy resources. Among other things, the bill: 1) extends the Renewable Portfolio Standard (RPS) requirement to 50% by December 31, 2030, 2) requires the California Energy Commission (CEC) to establish annual targets that will achieve a cumulative doubling of statewide energy efficiency savings by January 1, 2030, 3) requires the California Public Utilities Commission (CPUC) to establish efficiency targets for electrical and gas corporations consistent with this goal, 4) requires local publicly owned electric utilities to establish annual targets for energy efficiency savings and demand reduction consistent with this goal, 5) creates a new requirement for integrated resource planning that is applicable to investor-owned utilities, publicly-owned utilities, and other load-serving entities (i.e.- Community Choice Aggregators), and 6) provides for the transformation of the ISO into a regional organization, with the approval of the Legislature.

[SB 32 - Pavley: California Global Warming Solutions Act of 2006: Emissions Limitsⁱⁱ](#)

This bill builds upon the existing regulatory framework provided by AB 32 (The Global Warming Solutions Act of 2006). The bill extends the statewide GHG emission reduction targets to 2030 (from the 2020 target initially set by AB 32), and requires the California Air Resources Board (CARB) to approve a statewide GHG emissions limit that is equivalent to 40% below the 1990 level by 2030.

[AB 197 - Garcia: California Air Resources Board: Greenhouse Gasesⁱⁱⁱ](#)

This bill seeks to increase transparency and accountability relating to climate change policies and it creates a legislative committee to oversee regulators, giving lawmakers a stronger role in determining how climate goals are met. The bill requires the state to take stronger steps to curb local GHG emissions, rather than simply mandating statewide reductions. It also requires annual joint legislative hearings regarding climate change policies, and to report annually on relevant data and metrics down to the local (i.e.- sub-county) level.

[AB 1110 - Ting: Greenhouse Gases Emissions Intensity Reporting for Retail Electricity Suppliers^{iv}](#)

This bill is intended to increase transparency in GHG emission calculation, reporting and customer-facing marketing materials in the California retail electricity market by implementing common standards applicable to all retail electricity suppliers serving California customers. Among other things, this bill: 1) requires the CEC to work with CARB to adopt a methodology for the calculation of greenhouse gas emissions intensity for each purchase of electricity, 2) requires a retail supplier, including an electrical corporation, local publicly owned electric utility, electric service provider, and community choice aggregator, to also disclose both the GHG emissions intensity of any electricity portfolio offered to its retail customers, 3) requires a retail supplier to report relevant data and metrics to the CEC annually and authorizes the CEC to verify procurement claims and environmental claims made by retail suppliers, and 4) requires the CEC to publicly develop and adopt guidelines for the reporting and disclosure of GHG emissions intensity by January 1, 2018.

[AB 1550 – Gomez: Greenhouse Gas Reduction Fund: Disadvantage Communities^v](#)

This bill strengthens the State’s commitment to prioritizing investments in disadvantaged communities through the statewide Greenhouse Gas Reduction Fund. The bill requires that the investment plan for this fund allocate: 1) a minimum of 25% of the available funds to projects located within the boundaries of disadvantaged communities, and benefiting individuals living in disadvantaged communities, 2) an additional minimum of 5% to projects that benefit low-income households or low-income communities located anywhere in the state, and 3) an additional minimum of 5% either to projects that benefit low-income households (or individuals in low-income communities) that are outside of, but within a 1/2 mile of, disadvantaged communities.

[AB 2722 – Burke: Transformative Climate Communities Program^{vi}](#)

This bill creates a new program to administer Cap-and-trade funds to California communities working to address the causes and impacts of climate change. Among other things, the bill: 1) creates the Transformative Climate Communities Program^{vii}, a new grant program to be administered by the Strategic Growth Council (SGC), and 2) requires the SGC to develop guidelines and selection criteria for the implementation of the program, 3) requires the SGC to award competitive grants to specified eligible entities for the development and implementation of neighborhood-level transformative climate community plans that include GHG emissions reduction projects that provide local economic, environmental, and health benefits to disadvantaged communities, and (4) the law also requires the California Environmental Protection Agency (CalEPA) to provide assistance for outreach to disadvantaged communities and assessing the environmental justice benefits of project awards.

ⁱ http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB350&search_keywords=

ⁱⁱ http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB32&search_keywords=

ⁱⁱⁱ http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201520160AB197&search_keywords=%22energy+commission%22

^{iv} http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201520160AB1110

^v http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB1550

^{vi} http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201520160AB2722&search_keywords=energy+

^{vii} <http://sgc.ca.gov/Grant-Programs/TCC-Program.html>