

BOARD MEETING DATE: October 4, 2024

AGENDA NO. 18

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a hybrid meeting on Friday, September 13, 2024. The following is a summary of the meeting.

Receive and file this report and approve agenda items as specified in this letter.

Michael A. Cacciotti, Committee Chair  
Legislative Committee

DJA:LTO:PFC:DPG:mc

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### **Committee Members**

Present: Councilmember Michael A. Cacciotti, Committee Chair  
Mayor Patricia Lock Dawson  
Supervisor V. Manuel Perez  
Councilmember Nithya Raman  
Mayor José Luis Solache

Absent: Supervisor Curt Hagman

### **Call to Order**

Chair Michael Cacciotti called the meeting to order at 9:00 a.m.

### **ACTION/DISCUSSION ITEMS:**

#### **1. Update on 2024 South Coast AQMD-Sponsored State Bills**

Derrick Alatorre, Deputy Executive Officer/Legislative, Public Affairs and Media, provided an update on the 2024 South Coast AQMD-sponsored state bills.

- AB 2522 (W. Carrillo) would double compensation limits for local air district's Board Members and authorize annual consumer price index increases going forward. AB 2522 was passed by the Legislature and presented to the Governor for consideration.

- AB 2958 (Calderon) would provide CARB Board Members representing local air districts with the same level of compensation as other voting CARB Board Members. The bill died in Senate Appropriations.
- SB 1158 (Archuleta) would update the Carl Moyer Program by extending the liquidation time for Moyer funding from four to six years. The bill was passed by the Legislature and presented to the Governor for consideration.

Committee Chair Cacciotti inquired about the likelihood of AB 2522 and SB 1158 being signed into law by the Governor. Mr. Alatorre responded that the bills are likely to be signed, in part because they do not affect the state budget. He added that although AB 2958 (Calderon) did not pass this year, there may be other opportunities for that bill in the next legislative session. For additional information, please refer to the Webcast beginning at [5:21](#).

There was no public comment.

## 2. Update on Key Position Bills

Philip Crabbe, Sr. Public Affairs Manager/Legislative, Public Affairs and Media, presented on bills pending the Governor's consideration that could adversely affect South Coast AQMD. Based on the Board approved 2024 State Legislative Guiding Principles, South Coast AQMD will send the Governor letters in opposition on the following bills:

- AB 98 (J. Carrillo) would establish standards for new or expanded warehouses, among other provisions, including the imposition of unfunded mandates such as monitoring on South Coast AQMD beginning January 1, 2026.
- AB 1122 (Bains) would delay compliance with CARB's Commercial Harbor Craft regulation, thereby bypassing the state's regulatory authority. The bill would delay emission reductions in the South Coast Air Basin potentially creating a shortfall in South Coast AQMD's SIP obligations.
- AB 1296 (Grayson) would allow three San Francisco Bay pilot boats to delay compliance with CARB's Commercial Harbor Craft Regulation until the end of their useful life (around 2030 to 2040). This bill sets a bad precedent by encouraging legislation to be used as a means to circumvent state and local air quality regulatory authority.

For additional information, please refer to the Webcast beginning at [9:15](#).

Harvey Eder, Public Solar Power Coalition, provided public comment regarding the Warehouse Indirect Source Rule.

### **DISCUSSION ITEMS:**

#### **3. Update and Discussion on Federal Legislative Issues**

South Coast AQMD's federal legislative consultants (Cassidy & Associates, Kadesh & Associates, and Carmen Group) provided written reports on key Washington, D.C. issues.

Jed Dearborn, Cassidy & Associates, reported that Congress is focused on passing a Continuing Resolution to fund the federal government before the end of the fiscal year on September 30. Mr. Dearborn discussed the House and Senate versions of the Continuing Resolution. For additional information, please refer to the Webcast beginning at [16:34](#).

Mark Kadesh, Kadesh & Associates, reported on legislation that Congress could consider in September or during the lame duck session after November elections. For additional information, please refer to the Webcast beginning at [17:55](#).

Gary Hoitsma, Carmen Group, provided an update on federal grants including Clean Ports, Clean Heavy-Duty Vehicles, Environmental and Climate Justice Grants and Airport Improvement Program. For additional information, please refer to the Webcast beginning at [19:56](#).

Supervisor Perez asked for information regarding the Environmental and Climate Justice Grants Program. Mr. Hoitsma responded that more information on the program will be provided.

Mayor Lock-Dawson asked if there will be additional funding for the Airport Improvement Program and what types of projects are funded. Mr. Hoitsma responded that there will be future grant opportunities and that the programs funds various improvements to airports including clean technologies and infrastructure.

Councilmember Raman asked for information on the Clean School Bus program and asked why Los Angeles did not receive funding in the last round of awards. Lisa Tanaka, Assistant Deputy Executive Officer/Legislative, Public Affairs and Media, added that the Los Angeles Unified School District and other school districts in our region received zero-emission school bus funding in previous rounds of the grants. For additional information, please refer to the Webcast beginning at [16:36](#).

There was no public comment.

#### **4. Update and Discussion on State Legislative Issues**

South Coast AQMD's state legislative consultants (California Advisors, LLC, Joe A. Gonsalves & Son, and Resolute) provided written reports on key issues in Sacramento.

Ross Buckley, California Advisors, provided a brief overview regarding the end of the legislative session. Since September 1, the Governor has signed twenty bills and vetoed two bills. For additional information, please refer to the Webcast beginning at [28:46](#).

Paul Gonsalves, Joe A. Gonsalves & Son, reported on AB 98 (J. Carrillo), a gut-and-amend bill that passed the Legislature at the end of session. Mr. Gonsalves also provided a summary of the upcoming legislative calendar. For additional information, please refer to the Webcast beginning at [31:07](#).

David Quintana, Resolute, reported that the Governor has called for a special legislative session to address gas prices. Two bills have been introduced, ABX2 1 which would create an expert advisory committee for the California Energy Commission to set requirements for refineries and ABX2 2 which would suspend the gas tax. For additional information, please refer to the Webcast beginning at [34:41](#).

Committee Chair Cacciotti inquired about the motivation behind AB 98 (J. Carrillo). Mr. Gonsalves responded that the warehouse issue has been an issue of concern for Assemblymember Eloise Reyes, who represents the San Bernardino area and Assemblymember Juan Carrillo, who represents the Palmdale area.

Councilmember Raman and Mayor Solache inquired about the late session changes in content to AB 98 and asked how the bill would impact South Coast AQMD. Mr. Crabbe responded that the bill was a gut-and-amend, which deleted the previous contents of the bill. The bill would create unfunded mandates that are duplicative of South Coast AQMD's existing air monitoring efforts conducted through the AB 617 program and MATES. The bill would also create a redundant public process for the allocation of penalty funding from Rule 2305: Warehouse Actions and Investments to Reduce Emissions program, setting a bad precedent by passing local authority. Overall, the bill would prohibit cities and counties from approving new or expanded logistics uses unless they meet certain standards and would require cities and counties to update their circulation elements to include truck routes.

Mayor Lock Dawson stated that the City of Riverside sent the Governor a letter in opposition to AB 98 because it would issue penalties to local governments for non-compliance. It also would impose different penalties for cities within Riverside and San Bernardino Counties.

Mr. Eder provided public comment related to solar energy.

For additional information, please refer to the Webcast beginning at [36:08](#).

**OTHER MATTERS:**

**5. Other Business**

Mayor Lock Dawson asked if staff will be attending the United Nations Climate Change Conference, COP29, in Baku, Azerbaijan. Executive Officer Wayne Nastri responded that staff will not be attending due to difficulties relating to the conference logistics.

**6. Public Comment Period**

There was no public comment.

**7. Next Meeting Date**

The next regular Legislative Committee meeting is scheduled for Friday, October 11, 2024, at 9:00 a.m.

**Adjournment**

The meeting was adjourned at 9:46 a.m.

**Attachments**

1. Attendance Record
2. Update on Federal Legislative Issues – Written Reports
3. Update on State Legislative Issues – Written Reports

# ATTACHMENT 1

## **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE MEETING ATTENDANCE RECORD - SEPTEMBER 13, 2024**

Council Member Michael Cacciotti ..... South Coast AQMD Board Member  
Mayor Patricia Lock Dawson ..... South Coast AQMD Board Member  
Supervisor V. Manuel Perez ..... South Coast AQMD Board Member  
Council Member Nithya Raman ..... South Coast AQMD Board Member  
Mayor José Luis Solache ..... South Coast AQMD Board Member

Fred Minassian ..... Board Consultant (Padilla-Campos)  
Marisela Santana ..... Board Consultant (Solache)  
Mark Taylor ..... Board Consultant (Rodriguez)  
Ben Wong ..... Board Consultant (Cacciotti)

Ross Buckley ..... California Advisors, LLC  
Paul Gonsalves ..... Joe A. Gonsalves & Son  
Gary Hoitsma ..... Carmen Group, Inc.  
Jed Dearborn ..... Cassidy & Associates  
Mark Kadesh ..... Kadesh & Associates  
David Quintana ..... Resolute

Mark Abramowitz ..... Public Member  
Alex Davis ..... Public Member  
Harvey Eder ..... Public Solar Power Coalition  
Sam Emmersen ..... Public Member  
Bill La Marr ..... Public Member  
Cindy Parson ..... Public Member  
Bill Quinn ..... Public Member  
Peter Okurowski ..... Public Member  
Petter Whittingham ..... Public Member

Derrick Alatorre ..... South Coast AQMD Staff  
Debra Ashby ..... South Coast AQMD Staff  
Barbara Baird ..... South Coast AQMD Staff  
Cathy Bartels ..... South Coast AQMD Staff  
Cindy Bustillos ..... South Coast AQMD Staff  
Lara Brown ..... South Coast AQMD Staff  
Matthew Ceja ..... South Coast AQMD Staff  
Maria Corralejo ..... South Coast AQMD Staff  
Philip Crabbe ..... South Coast AQMD Staff  
Scott Gallegos ..... South Coast AQMD Staff  
Denise Gailey ..... South Coast AQMD Staff  
De Groeneveld ..... South Coast AQMD Staff  
Sheri Hanizavareh ..... South Coast AQMD Staff  
Anissa Cessa Heard-Johnson ..... South Coast AQMD Staff

Brandee Keith .....South Coast AQMD Staff  
Angela Kim .....South Coast AQMD Staff  
Howard Lee .....South Coast AQMD Staff  
Alicia Lizarraga .....South Coast AQMD Staff  
Brisa Lopez .....South Coast AQMD Staff  
Ron Moskowitz .....South Coast AQMD Staff  
Susan Nakamura .....South Coast AQMD Staff  
Wayne Nastri .....South Coast AQMD Staff  
Robert Paud .....South Coast AQMD Staff  
Sarah Rees .....South Coast AQMD Staff  
Sandra Robles .....South Coast AQMD Staff  
Lisa Tanaka O'Malley .....South Coast AQMD Staff  
Erika Valle .....South Coast AQMD Staff  
Mei Wang .....South Coast AQMD Staff  
Victor Yip .....South Coast AQMD Staff

## ATTACHMENT 2A



To: South Coast Air Quality Management District  
From: Cassidy & Associates  
Date: July 23, 2024  
Re: June and July Report

### *HOUSE/SENATE*

#### *Congress*

The focus in Washington will be on the 2024 presidential race following President Joe Biden's announcement on Sunday that he will no longer be seeking reelection and Vice President Kamala Harris's speedy announcement of her candidacy. Harris has received endorsements from numerous Democrats and filed the Federal Elections Commission (FEC) report for her campaign. Now questions are swirling around who Harris will pick to join her on the ballot as the candidate for Vice President.

Both chambers are back for two weeks before the start of the August recess. Several committees are holding hearings related to the assassination attempt on former President Trump earlier this month. In addition to oversight-related hearings, lawmakers will also move forward with Fiscal Year (FY) 2025 appropriations bills. The House completed subcommittee markups on all FY25 bills, and several bills will be considered by the full House throughout the next two weeks, including the Energy and Water and the Interior and Environment bills. The Senate Appropriations Committee will mark up spending bills for Commerce, Justice, and Science; State and Foreign Operations; Transportation, Housing, and Urban Development; and Interior and Environment.

Senators Manchin (I-WV) and Barrasso (R-WY), the Senate Energy and Natural Resources Chair and Ranking Member, released an energy and mining permitting reform bill that will be



considered in a committee markup at the end of the month. During the June session, the House passed the FY25 National Defense Authorization Act by a vote of 217 to 199. In the Senate, the bill passed the Senate Armed Services Committee and will be considered on the Senate Floor.

House Committee activity this week included an Energy and Commerce Committee hearing on the FY25 budget for the Nuclear Regulatory Commission and another hearing on the FY25 budget for the Federal Energy Regulatory Commission. In Senate Committee activity, the Commerce, Science, and Transportation Committee held a field hearing on the impact of the Bipartisan Infrastructure Law on transportation infrastructure.

### *EPA*

On July 22, the Environmental Protection Agency (EPA) announced that South Coast Air Quality Management District (SCAQMD) was selected to receive a \$499,997,415 Climate Pollution Reduction Grant. The grant funding will be used to provide incentives for electric charging equipment, increase zero-emission freight vehicles, and replace or convert cargo handling equipment and diesel freight switch locomotives. Sen. Vanessa Delgado, Chair of the Governing Board, expressed her gratitude for the award, saying that it will reduce 12 million metric tons of carbon emissions over the next 25 years and avoid 1,600 tons of smog-forming emissions annually. Read more [here](#).

On July 15, the Environmental Protection Agency (EPA) announced new protections to protect people from exposure to pesticide spray drift. The EPA will assess the amount of pesticide that drifts away from where it is applied earlier in its review process for new active ingredient pesticide registrations and new use decisions. The analysis will occur during initial review, rather than the registration review, which occurs every 15 years after a pesticide is approved. The new process will allow EPA to identify spray drift risks for people living or working nearby and for non-target species. Read more [here](#).

On July 2, the Environmental Protection Agency (EPA) released an updated climate indicators report that shows new data on the impacts of climate change in the United States. This year's report included new indicators on marine heat waves and heat-related workplace deaths. The report indicated that 2023 was the warmest year on record worldwide, and 2014 – 2023 was the warmest decade on record. Heat waves occur more frequently and last longer, and wildfires have increased in acreage. Growing seasons have increased by more than two weeks, as snowpack seasons have decreased by an average of 15 days. Read more [here](#).

On June 21, the Environmental Protection Agency (EPA) announced the availability of \$850 million for projects to help monitor, measure, quantify, and reduce methane emissions from the oil and gas sectors. As the nation's largest industrial source of methane, oil and natural gas facilities play a key role in the Biden Administration's efforts to cut methane pollution through the Methane Emissions Reduction Program. The funding will help small oil and gas operators to reduce methane emissions by incorporating innovative technologies. Read more [here](#).

On June 20, EPA released its 2024-2027 Climate Adaptation Plan that establishes agency priorities to address climate change. The plan's goals include ensuring staff are climate-literate, building facility resilience, developing climate-resilient supply chains, and considering and integrating climate resilience into external funding opportunities, decision making, and rulemaking processes. The plan builds on the 2014 and 2021 Climate Adaptation Plans. Read more [here](#).

On June 5, EPA announced a proposed rule to limit exposure from n-methylpyrrolidone (NMP) under the Toxic Substances Control Act (TSCA). The proposed rule would limit the concentration of NMP in certain products, establish workplace safety restrictions, and ban certain uses of the chemical. The ban includes automotive care products, cleaning and degreasing products, metal products, and furniture care products. NMP is used in the production of electronics, polymers, agricultural chemicals, and petrochemical products and is known to cause serious health effects, including liver, kidney, and immune system damage, as well as miscarriages and reduced fertility. Read more [here](#).

On May 29, EPA announced over \$91 million in rebates for clean school buses in California as part of the 2023 Clean School Bus Program rebate competition. The rebates will support the purchase of 380 clean school buses to replace diesel-fueled buses in 47 school districts across the state. The program, created by the Infrastructure Investment and Jobs Act, will ultimately improve air quality and public health by reducing diesel emissions. Read more [here](#).

On May 28, EPA selected five recipients, including the University of California – Riverside, to receive nearly \$15 million to address hydrofluorocarbons (HFC), a highly potent greenhouse gas commonly used in refrigeration and air conditioning. The Biden-Harris Administration aims to achieve an 85% reduction in HFC levels by 2036. HFCs can have a climate impact of hundreds to thousands of times stronger than carbon dioxide. The University of California – Riverside will use the funding to develop scalable catalytic and assisting technologies for efficient HFC destruction. Read more [here](#).

Cassidy and Associates support in June and July:

- Worked with SCAQMD staff to strategize on future DC outreach.
- Continued to monitor and report on activities in Congress and the Administration that impact the District.
- Advised SCAQMD throughout appropriations cycle to identify and pursue funding opportunities.
- Participated in weekly strategy sessions with SCAQMD staff in support of nonattainment and funding issues.

## *IMPORTANT LEGISLATIVE DATES*

**September 30, 2024:** Reauthorization deadline for the Farm Bill, an omnibus package of legislation that supports US agriculture and food industries; the bill is reauthorized on a five-year cycle. The Congressional Budget Office (CBO) projects a combined budget of \$648 billion for the 2023 Farm Bill.

**September 30, 2024:** The Biden administration released its budget request for Fiscal Year 2025 in late March; the topline number is \$7.3 trillion. Lawmakers have until September 30 to pass an appropriations bill to fund the government for FY25.

**December 31, 2024:** Expiration of the National Defense Authorization Act, which authorizes and funds specialized Department of Defense (DoD) programs and sets the DoD's policy agenda each year.

# ATTACHMENT 2B

## KADESH & ASSOCIATES

South Coast AQMD Report for the August 2024  
Legislative Meeting covering June & July 2024  
Kadesh & Associates

The post-Memorial Day work period ended up being far more complicated and consequential than anyone in Washington would have guessed. In Congress, the appropriations process began in earnest in both chambers. In the House, the Republican majority has used its bills to impose significant cuts and restraints on agency activities, and it is clear that the depth and breadth of these cuts will make year-end negotiations with the Democratic Senate especially difficult. In the House's Interior-Environment bill, for example, the Environmental Protection Agency (EPA) would see its budget cut by 20% overall, and the bill carries a number of policy riders aimed at air quality and other EPA programs, including one on waiver approval for CARB's off-road vehicle rule, and another that would block EPA's vehicle emissions regulations published earlier this spring. By the time the bill crossed the House floor, it also carried a rider to block approval of CARB's locomotive rule. Notably, however, two of the key air quality accounts were spared from these cuts: the bill has \$90m for DERA and \$67.8m for TAG (both level-funded from last year).

The House's Energy & Water Appropriations Subcommittee funding bill had similar cuts: it would reduce the Department of Energy's Energy Efficiency and Renewable Energy (EERE) account by \$1.5 billion (43%), including \$115 million from the vehicle technologies program (26%), along with other EERE cuts. However, by the end of July, this approach had reached its limits: by the time the House adjourned (early) for the August recess, only five of twelve annual appropriations bills had passed, with the Energy-Water bill pulled from consideration to avoid a failed vote.

One of the major funding disagreements between the Chambers is that Senate Appropriations Chair Patty Murray intends to maintain parity between defense and nondefense accounts – including potential increases to both – while the House has cut nondefense and shifted significant funding to defense accounts. The Senate Appropriations Committee marked up its Interior-Environment bill on July 25, which featured robust funding for air quality programs: \$91m for DERA, \$68.8m for TAG, and an increase of the 103/105 programs to \$237.9m.

The most exciting news from Washington this month, at least from our perspective, was EPA's the Climate Pollution Reduction Grant awards, which included nearly \$500m for South Coast AQMD's INVEST CLEAN proposal to transition the transportation and goods movement sector to ZE technologies. This application has been of great interest to South Coast AQMD's Congressional delegation (both Senators and more than a dozen House members weighed in support) and was a welcome complement to this month's agreement between EPA, CARB, and the District to collaborate emission reductions.

Besides these EPA announcements, of course, the most nationally significant news from Washington was the decision by President Joe Biden not to run for reelection, after a faltering performance in the June debate and several weeks of intra-party angst. His decision to step

# KADESH & ASSOCIATES

aside was followed by Vice President Kamala Harris' quick consolidation of support from grassroots and party officials, putting her on a glide path to the nomination in just a few short days. Whether this will significantly change the race's trajectory remains to be seen, but it is certainly relevant to Congress' calculations about how to structure a continuing resolution (CR) to avoid a government shutdown at the end of September. There are some in the GOP caucus who would want the CR to run into 2025 so that a new Trump administration could impact final decisions, but of course that won't be determined until November.

## Kadesh & Associates Activity Summary-

-Worked with South Coast AQMD and the congressional delegation on whole-of-government efforts to address air quality through BIL and IRA funding programs.

## Contacts:

Contacts included staff and Members throughout the CA delegation, Senate offices, and members of key committees. We have also been in touch with administration staff.

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# ATTACHMENT 2C



**Carmen Group**  
I N C O R P O R A T E D

**To:** South Coast AQMD Legislative Committee

**From:** Carmen Group

**Date:** July 25, 2024

**Re:** Federal Update -- Executive Branch (June and July)

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**Congress:** In July, the Republican-controlled House Appropriations Committee approved its version of the FY 25 Interior, Environment appropriations bill covering the Environmental Protection Agency and related agencies. Highlights include: DERA--\$90M; TAG--\$67.8M; 103/105--\$235.9M (All equal to last year). Overall, EPA funding is cut by 20%. Council on Environmental Quality (CEQ) is cut by 78%. In addition, the bill prohibits all funding for Wildfire Smoke Preparedness grants, for the American Climate Corps executive order, and for the implementation of EPA's recent regulations on light, medium and heavy-duty vehicles, and on the power sector (Clean Power Plan 2.0). The bill also blocks EPA allowing a waiver for California to require small off-road engines to be zero emission and blocks NEPA rules that use social cost of carbon in permitting. Meanwhile in late July, the Senate Committee version the same bill was being approved with higher spending and without the noted House funding restrictions.

**Supreme Court:** In June, the Supreme Court overruled the Chevron Doctrine which had granted wide power and discretion to federal agencies to interpret and implement laws, and to issue regulations pursuant to those laws. The 6-3 ruling reverses the Court's 1984 decision in *Chevron v. Natural Resources Defense Council*. The new decision is expected to have wide impact especially with regard to environmental regulations issued by the EPA.

## **Environmental Protection Agency**

**South Coast AQMD Receives Nearly \$500 Million CPRG Grant:** On July 22, the Environmental Protection Agency (EPA) announced that South Coast Air Quality Management District (SCAQMD) will receive a grant of \$499,997, 415 under the Climate Pollution Reduction Grant (CPRG) program funded by the Inflation Reduction Act passed in 2022. The grant will fund a multitude of efforts to reduce air pollution from transportation and goods movement across Southern California, while also advancing long-sought decarbonization and environmental justice goals. The grant is one of just 25 CPRG grants across 30 states (totaling \$4.3 billion) selected under a highly competitive process that considered nearly 300 applications. This nearly half-billion-dollar grant to South Coast AQMD was the only CPRG grant made in California, and it was the largest of the 25 CPRG grants made nationwide. It is also the single largest federal grant ever received by South Coast AQMD.

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**EPA Reclassifies Three Ozone Nonattainment Areas from Moderate to Serious:** In June, the EPA reclassified three major Texas metropolitan areas from moderate to serious nonattainment of the current ozone standard. This means the three areas (Dallas-Fort Worth, Houston-Galveston, and San Antonio) will have to implement more stringent emissions control strategies to attain the 2015 NAAQS standard for ozone.

**EPA Cracks Down on GM to Resolve Excess Emissions from Light-Duty Vehicles:** In July, the EPA announced that General Motors had agreed to retire 50 million metric tons of greenhouse gas credits to resolve excess CO2 emissions identified through the agency's light-duty vehicle in-use testing program. The agreement is the result of an EPA investigation that identified excess emissions from approximately 5.9 million 2012-2018 model year (MY) GM vehicles currently in use.

**EPA Releases Two Updated Climate Reports:** In June and July, the EPA released two updated Climate Reports: [EPA's 2024-2027 Climate Adaptation Plan](#) and [Climate Change Indicators in the United States](#).

## **Department of Transportation**

**DOT Announces RAISE Grant Awards:** In July, The Department of Transportation (DOT) announced the distribution of \$1.8 billion for 148 projects nationwide under the RAISE grant program for rebuilding and repairing critical transportation infrastructure. California received four grants: One each in Sacramento and Santa Ana, and two in San Diego.

**FTA Announces Bus Grants:** In July, the Federal Transit Administration (FTA) announced the distribution of \$1.5 billion to support 117 projects that will improve bus transportation in 47 states, with a special emphasis and modernizing local bus fleets with low and no emission transit buses. The funds are made available under the FTA's Bus and Bus Facilities program and the Low and No Emission program.

**DOT Announces Funds Available for Reconnecting Communities Grant Program:** In July, the DOT announced the availability of more than \$600 million for the next round of grants under the combined Reconnecting Communities Pilot and Neighborhood Access and Equity grant programs. Applications are due on September 30, 2024.

**FAA Announces Airport Grants:** In June and July, the Federal Aviation Administration (FAA) announced the distributions of two rounds of airport grants under the Airport Infrastructure Grants (AIG) program, totaling \$476 million for 239 projects, and one round of grants under the Airport Improvement Program (AIP), totaling \$123 million for 235 projects.

**NHTSA Finalizes New Fuel Economy Standards:** In June, the National Highway Traffic Safety Administration (NHTSA) issued new fuel economy standards, boosting fuel efficiency by 2% per year in model years 2027-2031 for passenger cars, while light trucks will increase by 2% per year for model years 2029-2031. This will bring light duty fuel efficiency up to 54 miles per gallon by model year 2031. Heavy duty pickup truck and van fuel efficiency will increase 10% per year for model years 2030-2032 and

8% per year for model years 2033-2035. This will bring the fleet-wide average to 35 miles per gallon in model year 2035.

**MARAD to Establish Innovation Center to Address Environmental Challenges:** In June, the Maritime Administration’s (MARAD’s) Maritime Environmental and Technical Assistance Program (META) sought input on its plan to establish a United States Center for Maritime Innovation. The Center would support the study, research, development, assessment and deployment of emerging maritime technologies and practices related to emerging environmental challenges in the maritime transportation system.

## **Department of Energy**

**DOE Announces Funds to Convert Auto Manufacturing Facilities to EVs:** In July, the Department of Energy announced \$1.7 billion to support the conversion of 11 shuttered or at-risk auto manufacturing and assembly facilities in eight states (MI, OH, PA, GA, IL, IN, MD and VA) to manufacture electric vehicles (EVs) and their supply chain. The funds are made possible under the Domestic Auto Manufacturing Conversion Grants program established under the Inflation Reduction Act and are covered by the Administration’s Justice40 initiative.

**DOE/EPA Announce Funds Available to Reduce Methane Emissions:** In June, the Department of Energy (DOE) and the EPA announced the availability of \$850 million from the Inflation Reduction Act for projects to help monitor, measure, and reduce methane emissions from the oil and gas sector. Applications are due on August 26, 2024.

**DOE Announces Funds Available for Small Manufacturers to Reduce Emissions:** In June, the EPA announced the next round of rolling applications for funds available to help small and medium manufacturers to reduce emissions and enhance energy efficiencies. The Industrial Assessments Centers (IAC) Implementation Grant program is administered by DOE’s Manufacturing and Energy Supply Chains Office (MESC) and provides grants up to \$300,000 per manufacturer per funding round. Applications for the current round are due October 1, 2024, and the following round will open on October 2, 2024.

**DOE Releases National Definition of a Zero Emissions Building:** In June, the DOE announced the release of a “National Definition of a Zero Emissions Building,” designed to serve as guidance to advance public and private sector efforts convert more commercial and residential buildings towards the overall goal of zero emissions.

[National Definition of a Zero Emissions Building](#)

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**Outreach:** Carmen Group was in contact with EPA staff on the CPRG and Clean Ports grant programs and with DOT staff of the agency’s Transportation and Climate Symposium.

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## CALIFORNIA ADVISORS, LLC

South Coast AQMD Report  
California Advisors, LLC  
September 13, 2024, Legislative Committee Hearing

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### **Legislative Update**

The State Legislature returned from its summer recess on August 5<sup>th</sup> and has been working to complete all unfinished business before final recess begins upon adjournment on August 31<sup>st</sup>. The first half of August was occupied by the appropriations committees either passing bills or holding them in suspense. The suspense file process, which assesses legislation with major fiscal impacts, offers the Legislature a mechanism to hold costly bills without extensive debate. Given the challenging fiscal environment the state is currently operating in, appropriations committees held a greater percentage of bills in suspense than average. The Senate Appropriations Committee held 173 of 515 Assembly bills, while Assembly Appropriations held 94 of 315 Senate bills for an overall rate of 33% of bills held.

From August 19<sup>th</sup> until August 31<sup>st</sup> the State Legislature may only hold floor session. During these sessions the Legislature can vote on and amend all remaining active bills. An important deadline during this period is the 72-hour in-print rule which ensures transparency and public awareness by requiring that legislative bills be available to the public for review at least 72 hours before they are voted on. The final deadline for the Legislature to act on bills is midnight on August 31<sup>st</sup>. The Governor has until September 30<sup>th</sup> to sign or veto bills that make it to his desk.

### **Budget Update**

July 2024 tax receipts were released by the California Department of Finance (DOF) in its August Finance Bulletin. Preliminary General Fund agency cash receipts were 10.1% above Budget Act forecasts for July. The DOF thinks the increased tax receipts are due to one-time actions by a limited number of taxpayers, rather than evidence of a structural surplus. Notably, corporation tax cash receipts were 161.8% above forecast and personal income tax cash receipts were 5.8% above forecast, while sales tax receipts were 18.4% below forecast. Since April, preliminary General Fund agency cash receipts have been \$4.2 billion above projections.

### **General Updates**

The Western Climate Initiative released the results of the August 2024 California Carbon Auction (CCA) on August 21<sup>st</sup>. The CCA raised \$950 million, and all carbon allowances offered at the auction were sold. However, the August auction settlement price was \$30.24, down from

\$37.02 in May. If this trend continues funding for the Greenhouse Gas Reduction Fund and its associated programs will be strained. The next auction will be conducted November 20<sup>th</sup>, 2024.

Additionally, on August 28<sup>th</sup> the Governor's Office sent out a press release touting the number of electric vehicle chargers in the State. California recently surpassed 150,000 electric vehicle chargers installed statewide. The state is expected to receive \$380 million from the Bipartisan Infrastructure Law to continue deploying EV charging stations. Since the beginning of 2024 the CEC has also approved more than \$1 billion for electric and hydrogen vehicle refueling projects.

# ATTACHMENT 3B



## **Joe A. Gonsalves & Son**

**Anthony D. Gonsalves**

**Jason A. Gonsalves**

**Paul A. Gonsalves**

PROFESSIONAL LEGISLATIVE REPRESENTATION

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TO: South Coast Air Quality Management District  
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SUBJECT: Legislative Update – August 2024  
DATE: Wednesday, August 28, 2024

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On August 5, 2024, the Legislature returned from their summer recess focused on moving their remaining bills through the legislative process and on to the Governor, as the end of session is quickly approaching. The Legislature will adjourn sine die this Saturday, August 31, 2024. With a sizeable delegation of Democratic legislators absent to attend the Democratic National Convention, legislators have been forced to stay in session late into the evening to catch up in advance of the August 31, 2024 deadline.

The following will provide you with updates of interest to the District:

### **CAP AND TRADE**

In August, 2024, California held its 40th cap-and-trade auction, which generated \$950 million for the Greenhouse Gas Reduction Fund (GGFR), selling all available allowances for the 16<sup>th</sup> consecutive auction. However, the settlement prices were significantly lower compared to previous auctions, which has sparked discussions about the future of California’s cap-and-trade program.

The auction sold all 51,179,715 current vintage allowances. However, the settlement price of \$30.24 was significantly lower than the \$37.02 seen in May. This drop, while the auction still sold out, indicates that market participants might be cautious about future developments.

Similarly, all 7,211,000 future vintage allowances were purchased, settling at \$29.75, a decline from \$38.35 in May. These allowances, which can be used for compliance starting in 2027, also reflect market uncertainty about the program’s long-term prospects.

The decline in settlement prices suggests that there is growing uncertainty within the market regarding the design and future of California’s cap-and-trade program. CARB is expected to play a crucial role in addressing these concerns through upcoming rulemaking processes. The market appears to be particularly uncertain about how and when CARB will tighten the program before 2030.

### **OWN DAMN SATELLITE**

On August 16, 2024, California fulfilled a commitment made by former Governor Jerry Brown by launching its “own damn satellite”, to monitor hazardous pollutants such as methane. Addressing methane emissions is essential in the fight against the climate crisis, as methane is 80 times more effective than carbon dioxide at causing near-term global warming.

Planet Labs successfully deployed its Tanager-1 satellite from Vandenberg Space Force Base. This satellite is engineered to detect, locate, and measure super-emitters with the level of detail necessary for targeted mitigation efforts. The launch was facilitated by the Carbon Mapper Coalition, a philanthropically-supported collaboration aimed at enhancing methane and CO2 monitoring systems. The coalition, led by the nonprofit Carbon Mapper, Inc., includes partners such as Planet Labs PBC, NASA JPL, RMI, CARB, and Arizona State University, among others. It has also received significant support from organizations like High Tide Foundation, Bloomberg Philanthropies, and the Grantham Foundation.

As part of Governor Newsom's California Climate Commitment budget, the state has allocated \$100 million to utilize satellite data on methane, which could aid in tracking approximately 40% of global methane emissions.

This initiative, originally inspired by former Governor Brown in 2018, reflects his assertion: "We're going to launch our own damn satellite to figure out where the pollution is and how we're going to end it." The satellite represents a significant advancement, equipping California with a sophisticated tool to dramatically reduce methane emissions. It enhances response efforts by swiftly identifying high methane sources, and the data it gathers will offer detailed and timely measurements of methane emissions as well as over 25 other environmental factors.

The satellite data on methane will be essential for California to hold polluters accountable, and will also provide the global community with transparent quick access to information about leaks when they occur. Should any leaks be identified, the state will inform the responsible parties and pursue enforcement actions, if necessary.

### **ZERO EMISSION BUSES**

On August 27, 2024, California announced it is launching a new statewide funding initiative that will introduce 1,000 additional zero-emission school buses, reinforcing the state's position as the leader in clean school buses nationwide. This comes in addition to the 1,100 clean school buses already operating on California roads and another 1,200 set to be deployed soon.

The program will allocate \$500 million—marking the largest single state investment in history—to school districts and other educational institutions for the replacement of aging school buses with zero-emission vehicles and for purchasing necessary infrastructure. The Zero-Emissions School Bus and Infrastructure (ZESBI) program is currently accepting applications for funding until September 30, 2024.

The program is a collaborative effort between the California Air Resources Board (CARB) and the California Energy Commission (CEC), and is administered by CALSTART. Award recipients can receive up to \$375,000 for replacing internal combustion engine school buses with zero-emission vehicles, along with grants of up to \$95,000 per bus for purchasing and installing necessary charging infrastructure. Recipients will be required to retire an old school bus for each new one they purchase.

Zero-emission school buses are vital to California's goal of achieving carbon neutrality by 2045 and serve to protect children, who are especially vulnerable to the health risks posed by diesel exhaust. By 2035, all school bus purchases made by school districts in California will have to be zero-emission technology, with an extension until 2040 granted for rural districts.

To date, California has invested over \$1.3 billion in incentives for school districts, funding over 2,300 zero-emission school buses, 1,100 of which are already in operation. More than 70% of these buses

serve areas facing the highest pollution burdens. Over 300 school districts and local education agencies in California have acquired at least one zero-emission bus, with some transitioning to a fully clean fleet.

### **CLEAN TRANSPORTATION**

The Federal Government is allocating hundreds of millions of dollars to California for transportation infrastructure upgrades. California, in collaboration with Oregon and Washington, secured \$102 million for the installation of charging stations and hydrogen fueling stations for zero-emissions trucks along Interstate 5 and other vital freight corridors. Additionally, \$47 million will be distributed to various entities throughout the state for electric vehicle infrastructure development. This funding comes on top of over \$250 million recently announced for airport upgrades in California and the promotion of sustainable aviation fuel.

The West Coast Truck Charging and Fueling Corridor Project is a multi-state initiative aimed at accelerating the adoption of zero-emission vehicles (ZEVs) within the trucking and logistics sectors. This funding is made possible through the federal Bipartisan Infrastructure Law. Although trucks represent only 6% of vehicles on California's roads, they contribute to more than 35% of the state's transportation-related emissions of smog-forming nitrogen oxides and account for a quarter of the state's on-road greenhouse gas emissions.

The funds will lead to the establishment of new publicly accessible charging and hydrogen fueling stations, facilitating emissions-free goods movement at local, regional, national, and international levels. Construction of these stations is projected to commence in 2026. These new facilities will complement California's policy requiring an increasing percentage of truck sales to be ZEVs.

In 2021, Oregon and Washington followed California's lead as the second and third states to adopt such a policy. By 2023, one in six new medium- and heavy-duty trucks sold in California were zero-emission vehicles, surpassing the state's ZEV sales targets two years ahead of schedule.

This funding will further aid the implementation of the Advanced Clean Fleets (ACF) standard established by California in 2023. Under the ACF guidelines, fleets statewide will begin a gradual shift to ZEVs, with all new medium- and heavy-duty truck sales required to be ZEVs by 2036.

Funding for the West Coast Truck Charging and Fueling Corridor Project supplements other state-funded initiatives aimed at zero-emission trucks. California has allocated over \$780 million to assist fleet operators in purchasing zero-emission trucks, and the state's Climate Commitment includes more than \$10 billion to expedite the ZEV transition and establish charging and fueling infrastructure.

In addition, the U.S. Department of Transportation has recently announced over \$250 million in funding for California airports and sustainable aviation fuels. Specifically, California airports will receive \$51.6 million through the Airport Improvement Program, along with \$78.2 million from the Airport Infrastructure Grants program. These funds can be utilized for various purposes, including airport planning, development, sustainability initiatives, terminal expansions, baggage system upgrades, safety improvements, and noise compatibility projects at eligible airports.

Moreover, California companies will benefit from over \$120 million awarded through the federal Fueling Aviation's Sustainable Transition (FAST) grants program. These resources will support California's shift to more sustainable aviation fuels and efforts to reduce aviation emissions, a priority outlined by the Governor in 2022.

## **LEGISLATION**

SB 1158 (Archuleta): This bill is sponsored by SCAQMD and proposes to extend the time air districts have to use Carl Moyer Program funds from 4 to 6 years.

SB 1158 passed out of the Assembly Appropriations Committee on August 7, 2024 on the consent calendar with a vote of 14-0.

On August 15, 2024, SB 1158 passed off the Assembly floor on the Consent Calendar with a vote of 75-0.

SB 1158 was presented to the Governor on August 22, 2024 and he now has until September 30, 2024 to take action on the bill.

## **2024 LEGISLATIVE DEADLINES**

August 5	Legislature reconvenes from Summer Recess.
August 16	Last day for fiscal committees to meet and report bills.
August 19-31	Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees.
August 23	Last day to amend bills on the Floor.
August 31	Last day for each house to pass bills. Final Recess begins upon adjournment

## South Coast Air Quality Management District Legislative and Regulatory Update –August 2024

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### ❖ Important Upcoming Dates

August 31, 2024 – Last Day for Each House to Pass Bills  
September 30, 2024 – Last Day for Governor to Sign or Veto Legislation

### ❖ RESOLUTE Actions on Behalf of South Coast AQMD. RESOLUTE partners David Quintana, and Alfredo Arredondo continued their representation of SCAQMD before the State’s Legislative and the Executive branch. Selected highlights of our recent advocacy include:

- Provided ongoing updates as the Legislature worked to pass legislation in the end of session.
- Set and attended meetings with legislative offices regarding bills for the 2024 legislative session, including for SCAQMD sponsored legislation.

### ❖ AB 2522 (W. Carrillo): SCAQMD Sponsored Legislation

Summary: the bill states that each member of the board shall receive compensation of up to \$200 for each day, or portion thereof, but not to exceed up to \$2,000 per month, while attending meetings of the board or any committee, or on official business of the district. The bill also authorizes future increases to the compensation amount pegged to the Consumer Price Index (CPI) with a ceiling of 10 percent per calendar year.

The bill passed the Senate Floor on August 27 with 29 Ayes, 11 Noes, and 0 Abstains.

The bill passed the Assembly Floor (Concurrence Vote) on August 28 with 60 Ayes, 15 Noes, and 4 Abstains.

The bill will now head to the Governor where he will have until September 30 to sign or veto the legislation.

### ❖ AB 2958 (Calderon): SCAQMD Sponsored Legislation

Summary: this bill repeals the existing statute prohibiting compensation for CARB members that represent Air Districts and provides that such board members will receive the same salary as other voting CARB board members. In doing so, the bill addresses the inequity in compensation among CARB board members.

The bill was placed on the Suspense File by the Senate Appropriations Committee on August 5 with 7 Ayes and 0 No votes.

The bill was held by the Senate Appropriations Committee on August 15.

### ❖ GGRF (Greenhouse Gas Reduction Fund) Auction Revenue. On August 21, CARB released the results of the latest Cap and Trade Auction that funds the GGRF. This auction represents the FIRST quarterly auction of the 2024-2025 Fiscal Year. A total of \$950 million was raised at the August auction for the GGRF. This result is about \$200 million in less revenue compared to the May Auction.

The results summary can be found here: [https://ww2.arb.ca.gov/sites/default/files/2024-08/nc-aug\\_2024\\_summary\\_results\\_report.pdf](https://ww2.arb.ca.gov/sites/default/files/2024-08/nc-aug_2024_summary_results_report.pdf)