

Conversion Technology Related Legislation Summary Sheet

AB 176 (2019, Cervantes) – California Alternative Energy and Advanced Transportation Financing Authority: Sales and use taxes: exclusions

introduced by Assembly member Cervantes

This bill requires the California Alternative Energy Advanced Transportation Financing Authority (CAEATFA) to evaluate a project application for the extent to which the project will create new, or result in the loss of, permanent, full-time jobs in the state.

A study is being requested to verify if the companies who received financial assistance in the form of a sales and use tax exclusion for projects either created new, or result in the loss of, permanent, full-time jobs in California, including the average and minimum wage for each classification of full-time employees proposed to be hired or not retained.

The program is currently scheduled to sunset on January 1, 2021. This bill as introduced would have extended the program until January 1, 2031.

The purpose of the program is to promote the creation of California-based manufacturing, California-based jobs, advanced manufacturing, the reduction of greenhouse gases, and reductions in air and water pollution or energy consumption.

Eligible projects include the purchase of tangible personal property (such as equipment) that is used in the state for the design, manufacture, production, or assembly of advanced manufacturing, advanced transportation technologies, or alternative energy source products, components, or systems.

AB 296 (2019, Cooley) – Climate change: Climate Innovation Grant Program: voluntary tax contributions

Introduced by Assembly Member Cooley

This bill establishes the Climate Innovation Grant Program, to be administered by the Strategic Growth Council, to award grants for the development and research of new innovations and technologies that either reduce emissions of greenhouse gases or address impacts caused by climate change.

Specifically, AB 296 will utilize public (non-general fund) and private funds to award matching grants for projects that neutralize or remove emissions and pollutants to minimize current and future risks to human health and safety, quality of life, economic growth, ecosystems and the environment.

This bill would allow an individual to designate on their tax return that a specified amount in excess of their personal income tax liability be transferred to the Climate Innovation Voluntary Tax Contribution Account, which would be created by this bill.

AB 296 will utilize a competitive process to award matching grant funds to projects that improve adaptability and resilience to climate change, including innovations that address the following:

Carbon storage and capture, Clean, reliable and affordable electric solutions, Clean, reliable and affordable transportation solutions, Air quality, Water quality, and Soil quality

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AB 753 (2019, Eduardo Garcia) – Alternative and Renewable Fuel and Vehicle Technology Program: fuels: fueling infrastructure

introduced by Assembly member Eduardo Garcia

This bill would require the California Energy Commission to set aside 30% from the Alternative and Renewable Fuel and Vehicle Technology Program and Low Carbon Transportation investments (from cap-and trade revenues) to be used as incentives for the production of low carbon fuels as well as the development, production, and deployment of innovative and emerging fuels.

This bill would further direct the California Energy Commission to prioritize funding to projects that align with other state goals such as methane mitigation or local workforce benefits.

Requires priority to be given to projects that demonstrate a minimum of three of the following:

- 1) Maximize local workforce and economic benefits.
- 2) Provide multiple environmental and public health benefits, including reducing emissions of methane, criteria pollutants or toxic air contaminants.
- 3) Leverage additional public or private funding.
- 4) Utilize feedstocks derived from in-state sourced waste streams.
- 5) Distribute innovative and emerging fuels capable of achieving cost-effective reductions in GHG emissions and criteria air pollutants on a dollar-per-metric-ton basis when considering fuel production, vehicle acquisition, and fueling infrastructure costs.

AB 793 (2019, Ting) – Solid waste: biomass

introduced by Assembly member Ting

This bill Defines “biomass” for purposes of the Integrated Waste Management Act (Act) and makes related changes to the definition of “biomass conversion” for certain materials when separated from other solid waste

In section number 40105.5. (a) of the Public Resources Code “Biomass” means the following materials, when separated from other solid waste:

- (1) Agricultural crop residues.
- (2) Bark, lawn, yard, and garden clippings.
- (3) Leaves, silvicultural residue, and tree and brush pruning.
- (4) Wood, wood chips, and wood waste.
- (5) Nonrecyclable pulp or nonrecyclable paper materials.

Additionally, in Section 40106 of the Public Resources Code is amended to read:

40106. (a) “Biomass conversion” means the production of heat, fuels, or electricity by the controlled combustion of, or the use of other non-combustion thermal conversion technologies on biomass.

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(b) "Biomass" does not include recyclable pulp or recyclable paper materials, or materials that contain sewage sludge, industrial sludge, medical waste, hazardous waste, or either high-level or low-level radioactive waste.

(c) For purposes of this section, "nonrecyclable pulp or nonrecyclable paper materials" means either of the following, as determined by the department:

(1) Paper products or fibrous materials that cannot be technically, feasibly, or legally recycled because of the manner in which the product or material has been manufactured, treated, coated, or constructed.

(2) Paper products or fibrous materials that have become soiled or contaminated and as a result cannot be technically, feasibly, or legally recycled.

AB 1083 (2019, Burke) – Energy and energy infrastructure procurement requirements: California Council on Science and Technology

Introduced by Assembly member Burke

This bill would until January 1, 2023, request the California Council on Science and Technology (CCST), to undertake and complete an analysis of the effects of legislation proposing to mandate procurement on any of the following:

electricity products, gas products, energy storage resources, or electrical or gas infrastructure by an electrical corporation, gas corporation, community choice aggregator, electric service provider, local publicly owned electric or gas utility, or any state-level energy procurement entity.

According to the Author "AB 1083 would allow the legislature to delve deeper into the tangible effects and outcomes of proposed legislations that would mandate procurement of electricity products, natural and renewable gas, and energy storage resources, among others, in an effort to show the potential costs to ratepayers, the impact on jobs and the economy, and the effects on the electrical grid or gas delivering system through an analysis by the California Council on Science and Technology"

AB 1406 (2019, O'Donnell) – Alternative and Renewable Fuel and Vehicle Technology Program

Introduced by Assembly member O'Donnell

This bill requires the California Energy Commission (CEC) to allocate no less than 10% of the Alternative and Renewable Fuel and Vehicle Technology Program funding for alternative fuel and advanced technology vehicles.

As of December 1, 2018, CEC has awarded 21% of program funds for alternative fuel production, 35% for alternative fuel infrastructure, 31% for alternative fuel and advanced technology vehicles and 13% for related needs and opportunities (such as, manufacturing, workforce training and regional planning).

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Related Legislation. AB 753 (E. Garcia) requires the California Air Resources Board and the California Energy Commission to allocate specified percentages of moneys from the Program and Low Carbon Transportation investments (from cap-and-trade revenues) to provide incentives for the production, fueling infrastructure, research and development of specified fuels.

SB 43 (2019, Allen) – Carbon taxes

introduced by Senator Allen

Summary: This bill would require State Air Resources Board, to submit a report to the Legislature on the findings from a study, to determine the feasibility and practicality of assessing the carbon intensity of all retail products subject to the tax imposed pursuant to the Sales and Use Tax Law, so that the total carbon equivalent emissions associated with such retail products can be quantified.

Specifically, ARB under SB 43 will prepare a report to the Legislature containing a consideration of the Carbon Intensity of all consumer products, including the energy and fuel required to produce and transport those goods and identification of retail products for which a carbon intensity has been determined so as to avoid any duplication of the determination of the carbon intensity of those products.

SB 44 (2019, Skinner) – Medium- and heavy-duty vehicles: comprehensive strategy

introduced by Senator Skinner

This bill would require the State Air Resources Board no later than January 1, 2021, and at least every 5 years thereafter to update the state board's 2016 mobile source strategy for the purpose of bringing the state into compliance with federal ambient air quality standards and reducing motor vehicle greenhouse gas emissions from the medium-duty and heavy-duty vehicle sector.

The bill would require the state board to recommend reasonable and achievable goals, based on specified factors, for reducing emissions from medium-duty and heavy-duty vehicles by 2030 and 2050, respectively, as part of the comprehensive strategy.

The bill also would require the state board to include other specified information in the updates to the 2016 mobile source strategy. The bill would authorize the state board to establish a process to identify medium-duty and heavy-duty vehicle segments that can more quickly reduce motor vehicle emissions, consistent with the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program, with a beachhead market analysis

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SB 162 (2019, Galgiani) – California Alternative Energy and Advanced Transportation Financing Authority: sales and use taxes: exclusions

introduced by Senator Galgiani

This bill extends the California Alternative Energy and Advanced Transportation Financing Authority's Sales and Use Tax Exclusion Program until January 1, 2030 additionally it would extend the sales and use tax exclusion until January 1, 2030.

Similar named bill AB 176 which requests a study of companies in the program and SB 162 Extends the actual program for

According to the author "SB 162 promotes these environmental standards by extending the sunset of the Sales & Tax Exclusion portion of the California Alternative Energy and Advanced Transportation Financing Authority until 2030. Extending this sunset will reduce pollution throughout California while boosting economic development and job creation that would otherwise go out of state without a major incentive program."

The CAEATFA Board approves all applications in public meetings held monthly. After the Board approves an application, the applicant then purchases equipment using a certificate issued by CDTFA, and subsequently reports quarterly regarding their use of the exemption, and annually regarding its business activities. Applicants must purchase at least 15% of the equipment proposed in its application within 18 months, or risk CAEATFA terminating its application.

CAEATFA provides financing through a variety of methods, including conduit or revenue bonds, loan guarantees, and a sales and use tax (SUT) exemption for facilities that use alternative energy sources and technologies or engage in advanced manufacturing. CAEATFA is housed within the State Treasurer's Office, and its board decides which projects to assist.

SB 457 (2019, Hueso) – Biomethane: gas corporations

introduced by Senator Hueso

This bill would require the Public Utilities Commission to extend the monetary incentive program for biomethane projects until December 31, 2026

This bill extends two sunset dates, by five additional years, of an existing Biomethane Projects Incentive Program for biomethane projects administered by the California Public Utilities Commission (CPUC).

from: 1) December 31, 2021 to December 31, 2026 for the incentive projects; and
2) January 1, 2022 to January 1, 2027 for the overall provisions of the program.

In addition to the Biomethane Projects Incentive Program, biomethane production and distribution currently receives, what could be considered, a substantial level of state support. Below is a list of many of the existing state policies and programs:

- Renewable Portfolio Standard
- Dairy Digester Research and Development program
- Energy Research & Development Programs
- Greenhouse Gas Reduction Revolving Loan Program

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- *Alternative & Renewable Fuel & Vehicle Transportation Program*
- *Bioenergy Market Adjustment Tariff*
- *Dairy Digester Pilot Programs*
- *Biomethane Procurement Targets or Goals*

According to the Author this bill does not increase the available funds beyond what was originally established of \$40 milling. Instead this bill attempts to better align the availability of the incentives program with newly established policy in SB 1440 (Hueso, 2018)

SB 515 (2019, Caballero) – California Renewables Portfolio Standard Program: bioenergy renewable feed-in tariff

introduced by Senator Caballero

This bill would expand the fuels and feedstocks that are eligible to meet these wildfire risk reduction fuel and feedstock requirements to include biomass diverted from specified higher fire-risk zones.

This bill expands the fuels and feedstocks that are eligible to meet the requirements of at least 80 percent of the feedstock on an annual basis of mandated 125 MWs of generating capacity from biomass generation facilities to include:

- 1) Biomass diverted from very high fire-threat zones designated on the most recent version of CAL FIRE's Fire Hazard Severity Zone Map.
- 2) Biomass diverted from a California Public Utilities Commission approved Tier 3 High Fire-Threat District.

SB 667 (2019, Hueso) – Greenhouse gases: recycling infrastructure and facilities

introduced by Senator Hueso

This bill would require the CalRecycle to develop, on or before January 1, 2021, and would authorize CalRecycle to amend, a 5-year investment strategy to drive innovation and support technological development and infrastructure, in order to meet specified organic waste reduction and recycling targets.

Requires CalRecycle, on or before June 1, 2021, to develop financial incentive mechanisms, to fund and accelerate public and private capital towards organic waste diversion and recycling infrastructure

Establishes the California Recycling Infrastructure Investment Account in the State Treasury for the California Pollution Control Financing Authority to administer

Requires the Treasurer, in coordination with CalRecycle, to coordinate with the States of Nevada, Oregon, and Washington on infrastructure financing to support the recycling needs of the region.

Requires the investment strategy to assess the amount of money needed to build the infrastructure necessary to achieve methane emission reduction goals that include targets to reduce the landfill disposal of organic waste of 50% by 2020 and 75% by 2025 from the 2014 level