AN ACT RELATING TO STATE EMPLOYMENT

An act relating to state employment.

An act to amend Section 38592.6 of, and to add Section 38567 to, the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL’S DIGEST


The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Pursuant to the act, the state board has adopted the Low-Carbon Fuel Standard regulations. Existing law requires all moneys, except for fines and penalties, collected by the state board from a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature. Existing law requires the Legislative Analyst’s Office to annually submit a report to the Legislature on the economic impacts and benefits of specified greenhouse gas emissions targets.
This bill would require the state board to ensure alternative fuels are treated equally with regard to the requirements for generating credits under the Low-Carbon Fuel Standard regulations, a fuel pathway applicant does not generate credits for a fuel production facility unless the facility delivers or sells volumes of fuel, and credits for low-carbon fuel are not generated unless there is a carbon emission reduction achieved by the low-carbon fuel, as specified. The bill would, commencing January 1, 2021, require the Legislative Analyst’s Office to also annually prepare an analysis of moneys allocated from the Greenhouse Gas Reduction Fund, as specified.

Under existing law, a provision of a memorandum of understanding reached between the state employer and a recognized employee organization that requires the expenditure of funds does not become effective unless approved by the Legislature in the annual Budget Act.

This bill would approve provisions requiring the expenditure of funds in a memorandum of understanding, as yet unidentified by date, entered into between the state employer and State Bargaining Unit 6, the California Correctional Peace Officers Association.

This bill would provide that provisions of the memorandum of understanding described above and approved by this bill that require the expenditure of funds will not take effect unless funds for those provisions are specifically appropriated by the Legislature. The bill would authorize the state employer and State Bargaining Unit 6 to meet and confer to renegotiate the affected provisions if funds for those provisions are not specifically appropriated by the Legislature. The bill would require the provisions of this memorandum of understanding that require the expenditure of funds to become effective even if these provisions are approved by the Legislature in legislation other than the annual Budget Act.


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

SECTION 1. This act shall be known and may be cited as the Clean Air Now and Climate Change Solutions Act of 2019.

SEC. 2. (a) The Legislature finds and declares all of the following:

(1) California has established greenhouse gas emissions reduction targets to reduce greenhouse gas emissions to 1990
levels by 2020 pursuant to Section 38550 of the Health and Safety
Code as part of the California Global Warming Solutions Act of
2006 (Division 25.5 (commencing with Section 38500) of the
(2) Executive Order S-3-05 further identifies a target to reduce
greenhouse gas emissions to 80 percent below 1990 levels by 2050.
(3) Setting an interim target of greenhouse gas emissions
reductions for 2030 is necessary to guide regulatory policy and
investments in California in the midterm and put California on
the most cost-effective path for long-term greenhouse gas emissions
reductions.
(4) Section 38566 of the Health and Safety Code sets a
greenhouse gas emissions target for 2030 at least 40 percent below
1990 levels.
(5) Freight transportation in California generates a high portion
of local pollution in parts of the state with poor air quality and an
increasing contribution of greenhouse gas emissions.
(6) The Low-Carbon Fuel Standard regulations (Subarticle 7
(commencing with Section 95480) of Title 17 of the California
Code of Regulations) was established as a fuel-neutral program
allowing providers of low-carbon fuel used in California
transportation to generate credits based solely on obtaining a
certified carbon intensity, as defined by the CA-GREET model,
for fuel that is actually supplied.
(7) The State Air Resources Board has found all of the following:
(A) The transportation sector is responsible for 50 percent of
greenhouse gas emissions, 80 percent of oxides of nitrogen (NOx)
emissions, and 95 percent of particulate matter emissions.
(B) The Low-Carbon Fuel Standard regulations have caused
low-carbon fuel use to increase, and fuel producers are taking
action to decrease the carbon intensity of their fuel.
(C) The Low-Carbon Fuel Standard regulations are estimated
to annually decrease NOx emissions by over 1,500 tons and
particulate matter 2.5 microns and smaller in size (PM2.5)
emissions by more than 200 tons.
(D) Ninety percent of Low-Carbon Fuel Standard regulations
credits generated are from biofuels.
(8) The Legislative Analyst’s Office published a December 2018
report titled “Assessing California’s Climate
Policies–Transportation” and concluded all of the following:
(A) The Legislature should ensure the Low-Carbon Fuel Standard regulations achieve some other significant benefits, beyond California greenhouse gas emissions reductions, that a market-based compliance mechanism (cap and trade) does not. (B) Total transportation greenhouse gas emissions have been increasing except for a reduction in the heavy-duty vehicle sector. (C) Overall economic impacts and benefits are unclear. The Legislature might want to consider taking various steps to facilitate greater, more consistent evaluation of state climate policies. (D) One recommendation is to consider limiting greenhouse gas emissions policies to those that achieve its policy goals most cost effectively. (E) Compared to light-duty vehicle policies, there appears to be relatively little academic research on the economic effects of heavy-duty vehicle incentive programs. (F) The Legislature might want to consider which programs for the heavy-duty sector are likely to achieve the greatest reductions in copollutants. (G) It is not clear which heavy-duty vehicle programs support new technologies or reduce copollutants most effectively. The Legislature might want to take steps to ensure there is additional research in this area. (b) It is the intent of the Legislature that the State Air Resources Board design emissions reduction measures to meet the statewide emissions limits for greenhouse gases in a manner that minimizes costs and maximizes benefits for California’s economy, maximizes additional environmental and economic cobenefits for California, and complements the state’s efforts to improve air quality.

SEC. 3. Section 38592.6 of the Health and Safety Code is amended to read:

38592.6. (a) For purposes of this section, the following terms have the following meanings:

1. “Cobenefit” means the specified purposes, in addition to greenhouse gas emissions reductions, described in Section 39712.
2. “Cost-effective” has the same meaning as in Section 38505.

(b) The Legislative Analyst’s Office shall, until January 1, 2030, annually report to the Legislature on the economic impacts and benefits of the greenhouse gas emissions targets established pursuant to Sections 38550 and 38566.
(c) Beginning January 1, 2021, the Legislative Analyst’s Office shall annually prepare, and report to the Legislature on, an empirical analysis of moneys allocated from the Greenhouse Gas Reduction Fund, created pursuant to Section 16428.8 of the Government Code, that includes, but is not limited to, all of the following:

1. Performance-based metrics on cost-effective remedies to reduce greenhouse gas emissions and criteria air pollutants in the transportation sector.
2. A complete list of cobenefit steps being taken for areas designated as being in federal nonattainment under the federal Clean Air Act (42 U.S.C. Sec. 7661 et seq.).
3. Transparency on costs by clearly identifying emissions reductions by dollar per ton metrics.

(d) This section shall remain in effect only until January 1, 2031, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2031, deletes or extends that date.

SEC. 4. Section 38567 is added to the Health and Safety Code, to read:

38567. (a) For purposes of this section, the following terms have the following meanings:

1. “Alternative fuel” means any transportation fuel that is not a California reformulated gasoline or a diesel fuel.
2. “Low-Carbon Fuel Standard” means the Low-Carbon Fuel Standard regulations (Subarticle 7 (commencing with Section 95480) of Title 17 of the California Code of Regulations).

(b) The state board shall ensure all of the following:

1. All alternative fuels are treated equally with regard to the requirements for generating credits under the Low-Carbon Fuel Standard.
2. A fuel pathway applicant shall not generate credits under the Low-Carbon Fuel Standard for a fuel production facility unless the facility delivers or sells volumes of fuel.
3. Credits for low-carbon fuel shall not be generated under the Low-Carbon Fuel Standard unless, within three months of applying for credits, there is a carbon emission reduction achieved by the low-carbon fuel in, but not limited to, the state’s transportation sector.
SECTION 1. The Legislature finds and declares that the purpose of this act is to approve the agreement entered into by the state employer and State Bargaining Unit 6 pursuant to Section 3517.5 of the Government Code:

SEC. 2. The provisions of the memorandum of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and State Bargaining Unit 6, dated ____ and that require the expenditure of funds, are hereby approved for the purposes of subdivision (b) of Section 3517.6 of the Government Code:

SEC. 3. The provisions of the memorandum of understanding approved in Section 2 of this act that require the expenditure of funds shall not take effect unless funds for these provisions are specifically appropriated by the Legislature. If funds for these provisions are not specifically appropriated by the Legislature, either the state employer or State Bargaining Unit 6 may reopen negotiations on all or part of the memorandum of understanding.

SEC. 4. Notwithstanding Section 3517.6 of the Government Code, the provisions of the memorandum of understanding included in Section 2 of this act that require the expenditure of funds shall become effective even if the provisions of the memorandum of understanding are approved by the Legislature in legislation other than the annual Budget Act.