

AMENDED IN ASSEMBLY JUNE 26, 2000

AMENDED IN SENATE MAY 28, 1999

AMENDED IN SENATE APRIL 5, 1999

SENATE BILL

No. 1298

Introduced by ~~Committee on Energy, Utilities and Communications~~ (Senators ~~Bowen (Chair), Alareon, Baca, Brulte, Hughes, Kelley, Mountjoy, Peace, Solis, Speier, and Vaseconcellos~~) *Senators Bowen and Peace*

March 1, 1999

~~An act relating to energy resources, and making an appropriation therefor.~~ *An act to add Section 41514.9 to the Health and Safety Code, relating to air pollution.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1298, as amended, ~~Committee on Energy, Utilities and Communications~~ *Bowen*. ~~Energy resources: federal oil overcharge funds~~ *Air emissions: distributed generation.*

(1) Existing law requires the State Air Resources Board to consider and adopt specified findings before adopting rules or regulations that would affect the operation of existing powerplants. Under existing law, except as specified, any person who violates any statute, rule, regulation, permit, or order of the state board or of an air pollution control strict or an air quality management district relating to air quality, as provided, is guilty of a misdemeanor and is subject to a fine, imprisonment, or both.

This bill would require the state board to determine the best available control technology and adopt emission standards for

distributed generation technologies, as defined, for which the state board, in cooperation with the State Energy Resources Conservation and Development Commission, makes a specified determination.

The bill would require the state board to develop a certification program for distributed generators that are exempt from district permitting requirements and would authorize the state board to establish a certification program for larger distributed generators that are not exempt from those permitting requirements. The bill would authorize the board to establish fees, to be assessed on persons seeking certification as a distributed generator, for purposes of administering the bill's provisions.

Since a violation of the regulations adopted pursuant to the bill would be a crime, the bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~Under existing law, funds in the Petroleum Violation Escrow Account, as defined in federal law, consisting of federal oil overcharge funds, have been disbursed to this state by the federal government and deposited in the Federal Trust Fund in the State Treasury, a continuously appropriated fund.~~

~~This bill would appropriate \$14,000,000 to the State Energy Resources Conservation and Development Commission for specified energy conservation projects and programs in the state.~~

~~The funds would be disbursed by the Controller, subject to approval by the Director of Finance as to which court judgment or federal agency order is the proper source of the funds.~~

Vote: majority. Appropriation: ~~yes~~ *no*. Fiscal committee: ~~yes~~. State-mandated local program: ~~no~~ *yes*.

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

~~SECTION 1. (a) Notwithstanding Sections 13340~~

SECTION 1. The Legislature finds and declares all of the following:

(a) Distributed generation can contribute to helping California meet the energy requirements of its citizens and businesses.

(b) Certain distributed generation technologies can create significant air emissions.

(c) A clear set of rules and regulations regarding the air quality impacts of distributed generation will facilitate the deployment of distributed generation.

(d) The absence of clear rules and regulations creates uncertainty that may hinder the deployment of distributed generation.

(e) It is in the public interest to encourage the deployment of distributed generation technology in a way that has a positive effect on air quality.

SEC. 2. Section 41514.9 is added to the Health and Safety Code, to read:

41514.9. (a) (1) On or before January 1, 2003, the state board shall determine the best available control technology and adopt emission standards for distributed generation technologies that the state board, in cooperation with the State Energy Resources Conservation and Development Commission, determines to have a significant potential for market penetration in the state.

(2) The state board shall update the emission standards adopted pursuant to paragraph (1) as needed to reflect evolving distributed generation technologies.

(3) The state board shall consider, in adopting emission standards pursuant to this subdivision, whether the best available control technology should result in emission levels at least equal to those of the most recently constructed central station powerplants in the state.

(b) The state board shall develop a certification program for distributed generators that are exempt from district permitting requirements. If the state board finds

1 that it is in the public interest, the state board may
2 establish a certification program for larger distributed
3 generators, as determined by the state board, that are not
4 exempt from district permitting requirements.

5 (c) The state board may establish a schedule of fees for
6 purposes of this section to be assessed on persons seeking
7 certification as a distributed generator. The fees charged,
8 in the aggregate, shall not exceed the reasonable cost to
9 the state board of administering the certification
10 program and adopting the regulations required by this
11 section.

12 (d) In establishing the best available control
13 technology pursuant to subdivision (a) and a certification
14 program pursuant to subdivision (b), the state board shall
15 balance the public interest in obtaining a reliable electric
16 system with the need to ensure that emissions from
17 distributed generation plants are as clean as possible.

18 (e) As used in this section, the following definitions
19 shall apply:

20 (1) "Best available control technology" has the same
21 meaning as defined in Section 40405.

22 (2) "Distributed generation" means electric
23 generation located near the place of use.

24 SEC. 3. No reimbursement is required by this act
25 pursuant to Section 6 of Article XIII B of the California
26 Constitution because the only costs that may be incurred
27 by a local agency or school district will be incurred
28 because this act creates a new crime or infraction,
29 eliminates a crime or infraction, or changes the penalty
30 for a crime or infraction, within the meaning of Section
31 17556 of the Government Code, or changes the definition
32 of a crime within the meaning of Section 6 of Article
33 XIII B of the California Constitution.

34 ~~and 16361 of the Government Code, and to the extent~~
35 ~~permitted by federal law, the sum of fourteen million~~
36 ~~dollars (\$14,000,000) of the money in the Federal Trust~~
37 ~~Fund, created by Section 16360 of the Government Code,~~
38 ~~received by the state from federal oil overcharge funds in~~
39 ~~the Petroleum Violation Escrow Account, as defined by~~
40 ~~Section 155 of the Further Continuing Appropriations~~

~~Act of 1983 (P.L. 97-377) or other federal law, and
consisting of federal oil overcharge funds available
pursuant to court judgments or federal agency orders, is
hereby appropriated to the State Energy Resources
Conservation and Development Commission for
expenditure for energy conservation projects and
programs in the state, including, but not limited to, all of
the following:~~

~~(1) The sum of two million five hundred thousand
(\$2,500,000) for grants that are available to all local air
quality management districts, on a matching basis, for
local programs to buy down the cost of zero-emission
vehicles and infrastructure.~~

~~(2) The sum of one million dollars (\$1,000,000) for
grants that are available to all counties and cities in
California, on a competitive basis, to buy down the cost
of acquiring zero-emission vehicles and infrastructure for
use in their own fleets.~~

~~(3) The sum of five hundred thousand dollars
(\$500,000) for grants to the Department of General
Services, the Senate Committee on Rules, and the
Assembly Committee on Rules to acquire zero-emission
vehicles and related recharging infrastructure for use in
their own vehicle fleets.~~

~~(4) The sum of two hundred fifty thousand dollars
(\$250,000) to the San Joaquin Council of Governments for
a regional bicycle project.~~

~~(b) The money appropriated pursuant to subdivision
(a) shall be disbursed by the Controller, subject to the
approval by the Director of Finance as to which court
judgment or federal agency is the proper source of those
funds.~~