

AMENDED IN ASSEMBLY AUGUST 7, 2000

AMENDED IN ASSEMBLY JUNE 26, 2000

AMENDED IN SENATE MAY 28, 1999

AMENDED IN SENATE APRIL 5, 1999

SENATE BILL

No. 1298

Introduced by Senators Bowen and Peace

March 1, 1999

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, Bowen. 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~~ *adopt emission performance standards reflecting* 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 *verifying that distributed generators meet the applicable emission performance standards established by the state board, and would require the program, at minimum, to apply to 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 state board to establish lower emission standards for a distributed generation technology, if the state board makes specified determinations.~~ The bill would authorize the state 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.

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

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

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

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

6 (b) Certain distributed generation technologies can
7 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~~ *adopt emission control performance standards reflecting 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~~ *will* have a significant potential for market penetration in the state.

(2) The state board ~~shall~~ *may* update the emission standards adopted pursuant to paragraph (1) as needed to reflect evolving ~~distributed generation technologies~~ *emission control technologies and may establish emission standards for additional distributed generation technologies as the state board deems appropriate.*

~~(3) The state board shall consider, in adopting~~
(3) *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.~~ *the state board shall, to the extent practicable, adopt standards for distributed generation technologies at the level determined by the state board to be the best available control technology for permitted central station power plants in the state. In adopting these standards, the state board shall compare the expected actual emissions per unit of electricity provided to the consumer from each permitted central*

1 power plant to those from each distributed generation
2 technology.

3 (4) The state board may establish emission standards
4 lower than the standard required by paragraph (3) for a
5 distributed generation technology if the state board
6 determines all of the following are true:

7 (A) An alternative emission standard is the highest
8 standard feasible for that distributed generation
9 technology.

10 (B) Compelling reasons exist related to electric system
11 peak load reliability for allowing the distributed
12 generation technology.

13 (C) The air quality impacts of increased emissions
14 associated with the distributed generation technology are
15 minor.

16 (5) No district shall authorize the siting or operation of
17 any distributed generation technology for which emission
18 performance standards exist unless that distributed
19 generation technology complies with those standards.

20 (6) This section does not preclude districts from
21 establishing higher emission standards than those
22 established by the state board pursuant to this section.

23 (b) The state board shall develop a certification
24 ~~program for distributed generators that are exempt from~~
25 ~~district permitting requirements. If the state board finds~~
26 ~~that it is in the public interest, the state board may~~
27 ~~establish a certification program for larger distributed~~
28 ~~generators, as determined by the state board, that are not~~
29 ~~exempt from district permitting requirements. program~~
30 ~~for verifying that each distributed generator meets the~~
31 ~~applicable emission performance standards established~~
32 ~~by the state board. The program shall, at a minimum,~~
33 ~~apply to distributed generators that are exempt from~~
34 ~~district permitting requirements.~~

35 (c) All distributed generation technologies shall be
36 certified by the state board or permitted by a district
37 prior to use or operation in the state.

38 (d) The state board may establish a schedule of fees for
39 purposes of this section to be assessed on persons seeking
40 certification as a distributed generator. The fees charged,

1 in the aggregate, shall not exceed the reasonable cost to
2 the state board of administering the certification
3 program and adopting the regulations required by this
4 section.

5 ~~(d) In establishing the best available control~~
6 ~~technology pursuant to subdivision (a) and a certification~~
7 ~~program pursuant to subdivision (b), the state board shall~~
8 ~~balance the public interest in obtaining a reliable electric~~
9 ~~system with the need to ensure that emissions from~~
10 ~~distributed generation plants are as clean as possible.~~

11 (e) As used in this section, the following definitions
12 shall apply:

13 (1) “Best available control technology” has the same
14 meaning as defined in Section 40405.

15 (2) “Distributed generation” means electric
16 generation located near the place of use.

17 SEC. 3. No reimbursement is required by this act
18 pursuant to Section 6 of Article XIII B of the California
19 Constitution because the only costs that may be incurred
20 by a local agency or school district will be incurred
21 because this act creates a new crime or infraction,
22 eliminates a crime or infraction, or changes the penalty
23 for a crime or infraction, within the meaning of Section
24 17556 of the Government Code, or changes the definition
25 of a crime within the meaning of Section 6 of Article
26 XIII B of the California Constitution.