



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

HYBRID LEGISLATIVE COMMITTEE MEETING

Committee Members

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

November 8, 2024 ♦ 8:30 a.m.

TELECONFERENCE LOCATION

County Administrative Center 4080 Lemon Street, 5th Floor Riverside, CA 92501	Los Angeles City Hall 200 N. Spring Street Room 415 Los Angeles, CA 90012
	Riverside City Hall 7th Floor Conference Room Riverside, CA 92522

A meeting of the South Coast Air Quality Management District Legislative Committee will be held at 8:30 a.m. on Friday, November 8, 2024, through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and remote attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.

Please refer to South Coast AQMD’s website for information regarding the format of the meeting, updates if the meeting is changed to a full remote via webcast format, and details on how to participate:

<http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION AT BOTTOM OF AGENDA

Join Zoom Webinar Meeting - from PC or Laptop
<https://scaqmd.zoom.us/j/99574050701>

Zoom Webinar ID: 995 7405 0701 (applies to all)

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Audience will be able to provide public comment through telephone or Zoom connection during public comment periods.

PUBLIC COMMENT WILL STILL BE TAKEN

AGENDA

Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54954.3(a)). If you wish to speak, raise your hand on Zoom or press Star 9 if participating by telephone. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes total for all items on the agenda.

CALL TO ORDER

ROLL CALL

ACTION/DISCUSSION ITEMS (Items 1 through 3):

1. **Execute Contract(s) for Legislative Representation in Washington, D.C.**
(Motion Requested)
At the June 7, 2024 meeting, the Governing Board approved the release of an RFP to solicit proposals for legislative representation and consulting services for South Coast AQMD in Washington, D.C. for 2025. At the October 2024 Legislative Committee, the Committee interviewed firms and at this Legislative Committee will make recommendations to the Board regarding contract(s) for the agency's legislative representation. This action is to authorize the Chair to execute contract(s) with [CONTRACTOR(S)] for [\$AMOUNT] for legislative representation in Washington, D.C.
[Attachment 1a-1b]
*Lisa Tanaka
Assistant Deputy Executive
Officer
Legislative, Public Affairs &
Media*

2. **Concepts for 2025 South Coast AQMD Sponsored State Legislative Proposals**
Staff will present concepts for 2025 South Coast AQMD sponsored state legislative proposals for consideration by the Committee.
 1. *CARB Board Air District Representative Fair Compensation*
 2. *Amendments to AB 2851 (Bonta) re: Fenceline Monitoring at Metal-shredding Facilities*
*Philip Crabbe III
Senior Public Affairs Manager
Legislative, Public Affairs &
Media*

[Attachment 2a]

**3. 2025 State and Federal Legislative Guiding Principles
(Motion Requested)**

Philip Crabbe III

Staff will present the proposed state and federal legislative guiding principles for 2025.

[Attachment 3a-3b]

DISCUSSION ITEMS (Items 4 through 5):

**4. Update and Discussion on Federal Legislative Issues
(No Motion Required)**

*Ben Miller
Kadesh & Associates, LLC*

Consultants will provide a brief oral report on Federal legislative activities in Washington D.C.

[Attachment 4a-4c - Written Reports]

*Gary Hoitsma
Carmen Group*

*Amelia Jenkins
Cassidy & Associates*

**5. Update and Discussion on State Legislative Issues
(No Motion Required)**

*Paul Gonsalves
Joe A. Gonsalves & Son*

Consultants will provide a brief oral report on State legislative activities in Sacramento.

[Attachment 5a-5c - Written Reports]

*David Quintana
Resolute*

*Ross Buckley
California Advisors, LLC*

OTHER MATTERS:

6. Other Business

Any member of this body, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Govt. Code Section 54954.2)

7. Public Comment Period

At the end of the regular meeting agenda, an opportunity is provided for the public to speak on any subject within the Legislative Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes each.

8. Next Meeting Date – December 13, 2024 at 9:00 a.m.

ADJOURNMENT

Document Availability

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available by contacting Maria Corralejo at (909) 396-2759 or send the request to mcorralejo@aqmd.gov.

Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Legislative Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to South Coast AQMD. Please contact Maria Corralejo at (909) 396-2759 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to mcorralejo@aqmd.gov.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

Please note: During the meeting, all participants will be placed on mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chair will announce public comment.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.

Directions for Video ZOOM on a DESKTOP/LAPTOP:

- If you would like to make a public comment, please click on the “**Raise Hand**” button on the bottom of the screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for Video Zoom on a SMARTPHONE:

- If you would like to make a public comment, please click on the “**Raise Hand**” button on the bottom of your screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for TELEPHONE line only:

- If you would like to make public comment, please **dial *9** on your keypad to signal that you would like to comment.

BOARD MEETING DATE: December 6, 2024

AGENDA NO.

PROPOSAL: Execute Contract(s) for Legislative Representation in Washington, D.C.

SYNOPSIS: On June 7, 2024, the Board approved the release of an RFP to solicit proposals for legislative representation and consulting services for South Coast AQMD in Washington, D.C. for 2025. Seven proposals were received and qualified candidates were interviewed by the Legislative Committee on October 11, 2024. Based on the interviews, the Legislative Committee selected [CONTRACT(S)]. This action is to authorize the Chair to execute contract(s) with [CONTRACTOR(S)] for [\$AMOUNT] for legislative representation in Washington, DC for one year, beginning on January 15, 2025 with an option to renew up to two one-year renewals, upon satisfactory performance, subsequent budgets and upon approval of the Board.

COMMITTEE: Legislative, November 8, 2024; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Chair to execute contract(s) with [CONTRACTOR(S)] in an amount not to exceed [\$AMOUNT] for legislative representation and consulting services in Washington, D.C. for one year beginning on January 15, 2025, with an option for up to two one-year renewals, contingent on satisfactory performance and approval of subsequent budgets, upon approval of the Board.

Wayne Natri
Executive Officer

DA:LTM:EH

Background

The current contracts for legislative representation in Washington, D.C. expire on January 14, 2025. Following Board approval on June 7, 2024, staff released RFP #P2024-10 to solicit proposals for legislative representation and consulting services for South Coast AQMD in Washington, D.C.

As one of the largest air quality regulatory agencies in the United States and a leader in air quality innovations, South Coast AQMD is an important contributor to national policymaking discussions relevant to air quality-related issues.

It is critical for South Coast AQMD to have a consistent and actively engaged presence in Washington, D.C. to advocate for policies and funding to support attainment of federal standards under the Clean Air Act. South Coast AQMD is also a leader in air quality issues and contributor to national policymaking discussions. This effort includes policy development for air quality-related legislation, Clean Air Act implementation, subvention funding and special grants, and other issues. Therefore, it is appropriate to continue direct federal representation to advocate for South Coast AQMD in support of Governing Board priorities in Washington, D.C.

The 2025 South Coast AQMD Federal Legislative Guiding Principles and Policy Priorities will be focused on policy and funding, especially for mobile sources impacting the South Coast region. The federal representatives will be required to engage with the Administration, Congress, industry, environment and health organizations and other stakeholders.

Outreach

In accordance with South Coast AQMD's Procurement Policy and Procedure, a public notice advertising the RFP and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, the Riverside County Press Enterprise, and Washington Post newspapers to leverage the most cost-effective method of outreach.

Additionally, to notify as many potential bidders as possible, notification letters were emailed to state and federal legislative caucuses, release of the RFP was posted on social media (LinkedIn, Twitter, and Facebook), and placed on the internet at South Coast AQMD's website (<http://www.aqmd.gov>) where it can be viewed by making the selection "Grants & Bids."

Bid Evaluation

Seven proposals were received in response to the RFP. The proposals were evaluated and scored by a three-member evaluation panel, including one South Coast AQMD Executive, who was female and Asian-American; one South Coast AQMD Manager, who was male and Latino; and one Director for science and technology from an educational institution, who was female and Caucasian. Five proposals were considered technically qualified and forwarded to the Legislative Committee for consideration. The attached matrix presents the scores and total proposal costs for the firms interviewed by the Legislative Committee.

On October 11, 2024, the Legislative Committee interviewed the five qualifying firms and reviewed the written materials submitted as part of the proposals. Based on the interviews, the Legislative Committee recommends to the Board the selection of the following firms: [CONTRACTOR(S)] for [\$AMOUNT].

Resource Impacts

Funding for these contracts is available in the Legislative, Public Affairs & Media FY 2024-25 Budget. Funding for the two optional one-year extensions is contingent upon Board approval for the respective fiscal years.

**RFP # P2024-10 SCORES
AND COSTS MATRIX FOR
QUALIFYING FIRMS**

Firm Name	Technical Score	Cost Scores	Additional Points	Total Scores	Cost
Balance Public Relations & Strategic Solutions	57.0	28.6	10	95.6	\$232,575/year
Carmen Group	66.0	30	12	108.0	\$222,090/year
Cassidy & Associates	68.7	27.6	0	96.3	\$240,000/year
Ferox Strategies	57.0	26.6	12	95.6	\$247,200/year
Kadesh & Associates	69.0	27.6	10	106.6	\$233,152 - 1 st year \$239,834 - 2 nd year \$247,029 - 3 rd year Avg. \$240,005

Potential 2025 South Coast AQMD State Legislative Proposals to Sponsor

1) CARB Board Air District Representative Fair Compensation Bill

- a. *History:* This bill concept was approved by the Board in 2024, resulting in AB 2958 (Calderon) which got held in Senate Committee and subsequently died.
- b. *Description of Bill Proposal:* Provide that CARB board members representing air districts, who currently receive little to no compensation, receive the same level of compensation as other voting CARB board members. This would be the same as AB 2598 (Calderon), and would incorporate lessons learned from 2024.

2) Amendments for AB 2851 (Bonta) re: Fenceline Monitoring at Metal-shredding Facilities. AB 2851 signed into law and will take effect on January 1, 2025.

- a. *History:* In 2024, Board approved a position of “Support if Amended” for an early version of AB 2851. Some amendments were accepted, but in the end the bill contained provisions that South Coast AQMD did not support.
- b. *Issues to Address:* AB 2851 (Chapter 743, Statutes of 2024) requires, by January 1, 2027, air districts with metal shredding facilities, in consultation with DTSC and OEHHA, shall develop requirements for facility wide fence-line air quality monitoring at metal shredding facilities.
- c. *Description of Bill Proposal:* Secure cleanup legislation to the funding source:
 - i. Secure bill language requiring that air districts are reimbursed by metal shredding facilities for implementation costs incurred (similar to DTSC and OEHHA) rather than current language which says:
 1. “Any reasonable regulatory costs incurred by a district in implementing this section may be reimbursed pursuant to its fee authority.”



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South Coast AQMD's State Legislative Guiding Principles for 2025

The following guiding principles are identified to protect public health, facilitate attainment of state and federal clean air standards within the South Coast region by statutory deadlines and address other South Coast AQMD needs and policy priorities, while working with and serving as a resource to state legislators and the Governor; state and local agencies; and business, environmental, health, community, and other stakeholders.

Air Quality Funding

Protect and increase existing and identify new funding sources that provide a sustainable revenue stream for South Coast AQMD programs and priorities that support attainment of state and federal ambient air quality standards and reduce toxic air contaminants to protect public health, especially to achieve equitable clean air for disproportionately impacted communities. Ensure that there is a sufficient level of administrative and implementation funding to facilitate the effective execution of clean air programs, projects and overall efforts.

South Coast AQMD Authority / Policy Implementation

Defend and ensure adequate South Coast AQMD authority to raise revenue and impose fees as needed and implement the Board's clean air policies and programs, including those required by state and federal laws, to support Air Quality Management Plans (AQMPs), State Implementation Plans, and Letters of Commitment with U.S. EPA and CARB.

State Support

Ensure that the State does not impose unfunded mandates on South Coast AQMD and does its fair share to reduce air pollution within the South Coast region. State actions needed in support of air quality include, but are not limited to, funding, legislation, regulatory actions, and support by the Administration. In particular, South Coast AQMD requires State action to: 1) Facilitate implementation of applicable South Coast AQMD AQMPs to attain federal ozone and particulate matter air quality standards in accordance with deadlines; 2) Ensure there are sufficient resources to fully implement air district responsibilities and programs created through AB 617 [Health & Safety Code Sections 39607.1; 40920.6; 40920.8; 42705.5; 44391.2]; and 3) Maximize funding opportunities from the federal government to the State through public laws, such as the Bipartisan Infrastructure Law and Inflation Reduction Act.

Surface Transportation & Goods Movement

Support and expand policy and funding that promotes air quality priorities related to the implementation of state and federal surface transportation, infrastructure and goods movement policies and programs, especially related to the development and deployment of the cleanest technologies for medium- and heavy-duty trucks, locomotives, oceangoing vessels, aircraft, and off-road equipment with a priority for zero-emission technology where commercially viable at scale.

South Coast AQMD's State Legislative Guiding Principles for 2025

Development and Deployment of Clean Technology

Support and advocate for legislative and administrative policies, programs, and funding, that promote the development and deployment of the cleanest commercially available technologies with prioritization for zero-emission infrastructure, equipment, and vehicles to: 1) protect public health; 2) facilitate attainment of clean air standards; and/or 3) support a healthy economy and promote job retention/creation within the South Coast region.

Environmental Justice

Support and advocate for legislative and administrative policies and funding that: 1) promote and sustain environmental justice initiatives which reduce localized health risks resulting from criteria pollutant and toxic air contaminant emissions; 2) prioritize equitable access to zero-emission or the cleanest technologies available for over-burdened communities; 3) enhance community participation in decision-making; and 4) provide the resources necessary to fully implement local air districts' responsibilities and programs created through AB 617, including implementing CARB's blueprint to expand the program to address communities that have been consistently nominated.

Climate Change

Support efforts directing that the Greenhouse Gas Reduction Fund provide funding to maximize criteria pollutant and toxic emission reduction co-benefits that facilitate attainment of clean air standards and reduce public health impacts in the South Coast region, such as through the development and deployment of zero-emission or cleanest commercially available vehicles, equipment, and fueling/charging infrastructure, especially as it relates to mobile sources such as medium- and heavy-duty trucks, locomotives, oceangoing vessels, aircraft, and off-road equipment.

Clean Energy

Support legislative and administrative efforts to promote energy efficiency, demand reduction, and reliable, cost effective and the cleanest energy in the South Coast region, especially in disproportionately impacted environmental justice communities. Also, support production and development of renewable and alternative energy, energy storage, and microgrids, as well as charging and fueling infrastructure, to reduce emissions from transportation and other sources, such as back-up generators.

Business, Job Creation, Workforce Training & Economy

Support legislative policies and administrative actions that promote job retention and creation, workforce training for zero-emission technologies, as well as economic growth, while working toward attainment of clean air standards; and that support and assist the regulated community in complying with rules and regulations in the most efficient and cost-effective manner. Work to ensure job and economic benefits are equitably accessible to environmental justice communities.

Addressing Impacts of Natural and Manmade Events

Support and advocate for legislative and administrative policies, programs, and funding that reduce and/or mitigate air quality-related public health impacts within the South Coast region caused by wildfires, dust/sandstorms, odors, or other events.

Administrative Operations

Support and seek legislative and administrative policies, programs, funding and/or actions that ensure that South Coast AQMD can meet its administrative and operational needs,

South Coast AQMD's State Legislative Guiding Principles for 2025

including, but not limited to, those related to human resources, pensions, and other employment related issues.



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South Coast AQMD's Federal Legislative Guiding Principles for 2025

The following guiding principles are identified to enable South Coast AQMD to seek rules, legislative policies, and funding from the federal government that will help facilitate attainment of National Ambient Air Quality Standards (NAAQS) and the protection of public health in the South Coast region, through practical and innovative strategies. As part of these efforts, it is critical that South Coast AQMD work with and serve as a resource to the Administration and agencies, Congress, business, environmental, health, and community groups, and other stakeholders.

Air Quality Funding (Authorization of Program/Policies and Appropriations of Funds)

Increase and protect existing and seek new funding sources that support South Coast AQMD programs and priorities to reach attainment of state and federal ambient air quality standards and reduce hazardous air pollutants to protect public health. Examples of programs are, but not limited to, Targeted Airshed Grants, Diesel Emissions Reduction Act, Clean Ports, Port Infrastructure Development Program, National Electric Vehicle Infrastructure, Charging and Fueling Infrastructure Grants for Corridors and Communities, Clean Heavy-Duty Trucks, Reduction of Emissions at Port, Section 103/105, Climate Pollution Reduction Grant, and annual Appropriations.

South Coast AQMD Authority / Policy Implementation

Defend and ensure adequate South Coast AQMD authority for implementation of the Board's clean air policies and programs, including those required by the Clean Air Act and other federal and state laws to support Air Quality Management Plans (AQMP), State Implementation Plans, and Letters of Commitment with EPA and CARB

Federal Support -- Clean Air Act, NAAQS, and State Implementation Plan (SIP)

Work to ensure the federal government (Administration, Agencies and Congress) do their fair share to reduce air pollution with a focus on mobile sources, within the South Coast region through funding, regulations, and administration actions. In particular, South Coast AQMD requires federal action to: 1) Maximize funding opportunities under the Bipartisan Infrastructure Law, Inflation Reduction Act, and other public laws 2) Provide incentive funding, policies, and require regulatory actions sufficient to, in combination with state and local actions, attain NAAQS for ozone by 2031 and 2037 in the South Coast Air Basin, and if standards are not attained due to lack of federal actions, ensure that the Basin is not punished by further sanctions, fees or other penalty for failure to timely attain; 3) Provide support for and protect state and local regulatory authority for nonattainment areas to meet NAAQS for upcoming federal deadlines, and the South Coast AQMD to implement Air Quality Management Plans (AQMPs) and attain federal ozone and particulate matter standards; and, 4) Protect science-driven and health-based determinations of NAAQS, and efforts to streamline and provide flexible implementation of SIP requirements, as needed, to ensure feasibility of attainment.

South Coast AQMD's Federal Legislative Guiding Principles for 2025

Surface Transportation & Goods Movement

Pursue the adoption of legislation and/or policies which will reduce or eliminate air quality impacts from mobile sources with an emphasis on the goods movement sector (for both medium- and heavy-duty vehicles and trucks), as well as off-road vehicles (such as ocean-going vessels, locomotives, aircraft, agricultural vehicles, cargo handling equipment, freight handling equipment, and construction equipment).

Technology Advancement

Expand and secure funding, policies, and tax incentives for advanced clean technology research, development, demonstration, and deployment programs, including those related to:

- Zero and near-zero emission technologies for the cleanest vehicles (such as heavy- and medium-duty trucks, locomotives, marine vessels, aircraft, and off-road technologies) and the cleanest stationary sources (heaters, boilers, furnaces, engines, etc.), with prioritization of zero-emission technologies.
- Infrastructure to support zero-emission and near-zero emission technologies, prioritizing zero-emission technologies where available.
- Renewable energy and alternative energy, energy storage, microgrids and other programs, especially as related to electric and hydrogen infrastructure for transportation and emissions reductions from sources such as back-up generators.
- Technologies, systems and/or processes which reduce ambient concentrations of air pollutants and/or toxic air emissions.
- Establishing programs or policies that incentivize the federal government to purchase and use advanced clean technologies with prioritization for zero-emissions.
- Incentivizing individuals, businesses, states, and local governments to purchase and use advanced clean, zero and near-zero emission technologies.

Environmental Justice

Support legislation and regulatory action that promotes environmental justice initiatives to reduce localized health risks, develop clean air technologies that directly benefit disproportionately impacted communities, and enhance community participation in decision-making.

Reduction of Toxic Emissions

Pursue efforts through legislative and administrative programs, to reduce toxic emissions, and the public's exposure to toxic emissions, within the South Coast region.

Climate Change

Seek to influence climate change initiatives and facilitate their implementation at local levels, including funding, to promote co-benefits with emission reductions to achieve the NAAQS and to reduce air toxic emissions, consistent with the Board's policy.

Business, Jobs Creation & Economy

Support legislation, policies or administrative actions that support and assist the regulated community in complying with rules and regulations in the most efficient and cost-effective manner that protects and encourages job retention and creation, and promotes economic growth, while working toward attainment of clean air standards.

South Coast AQMD's Federal Legislative Guiding Principles for 2025

Addressing Impacts of Natural and Manmade Events

Support and advocate for legislative and administrative policies, programs, and funding that reduce and/or mitigate air quality-related public health impacts within the South Coast region caused by wildfires, dust/sandstorms, odors, or other events.

Administrative Operations

Support and seek legislative and administrative policies, programs, funding and/or actions that ensure that South Coast AQMD can meet its administrative and operational needs related to human resources, health and safety, or other employment related issues.

KADESH & ASSOCIATES

South Coast AQMD Report for the November 2024 Legislative Meeting covering October 2024 Kadesh & Associates

The House and Senate have been in recess since September. The recess began shortly after Congress approved a continuing resolution (CR) to fund the government through December 20, 2024. The next session will resume the week after the November 5 election, but the lame duck agenda all depends on the result of that election.

When Congress returns after the election, the most urgent item will be resolving all the outstanding disagreements about the final FY25 funding package. While that is the only must-pass item, there are several other outstanding items including: disaster supplemental funding (including hurricane/flood damage in the southeast, replacement of Baltimore's Key Bridge, and wildfires in the west and Maui, HI), the annual defense authorization bill, the farm bill, and the Water Resources Development Act. Additionally, the current debt ceiling "suspension" expires on January 1, 2025; legislation to change that date or establish a new debt ceiling amount will have to move prior to the end of the year.

The lame duck session, with all those unsettled legislative priorities, will be the one final test for the historically chaotic 118th Congress. If there is a change in control of one or both chambers, which appears likely as of this report, it will add an interesting complication, since the incoming majority in other chamber will have much less incentive to compromise in November 2024 when they can set the terms in January 2025.

Regardless of the election's outcome in Congress and the White House, the 119th Congress will act on taxes and transportation due to the expiration dates of two prior statutes: many provisions of Trump's 2017 tax law are set to expire on December 31, 2025, and the 2021 Bipartisan Infrastructure Law (BIL) expires in 2026. Both are important for South Coast AQMD priorities. The BIL created the clean school buses program at EPA, and new DOT funding for EV charging and port infrastructure. In addition, the Inflation Reduction Act (IRA) included significant clean/renewable energy tax provisions that a Trump administration will target in tax law reauthorization; a Harris administration would seek to build on them.

Speaking of the IRA, the EPA's Clean Ports program awards should come by the end of this month.

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.

-Met with delegation to plan for the lame duck session and 119th Congress.

Contacts:

KADESH & ASSOCIATES

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

To: South Coast AQMD Legislative Committee
From: Carmen Group
Date: October 23, 2024
Re: Federal Update -- Executive Branch

Old Congress: The post-election lame-duck Congress is planned to convene on Nov. 12 and has set a Dec. 20 deadline to address significant unfinished and complicated business, including FY 25 appropriations, the National Defense Authorization Act (NDAA), the Water Resources Development Act (WRDA), and the Farm Bill.

New Congress: The newly-elected Congress will convene in January, but leadership elections for the new Congress are expected to begin the week of November 11. One of the challenges we will be watching closely, regardless of the election outcome, is the fate of the Inflation Reduction Act and the Bipartisan Infrastructure Law, both of which continue to harbor large amounts unspent federal funds for climate, clean air and related programs. Attempts are going to be made on the Republican side to claw back all or some of this money, and we are collectively preparing strategies and plans to deal with such eventualities. In October, for example, Republican Hill Staff and others have been targeting the EPA's multi-billion-dollar Greenhouse Gas Reduction Fund program.

Department of Transportation

MARAD Advances U.S. Center for Maritime Innovation: In October, following an RFP solicitation, the Maritime Administration selected the American Bureau of Shipping (ABS) to establish and maintain the Congressionally-authorized U.S. Center for Maritime Innovation that comes from MARAD's Office of Environment and Innovation through the Maritime Environmental and Technical Assistance (META) Program. The Center will promote the study, research, development, assessment and development of emerging maritime technologies and practices related to the maritime transportation system. This dovetails with South Coast AQMD's discussions in meetings with MARAD over the past two years on prioritizing research and efforts to reduce maritime emissions from harbor craft and ocean-going vessels.

DOT Announces Mega and INFRA Grant Awards: In October, the Department of Transportation (DOT) announced more than \$4.2 billion in grant awards under the Mega and INFRA grant programs, two of the agency's largest discretionary grant programs. This includes two Mega projects in California: \$54.5 million to construct a high-speed rail station in Merced-Bakersfield, and \$166 million to complete the Contra Costa I-680 express lane improvements. It also includes two INFRA projects in California: \$105 million to modernize an outdated interchange in Redwood City, and \$98 million for multimodal interchange improvements in Tulare.

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Environmental Protection Agency

EPA Releases 2023 Data from Greenhouse Gas Reporting Program: In October, the EPA reported that direct emissions of greenhouse gases (GHG) from stationary sources, representing approximately 50% of total US GHG emissions in 2023, were down by approximately 4% from 2022. More than 8,100 industrial facilities reported GHG emissions data in 2023 to EPA under the agency’s Greenhouse Gas Reporting program. Power plants were the largest stationary source of such emissions and petroleum and natural gas systems were the second largest source.

EPA Selects New Members for Its Science and Clean Air Advisory Panels: The EPA recently announced selections for new memberships of the agency’s Science Advisory Board (SAB) and Clean Air Scientific Advisory Committee (CASAC). Notably,

Dr. Jeremy A Sarnat, Associate Professor in Environmental Health at Emory University has been named Chair of CASAC, and **Dr. Joshua Graff Zivin**, Economics Professor at the University of California, San Diego, has been named as a member of the SAB and its Economic Analysis Committee. Both panels provide expert advice to EPA.

EPA Announces DERA National Grants: In October, the EPA announced that it had tentatively selected approximately 70 national DERA projects totaling \$125 million to reduce diesel emissions across a range of transportation sectors, including engine replacements, upgrades to school buses, port equipment and construction equipment. EPA said these awards are in final workplan negotiations with the tentatively selected applicants and noted that the DERA program prioritizes projects in areas that face air quality impacts, especially those projects that benefit disadvantaged communities or other areas that face particular public health or environmental justice risks.

Department of Energy

DOE Announces Continuing Efforts to Improve Electricity Grid: In October, the Department of Energy (DOE) announced \$1.5 billion in four transmission projects to improve the nation’s electricity grid. At the same time, it released the final National Transmission Planning (NTP) Study, a set of long-term planning tools and analyses that examine future scenarios on pathways to maintain grid reliability in the face of electricity capacity needs, including in the transportation sector, that the report says will double or triple by 2050. [National Transmission Planning \(NTP\) Study](#)

DOE Announces California’s Launch of Federal Home Energy Rebates Programs:

In October, the Department of Energy announced that California is launching its first Home Energy Rebates Program, supported by the Inflation Reduction Act. This will include the Home Electrification and Appliance Rebates (HEAR), enabling savings in energy efficiency improvements.

Outreach: During October, Carmen Group was in touch with key staff at the America First Policy Institute in Washington, DC regarding potential post-election transition matters dealing with energy and environmental policies and personnel. The Carmen Group team continues to work closely with SCAQMD staff and the other federal consultants to promote SCAQMD and its success securing significant federal funding with federal agency and congressional staff.

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To: South Coast Air Quality Management District
From: Cassidy & Associates
Date: October 22, 2024
Re: October Report

HOUSE/SENATE

Congress

Congress is in recess until November 12. Before leaving town at the end of September, lawmakers passed a Continuing Resolution (CR) to extend government funding through December 20. In addition to maintaining funding at Fiscal Year 2024 levels until a new appropriations bill is passed, it allocates \$231 million in new funding for the Secret Service and provides funding to several agencies and the District of Columbia for presidential transition and inauguration activities. With the election two weeks away, the Harris and Trump campaigns are in full swing.

Senators from states impacted by Hurricane Helene are pushing Senate leadership to consider a supplemental spending bill to aid affected constituents. Homeland Security Secretary Alejandro Mayorkas warned that FEMA may not have enough resources for the remainder of the hurricane season. The Senate Energy and Natural Resources Committee was due to hold a markup of 79 bills in September, but the markup was rescheduled to November 19 after the Senate adjourned early.

EPA

On October 17, the Environmental Protection Agency (EPA) awarded \$1 million to six organizations to address indoor air health risks related to asthma and radon. The program aims

to prevent lung cancer, asthma attacks, and emergency room visits through promoting radon testing, supporting environmental asthma interventions, and promoting best practices and policies to improve indoor air quality. Kansas State University, the American Lung Association, the Conference of Radiation Control Program Directors, the Public Health Institute, the National Center for Healthy Housing, and the Environmental Law Institute were selected to receive three-year cooperative agreements under the program. Read more [here](#).

On October 17, the EPA awarded \$125 million to 70 projects to support the upgrade or retirement of older diesel engines to zero-emission technologies. The Diesel Emissions Reduction Act National Grants Program awarded projects aimed at replacing these engines across transportation sectors, including school buses, port equipment, and construction equipment. Replacement equipment must be EPA and California Air Resources Board certified engine configurations or idle reduction technologies. Nearly eight million legacy diesel engines remain in service, emitting significantly higher levels of nitrogen oxides than new diesel engines that must meet higher standards. Read more [here](#).

On October 16, the EPA announced two settlement agreements with The Shyft Group, Inc and Double R Diesel for violations of the Clean Air Act. Shyft will pay a \$2 million civil penalty for failure to comply with greenhouse gas certification requirements related to carbon dioxide emission standards in vehicles. The issue concerned Shyft-manufactured vocational vehicles for model years 2017 through 2021. Double R Diesel will pay \$10,000 and cease sale of defeat device products for violations of the prohibition against the manufacture or sale of aftermarket products. Double R Diesel sold nearly 5,000 products that disabled vehicles' emissions-control systems. Read more [here](#).

On October 15, the EPA released greenhouse gas data for 2023, which found that direct emissions of greenhouse gases from large stationary sources decreased by 4% from 2022 and 22% from 2011 to 2023. These emissions are the cause of half of total nationwide emissions. Power plants were found to be the largest stationary source of emissions, and petroleum and natural gas systems were the second largest source. Power plant emissions decreased by 7.2% from 2022, and petroleum and natural gas systems showed a 1.4% increase from 2022. Read more [here](#).

On October 9, the EPA issued a Toxic Substances Control Act (TSCA) Test Order requiring Chemical Technologies, the Chemours Company, Daikin America, Inc, Sumitomo Corporation of Americas, and E.I. Du Pont de Nemours and Company to test 6:2 fluorotelomer acrylate (6:2FTAc), a type of per- and polyfluoroalkyl (PFAS). Between one to twenty million pounds of 6:2 FTAc are produced per year through manufacturing processes. The results of the testing will

inform EPA of human health effects of 6:2 FTAc and other structurally similar PFAS. Read more [here](#).

On October 2, the EPA released a proposed rule to include 16 individuals per- and polyfluoroalkyl substances (PFAS) and 15 PFAS categories to the Toxics Release Inventory (TRI) and designate them as chemicals of special concern. This action would support data collection through TRI reporting requirements, enhancing EPA and public understanding of how PFAS is released into the environment. The selected PFAS have been linked to negative health outcomes, including cancer and liver damage. The proposed rule sets a reporting threshold of 100 pounds for manufacture, processing, and other uses. The rule also clarifies how PFAS are automatically added to the TRI under the NDAA. Read more [here](#).

Cassidy and Associates support in October:

- Worked with SCAQMD staff to strategize on future DC outreach.
- Engaged on SCAQMD's behalf with USDA regarding their i-Tree project that estimates the air pollution impact of trees.
- Advised SCAQMD throughout the appropriations cycle to identify and pursue funding opportunities.
- Participated in weekly strategy sessions with SCAQMD staff.

IMPORTANT LEGISLATIVE DATES

December 20, 2024: Congress passed a Continuing Resolution to fund the federal government through December 20, 2024, while they continue to negotiate Fiscal Year 2025 funding.

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.



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TO: South Coast Air Quality Management District

FROM: Anthony, Jason & Paul Gonsalves

SUBJECT: Legislative Update – October 2024

DATE: Wednesday, October 23, 2024

The Legislature adjourned on August 31, 2024 and typically, once the Legislature adjourns session, Legislators would be in their districts until the newly elected Legislature convenes in early December. This year however, the Legislature returned to Sacramento in late September for a special session on gas spikes called by Governor Newsom.

In addition, the November 5th General Election is fast approaching. All 80 Members of the Assembly and half of the Members of the Senate are up for election. The November General Election will also include 10 propositions for voters to decide on, including a \$10 billion Climate Bond. Regardless of the outcomes at the ballot box, the State Legislature will have at least 35 new members when they return on December 2, 2024 for their ceremonial swearing in. That, coupled with the 37 new members elected in 2022, means 72 of 120 (60%) of the members of the Legislature will have 2 years or less of experience.

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

Low Carbon Transit Operation Program

On October 8, 2024, Governor Newsom announced that Caltrans will provide \$206 million for 149 local clean transportation initiatives aimed at reducing pollution, particularly in disadvantaged communities throughout the state. This funding boosts the state's total investment in such projects to over \$1 billion over the past 10 years.

The financing is made possible through California Climate Investment funds within the Low Carbon Transit Operation Program (LCTOP), which is supported by the state's cap-and-trade program. Over the last 10 years, LCTOP has allocated more than \$1 billion to over 1,400 projects that have enhanced bus and rail services, assisted transit agencies in acquiring zero-emission vehicles, funded zero-emission infrastructure, and supported programs for free or reduced transit fares. Approximately 96% of this funding has benefited disadvantaged and low-income communities.

LCTOP is financed by the GGRF and is part of California Climate Investments, a statewide initiative that channels billions of dollars from cap-and-trade revenues to lower greenhouse gas emissions, bolster the economy, and enhance public health and the environment, especially in disadvantaged areas.

This year's LCTOP funding will support several projects, including:

- Los Angeles County Metropolitan Transportation Authority – Metro E-Line Operations: \$51.3 million will be allocated for operations benefiting the Metro E Line light rail service, which serves 29 stations and operates daily.
- Orange County Transportation Authority (OCTA) – 40 Hydrogen Fuel Cell Electric Bus Project: \$10.3 million will be used to purchase 40 hydrogen fuel cell electric buses to advance OCTA's transition to a zero-emission fleet.

CIMS & STEP

On October 11, 2024, CARB announced the allocation of over \$42 million in a second round of grants aimed at funding community-led clean mobility planning, education, and implementation projects in disadvantaged and low-income neighborhoods.

The Clean Mobility in Schools (CMIS) and Sustainable Transportation Equity Project (STEP) initiatives support creative solutions that enhance zero-emission transportation options, such as zero-emission car-sharing, biking and walking infrastructure, traffic-calming measures, and educational outreach, particularly in communities grappling with air quality challenges and limited access to mobility resources. These projects not only aim to reduce greenhouse gas emissions and vehicle miles traveled, but also tackle inequities by facilitating easier access to essential destinations like schools, medical facilities, grocery stores, and jobs without the reliance on personal vehicles.

The latest round of grants will fund five new transportation projects, provide additional resources for ongoing efforts, and offer technical assistance to grant recipients. The following five new projects received funding:

1. Porterville Unified School District: Porterville and the Tule River Tribe of California have been awarded \$9.1 million for projects identified through a needs assessment funded by CARB. Initiatives include automated and optimized school bus routing, zero-emission micro-transit services, and community outreach and engagement.
2. Omnitrans (San Bernardino Valley): Omnitrans has received \$4.5 million for transportation investments identified through a previous STEP planning grant, which includes the purchase of electric buses and chargers to enhance service. The funding will also support a bilingual transit ambassador program, a transit rider advisory council, a zero-emission mechanic apprenticeship, and distribution of transit passes.
3. City of Fresno: Fresno was awarded \$5.1 million for projects identified through a CARB-funded needs assessment. These initiatives include sidewalk rehabilitation, the installation of pedestrian crossing beacons, bike racks, and urban greening efforts.

4. City of San José: The East San José Mobility Equity Project received \$5.2 million to implement various initiatives, such as an Earn-a-Bike program, bike repair clinics, a bike mechanic apprenticeship, subsidies for public transit and bikeshare programs, and a Universal Mobility Wallet.
5. City of West Hollywood: West Hollywood secured \$8.2 million for pedestrian and bike safety infrastructure, including the removal of a car lane and on-street parking to create a protected bike lane and widen sidewalks. The funding will also enhance zero-emission transit vehicles and charging infrastructure to improve fixed-route commuter shuttles and paratransit services.

Additionally, \$10 million will fund the Planning and Capacity Building program, which offers technical assistance to CMIS and STEP grantees. Some of this funding will be made available later this year through another grant solicitation that will select up to 15 projects to develop needs assessments and planning tools for necessary transportation improvements and future funding opportunities.

Special Session on Gas Spiking

At the end of the regular session, Governor Newsom threatened to call a special session in the fall as Democratic lawmakers wobbled on a package of energy bills that he wanted to pass before the Legislature adjourned for the year. Unfortunately, the Governor and Legislative Leaders could not reach an agreement due to tension within their caucuses which was exacerbated by the statutory deadline to pass legislation.

The Governor was calling for legislation that would offer a customer credit for electricity and gas bills, accelerate environmental reviews for clean energy projects and require oil refiners to maintain reserves, among other proposals. Some environmentalists criticized the plan because of the push to expedite environmental reviews.

Ultimately, the Assembly rejected the Governor's proposal, responding that they did not have time to consider it properly and that the Governor should instead call a Special Session of the Legislature. In the final hours of session, Governor Newsom did so.

Nearly a month later, the Special Session convened and the Assembly and Senate both heard and passed ABX2-1 (Hart), which authorizes the California Energy Commission (CEC) to increase transportation fuel supply through various actions. This includes authorizing the CEC to develop requirements on refiners to maintain resupply plans to cover production loss during maintenance events and to maintain minimum levels of inventories.

On October 14, 2024, Governor Newsom signed ABX2-1(Hart) into law.

Financing for Energy Upgrades

On October 14, 2024, State Treasurer Fiona Ma announced a \$30 million agreement with the CEC to enhance a popular financing program for home energy efficiency upgrades. The program, known as GoGreen Financing, is managed by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA), which Ma chairs in her role as State Treasurer.

This agreement ensures that over 7 million customers of publicly owned utilities remain eligible for the residential aspect of GoGreen Financing, called GoGreen Home. The funds can be utilized for various

energy upgrades, including heat pumps for space and water heating, efficient electric appliances, solar panels with battery storage, electric vehicle chargers, efficient lighting, and smart home energy management systems.

GoGreen Financing facilitates clean energy improvements for Californians by providing a credit enhancement in the form of a loan loss reserve, which gives participating lenders coverage in the event of borrower defaults. This loss reserve reduces the risk of default, enabling lenders to offer more competitive rates, longer repayment terms, and to approve a wider range of borrowers for energy upgrade loans. As these loans are repaid, the credit enhancement funds are reintegrated into the system for future loan financing.

This program, financed through California Climate Investments, allows the CEC's Equitable Building Decarbonization Program to provide the funding to help achieve its objectives of lowering carbon emissions in California homes and promoting energy equity.

This initiative is part of a broader set of programs at both state and federal levels aimed at decarbonizing California's buildings by promoting the adoption of electric appliances, reducing greenhouse gas emissions, and making buildings more efficient, comfortable, and resilient against the impacts of climate change. In total, the CEC plans to launch nearly \$900 million in building decarbonization programs over the next two years, with each program tailored to address the specific upfront challenges faced by different market segments.

Participants in GoGreen Home can obtain financing for upgrades in a variety of residential types, including single-family homes, townhomes, condos, duplexes, triplexes, fourplexes, and manufactured homes. Currently, nine credit unions and financial institutions are offering loans to GoGreen Home customers, with more lenders expected to join in 2025.

Salton Sea Restoration Project

On October 15, 2024, Governor Newsom announced the start of a significant expansion of restoration efforts at the Salton Sea. This new 750-acre project enhances the state's continuous initiatives aimed at improving wildlife habitat, safeguarding public health, and enhancing water quality, while the overall project encompasses nearly 5,000 acres.

This summer, California received \$175 million from the Biden-Harris Administration, along with \$70 million allocated in December 2023, as part of a \$250 million commitment from the Inflation Reduction Act to expedite the restoration of the Salton Sea. This federal support supplements over \$500 million in state funding secured so far.

The Salton Sea, the largest inland body of water in California, has contracted in recent years due to decreased inflows, leading to an exposed lakebed that generates dust particles detrimental to air quality in the Imperial Valley. The federal funding will support the expansion of the ongoing Species Conservation Habitat Project at the southern edge of the sea. Located near Westmorland, this expanded initiative will develop a network of ponds and wetlands to provide essential habitats for fish and birds while also reducing dust emissions that compromise air quality.

2024 Legislative Deadlines

November 5 General Election

December 2 Ceremonial Organizational Session

RESOLUTE^{*}

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

❖ Important Upcoming Dates

November 5, 2024 – Election Day

❖ 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 initiated and ended their second extraordinary session on the topic of gasoline prices.
- Followed up on bills for the 2024 legislative session, including for SCAQMD sponsored legislation.

❖ Second Extraordinary Session Called by Governor Newsom Comes to Close. On the last day of the regular session Governor Newsom called for a Second Extraordinary session to consider legislation related to the topic of gasoline prices and price spikes. The Assembly held its first hearing of ABX2-1 (Hart) in late September. The final version of the bill is available at this link:

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320242ABI

- September 26: passed by the Assembly Committee on Petroleum and Gasoline Supply
 - Ayes: Aguiar-Curry, Alvarez, Bennett, Friedman, Garcia, Hart, Jackson, Lee, Papan, Pellerin, Petrie-Norris, Wood, Zbur.
 - Noes: Jim Patterson, Joe Patterson
 - No Vote Recorded: Flora, Gipson, Muratsuchi, Blanca Rubio
- October 1: passed by the Assembly Floor: 44 Aye- 18 Noes -17 NVR
 - Ayes: Addis, Aguiar-Curry, Arambula, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Juan Carrillo, Connolly, Mike Fong, Friedman, Gabriel, Garcia, Haney, Hart, Holden, Jackson, Jones-Sawyer, Kalra, Lee, Low, Lowenthal, Maienschein, McCarty, McKinnor, Muratsuchi, Pacheco, Papan, Pellerin, Petrie-Norris, Ramos, Reyes, Rodriguez, Santiago, Ting, Valencia, Ward, Weber, Wicks, Wilson, Wood, Zbur, Robert Rivas
 - Noes: Alanis, Bains, Chen, Megan Dahle, Davies, Dixon, Flora, Gallagher, Hoover, Lackey, Mathis, Jim Patterson, Joe Patterson, Sanchez, Soria, Ta, Waldron, Wallis
 - No Vote Recorded: Alvarez, Bryan, Calderon, Wendy Carrillo, Cervantes, Essayli, Gipson, Grayson, Irwin, Stephanie Nguyen, Ortega, Quirk-Silva, Rendon, Luz Rivas, Blanca Rubio, Schiavo, Villapudua
- October 7: passed by Senate Committee on Fuel Supply and Price Spikes
 - Ayes: Ashby, Becker, Blakespear, Bradford, Gonzalez, Laird, Limón, Skinner, Stern
 - Noes: Dahle, Seyarto
- October 11: passed by Senate Floor: 23 Aye- 9 Noes- 8 NVR
 - Ayes: Allen, Archuleta, Ashby, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Durazo, Glazer, Gonzalez, Laird, Limón, McGuire, Padilla, Portantino, Skinner, Smallwood-Cuevas, Stern, Umberg, Wahab, Wiener

- Noes: Alvarado-Gil, Dahle, Grove, Hurtado, Jones, Nguyen, Niello, Ochoa Bogh, Wilk
- No Vote Recorded: Dodd, Eggman, Menjivar, Min, Newman, Roth, Rubio, Seyarto

- October 14: Concurrence Vote passed by Assembly Floor: 42 Ayes- 16 Noes- 21 NVR
 - Ayes: Addis, Aguiar-Curry, Alvarez, Arambula, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Juan Carrillo, Connolly, Mike Fong, Friedman, Gabriel, Garcia, Haney, Hart, Holden, Jackson, Jones-Sawyer, Kalra, Lee, Low, Lowenthal, McCarty, McKinnor, Muratsuchi, Pacheco, Papan, Pellerin, Petrie-Norris, Reyes, Santiago, Ting, Valencia, Ward, Wicks, Wilson, Wood, Zbur, Robert Rivas
 - Noes: Alanis, Bains, Davies, Dixon, Flora, Gallagher, Hoover, Lackey, Mathis, Jim Patterson, Joe Patterson, Quirk-Silva, Sanchez, Soria, Villapudua, Wallis
 - No Vote Recorded: Calderon, Wendy Carrillo, Cervantes, Chen, Megan Dahle, Essayli, Gipson, Grayson, Irwin, Maienschein, Stephanie Nguyen, Ortega, Ramos, Rendon, Luz Rivas, Rodriguez, Blanca Rubio, Schiavo, Ta, Waldron, Weber

- October 14: Signed by the Governor



CALIFORNIA ADVISORS, LLC

South Coast AQMD Report
California Advisors, LLC
November 8, 2024

Special Session Update

The Governor called the Legislature into a second extraordinary session on August 31st to address the high cost of gasoline and mitigate price spikes in California. Nine bills were introduced by Assemblymembers in the second extraordinary session. Of these, ABX2-1, 2, 8 and 9 were introduced by Democrats and ABX2-3 through 7 were proposed by Republicans. On October 1, the Assembly convened for a floor session and voted ABX2-1 and 9 to the Senate. The Senate made minor amendments to ABX2-1 but refused to hear ABX2-9. The Senate passed ABX2-1 on October 11th and returned it to the Assembly for concurrence. The second extraordinary session concluded on October 14th, when the State Assembly convened for a floor session and concurred with Senate amendments to ABX2-1. The Governor signed ABX2-1 on October 14th. ABX2-1 empowers the California Energy Commission to mandate oil refineries to have minimum gasoline inventory in storage before going offline for maintenance.

Governor's Office Updates

On August 31st the second year of the 2023-2024 regular legislative session concluded. The Governor received 1,206 bills over the course of 2024. The Governor signed a total of 1,017 bills and vetoed 189 during the second year of the legislative session for an overall passage rate of 84%. In 2023 the Governor signed 890 bills and vetoed 156 for an overall passage rate of 85%.

Budget Update

The State Department of Finance's monthly finance bulletin shows that general fund tax receipts for the fiscal year to date are \$4.1B above 2024-2025 budget act estimates. This is a 10.9% increase over Department of Finance revenue projections. Finance analysts expect that the overage is a result of greater than expected corporate tax receipts. The extent that this overage will help resolve the State's structural budget problems is unclear. Much of the revenue increase must be diverted to fund schools in accordance with Proposition 98. Any remaining funds will likely be insufficient to fully resolve projected budget deficits.

Election Update

County election officials mailed ballots to all registered voters in the state on October 7th for the November 5th General Election. Ballots returned by mail will be counted as long as they are postmarked on or before election day. Notably, in this election there are 35 members of the Legislature who are either termed out or not running for reelection, 11 in the Senate and 24 in the Assembly. Additionally, there are ten statewide ballot measures that voters will decide on. Among these, Proposition 4 would authorize the state to borrow \$10B for climate resilience programs. The bond sets aside \$1.5B for wildfire resilience programs and \$850M for clean air programs, among other programs.