



IEA Legislative Review March 25, 2015

1. Bills IEA would oppose in their current form:

SB 8 - Hertzberg

Legislative Language

The Sales and Use Tax Law imposes a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. The Personal Income Tax Law imposes taxes on personal taxable income at specified rates, and the Corporation Tax Law imposes taxes upon, or measured by, corporate income.

This bill would state legislative findings regarding the Upward Mobility Act, key provisions of which would expand the application of the Sales and Use Tax law by imposing a tax on specified services, would enhance the state's business climate would incentivize entrepreneurship and business creation by evaluating the and would examine the impacts of a lower and simpler.

IEA Summary

SB 8 would extend the state sales tax to service industries. Healthcare services, education services, and all businesses with under \$100,000 in sales would be exempt.

SB 32 Pavley

Legislative Language

SB 32, as amended, Pavley. California Global Warming Solutions Act of 2006: emissions limit.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to adopt rules and regulations in an open public process to achieve the maximum, technologically feasible, and cost-effective greenhouse gas emissions reductions.

This bill would require the state board to approve a statewide greenhouse gas limit that is equivalent to 80% below the 1990 level to be achieved by 2050, as specified.

The bill would authorize the state board to adopt interim greenhouse gas emissions level targets to be achieved by 2030 and 2040. The bill also would state the intent of the Legislature for the Legislature and appropriate agencies to adopt complementary policies that ensure long-term emissions reductions advance specified criteria.

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

IEA Summary

SB 32 would codify the climate pollution reduction target to 80 percent below 1990 levels by 2050. It would also authorize the CA Air Resources Board to adopt interim greenhouse gas emissions level targets to be achieved by 2030 and 2040, and it provides that it is the intent of the Legislature an appropriate agencies to adopt additional complemenetar4y policies that ensure long-term emissions reductions.

SB 350 - de Leon (sorry for the length, but he has put so much into this bill)

SB 350, as introduced, De León. Clean Energy and Pollution Reduction Act of 2015.

(1) Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations, as defined, while local publicly owned electric utilities, as defined, are under the direction of their governing boards.

Existing law establishes the California Renewables Portfolio Standard (RPS) program, which expresses the intent of the Legislature that the amount of electricity generated per year from eligible renewable energy resources be increased to an amount that equals at least 33% of the total electricity sold to retail customers in California per year by December 31, 2020. Existing law requires the PUC, by January 1, 2012, to establish the quantity of electricity products from eligible renewable energy resources to be procured by each retail seller for specified compliance periods, sufficient to ensure that the procurement of electricity products from eligible renewable energy resources achieves 25% of retail sales by December 31, 2016, and 33% of retail sales by December 31, 2020, and that retail sellers procure not less than 33% of retail sales in all subsequent years. Existing law includes as an eligible renewable energy resources a specified facility engaged in the combustion of municipal solid waste.

Existing law makes the requirements of the RPS program applicable to local publicly owned electric utilities, except that the utility's governing board is responsible for implementation of those requirements, instead of the PUC, and certain enforcement authority with respect to local publicly owned electric utilities is given to the State Energy Resources Conservation and Development Commission (Energy Commission) and State Air Resources Board, instead of the PUC.

This bill would additionally express the intent of the Legislature for the purposes of the RPS program that the amount of electricity generated per year from eligible renewable energy resources be increased to an amount equal to at least 50% by December 31, 2030, and would require the PUC, by January 1, 2017, to establish the quantity of electricity products from eligible renewable energy resources be procured by each retail seller for specified compliance periods sufficient to ensure that the procurement of electricity products from eligible renewable energy resources achieves 50% of retail sales by December 31, 2030. The bill would require the governing boards of local

publicly owned electric utilities to ensure that specified quantities of electricity products from eligible renewable energy resources to be procured for specified compliance periods to ensure that the procurement of electricity products from eligible renewable energy resources achieve 50% of retail sales by December 31, 2030. The bill would exclude all facilities engaged in the combustion of municipal solid waste from being eligible renewable energy resources. The bill would require community choice aggregators and electric service providers to prepare and submit renewable energy procurement plans. The bill would revise other aspects of the RPS program, including, among other things, the enforcement provisions and would require penalties collected for noncompliance to be deposited in the Electric Program Investment Charge Fund. The bill would require the PUC to direct electrical corporations to include in their proposed procurement plans a strategy for procuring a diverse portfolio of resources that provide a reliable electricity supply. The bill would require the PUC and the Energy Commission to take certain actions in furtherance of meeting the state's clean energy and pollution reduction objectives.

(2) Under existing law, a violation of the RPS program is a crime.

Because the provisions of this bill would expand the RPS program, a violation of these provisions would impose a state-mandated local program by expanding the definition of a crime.

(3) By placing additional requirements upon local publicly owned electric utilities, this bill would impose a state-mandated local program.

(4) Existing law requires the State Air Resources Board to adopt and implement various standards related to emissions from motor vehicles.

This bill would require those standards to be in furtherance of achieving a reduction in petroleum use in motor vehicles by 50% by January 1, 2030.

(5) Existing law states the policy of the state to exploit all practicable and cost-effective conservation and improvements in the efficiency of energy use and distribution, and to achieve energy security, diversity of supply sources, and competitiveness of transportation energy markets based on the least environmental and economic costs.

This bill would additionally state the policy of the state to exploit those conservation and improvements in furtherance of reducing petroleum use in the transportation sector by 50% by January 1, 2030.

(6) Existing law requires the Energy Commission to establish a regulatory proceeding to develop and implement a comprehensive program to achieve greater energy savings in California's existing residential and nonresidential building stock and to periodically update criteria for the program.

This bill would require the Energy Commission, by January 1, 2017, and at least once every 3 years thereafter, to adopt an update to the program in furtherance of achieving a doubling of energy efficiency in buildings by January 1, 2030.

(7) 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 reasons.

IEA Summary

SB 350 would set the following goals for California by 2030:

- 50% reduction in petroleum use
- 50% increase in efficiency of existing buildings, residential and commercial
- 50% utility power coming from renewable energy sources by 2030

Thus far, there has been no discussion in Sacramento regarding the cost to the State and to taxpayers to achieve these goals, and that discussion is sorely missing from the process.

2. Bills IEA would support in their current form:

AB 12

Legislative Language

AB 12, as introduced, Cooley. State government: administrative regulations: review.

(1) Existing law authorizes various state entities to adopt, amend, or repeal regulations for various specified purposes. The Administrative Procedure Act requires the Office of Administrative Law and a state agency proposing to adopt, amend, or repeal a regulation to review the proposed changes for, among other things, consistency with existing state regulations.

This bill would, until January 1, 2019, require each state agency to, on or before January 1, 2018, and after a noticed public hearing, review and revise that agency's regulations to eliminate any inconsistencies, overlaps, or outdated provisions in the regulations, adopt the revisions as emergency regulations, and report to the Legislature and Governor, as specified. The bill would further require each agency to, on or before January 1, 2017, compile an overview of the statutory law that agency administers.

(2) The act requires a state agency proposing to adopt, amend, or repeal a major regulation, as defined, to prepare a standardized regulatory impact analysis of the proposed change. The act requires the office and the Department of Finance to, from time to time, review the analyses for compliance with specific department regulations. The act further requires the office to, on or before November 1, 2015, submit a report on the analyses to the Senate and Assembly Committees on Governmental Organization, as specified.

This bill would instead require the office and department to annually review the analyses. The bill would also require the office to annually submit a report on the analyses to the Senate Committee on Governmental Organization and the Assembly Committee on Accountability and Administrative Review.

IEA Summary

AB 12 requires that state agencies review and revise existing regulations to address inconsistencies, overlaps and outdated provisions and adopt amendments to those regulations to eliminate those issues. Additionally, this bill requires the Department of Finance to annually review the standardized economic impact analyses submitted by regulatory agencies.

AB 543 Quirk

(AB 543 is a “conditional support” at this point while we await more language. There are simple low cost assessment options available to businesses that currently proved a safe harbor against law suit abuse. Our concern is that the Bill below would eliminate that option and replace it with a more expensive process with only marginal protection from law suits. There is a fact sheet attached to the email to provide additional information on this very confusing topic)

Legislative Language

AB 543, as introduced, Quirk. Proposition 65: exposure.

(1) The Safe Drinking Water and Toxic Enforcement Act of 1986, an initiative measure approved by the voters as Proposition 65 at the November 6, 1986, statewide general election, prohibits any person, in the course of doing business, from knowingly and intentionally exposing any individual to a chemical known to the state to cause cancer or reproductive toxicity without giving a specified warning.

This bill would provide that a person, in the course of doing business, does not knowingly and intentionally expose an individual to a chemical known to the state to cause cancer or reproductive toxicity if there exists an exposure assessment that meets 3 specified requirements.

(2) Proposition 65 provides that it may be amended by a statute, passed by a 2/3 vote of each house of the Legislature, to further its purposes.

This bill would find and declare that it furthers the purposes of Proposition 65.

IEA Summary

This bill is attempting to address (but not entirely solve) what is commonly known as the “overwarning” problem. Specifically, and as Proposition 65 permits, businesses commonly provide warnings on their products and facilities even if they do not cause a Proposition 65 exposure at levels requiring a warning. This is because even when a business appropriately does not provide a Proposition 65 warning based on a scientific assessment that concludes that no warning is required, the business may nonetheless still be sued. To help address this issue, this bill promotes (but does not require) the use of a scientific exposure assessment to support a business’s decision to warn or not, and ensures that such an assessment is conducted by or under the supervision of a qualified scientist.