



# Senate Bill 535 (de León, Chapter 830)

## Background and Current Implementation Efforts

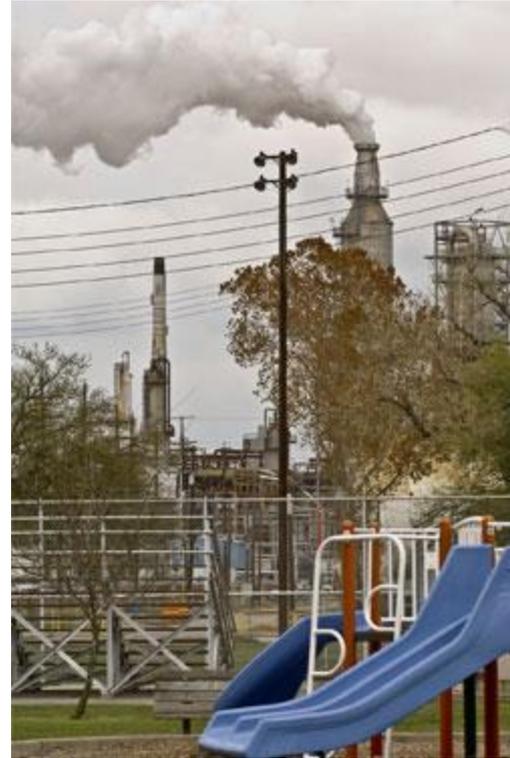
California Workforce Investment Board  
Green Collar Jobs Council  
January 16, 2014

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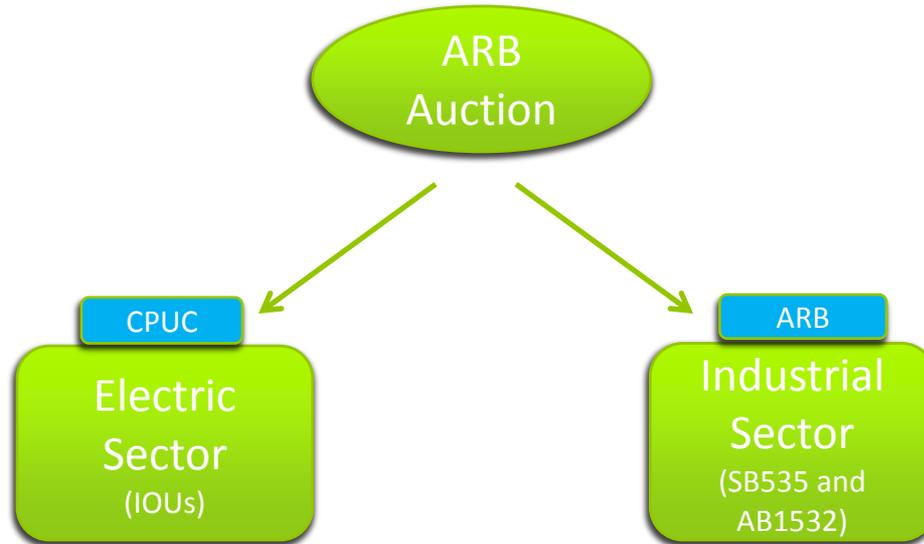
# Relevant Language From AB32

- Health and Safety Code 38562 (b)(2):
  - “Ensure that activities undertaken to comply with the regulations do not disproportionately impact low-income communities.”
  
- Health and Safety Code 38565:
  - “[E]nsure that the greenhouse gas emission reduction rules, regulations, programs, mechanisms, and incentives under its jurisdiction, where applicable and to the extent feasible, direct public and private investment toward the most disadvantaged communities in California and provide an opportunity for small businesses, schools, affordable housing associations, and other community institutions to participate in and benefit from statewide efforts to reduce greenhouse gas emissions.”

# Environmental Justice and Social Justice Groups have Traditionally Opposed Cap and Trade



# Cap and Trade Auction Revenues: Electric and Industrial Sectors



## Implementing Legislation

- AB 1532 and SB 535 form the implementing statutes where the Legislature provided direction on the process for allocating auction proceeds, the eligible uses for those proceeds, and the minimum level of investments in disadvantaged communities.

# AB 1532(Pérez, Chapter 807)

- Established the Greenhouse Gas Reduction Fund (GGRF) to receive auction proceeds.
- Set forth the process to for allocating auction proceeds.
- Identified eligible investments for those proceeds.

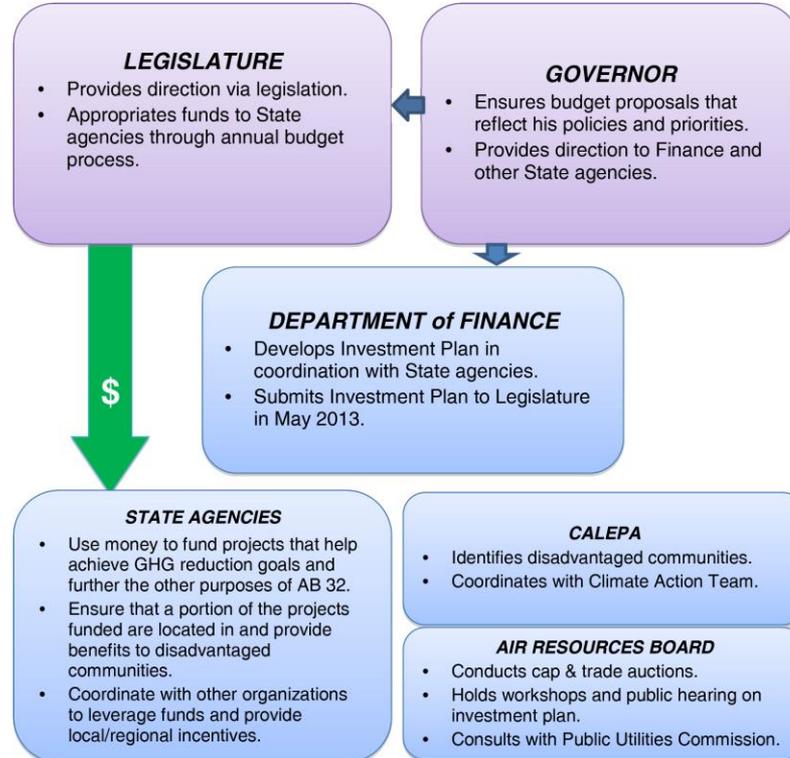
# The Process

- Step 1: The Department of Finance (DOF), in consultation with ARB and other State agencies, must develop and submit to the Legislature a three-year investment plan identifying priority programmatic investments of auction proceeds.
- ARB and other relevant agencies held public workshops and hearings in 2013 to solicit public input on priority investments.

# The Process

- Step 2: Annual Budget Appropriations - Funding will be appropriated to State agencies by the Legislature, consistent with the three-year investment plan submitted by the Administration.

# The Process



# Eligible Investments

- All cap-and-trade auction proceeds must be used to further the purposes of AB 32.
- Specifically, the statute establishes the following goals for the use of the proceeds:
  - Maximize economic, environmental, and public health benefits to the state.
  - Foster job creation by promoting in-state GHG emissions reduction projects carried out by California workers and businesses.
  - Complement efforts to improve air quality.
  - Direct investment toward the most disadvantaged communities and households in the state.
  - Provide opportunities for businesses, public agencies, nonprofits, and other community institutions to participate in and benefit from statewide efforts to reduce greenhouse gas emissions.
  - Lessen the impacts and effects of climate change on the state's communities, economy and environment.

# Eligible Investments

- Energy Efficiency and Clean Energy
  - Reduce GHG emissions through energy efficiency, clean and renewable energy generation, distributed renewable energy generation, transmission and storage, and other related actions, including, but not limited to, at public universities, state and local public buildings, and industrial and manufacturing facilities.
- Low-Carbon Transportation and Infrastructure
  - Reduce GHG emissions through the development of state-of-the-art systems to move goods and freight, advanced technology vehicles and vehicle infrastructure, advanced biofuels, and low-carbon and efficient public transportation.

# Eligible Investments

- Strategic Planning for Sustainable Infrastructure
  - Reduce GHG emissions through strategic planning and development of sustainable infrastructure projects, including, but not limited to, transportation and housing.
  
- Natural Resources and Solid Waste Diversion
  - Reduce GHG emissions associated with water use and supply, land and natural resource conservation and management, forestry, and agriculture.
  - Reduce GHG emissions through increased in-state diversion of municipal solid waste from disposal through waste reduction, diversion, and reuse.

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- At least **25 percent** of program funding must be allocated to projects that **benefit disadvantaged communities** and at least **10 percent** of program funding must be allocated to projects **located in disadvantaged communities**.
- CalEPA is responsible for identifying disadvantaged communities prior to submittal of the investment plan to the Legislature. Identification criteria may include, but are not limited to:
  - Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure or environmental degradation.
  - Areas with concentrations of people that are of low income, high unemployment, low levels of homeownership, high rent burden, sensitive populations, or low levels of educational attainment.

# Defining Disadvantaged Communities



# SB535 Coalition Priority Investments

- Low-Income Energy Efficiency.
- Low-Income Solar
- Transit Operations Funding
- Affordable Transit-Oriented Development
- Sustainable Freight
- Urban Forestry

In 2013, the Governor Borrowed \$500 M from the GGRF

## California State Budget 2013-14



Edmund G. Brown Jr. Governor, State of California

# 2014-2015 Budget Proposal

Figure EPA-01  
**Cap and Trade Expenditure Plan**  
 (Dollars in Millions)

<i>Investment Category</i>	<i>Department</i>	<i>Program</i>	<i>Amount</i>
Sustainable Communities and Clean Transportation	High-Speed Rail Authority/ Caltrans	Rail Modernization	\$300
	Strategic Growth Council	Sustainable Communities	\$100
	Air Resources Board	Low Carbon Transportation	\$200
Energy Efficiency and Clean Energy	Department of Community Services and Development	Energy Efficiency Upgrades/Weatherization	\$80
	Department of General Services	Green State Buildings	\$20
	Department of Food and Agriculture	Agricultural Energy and Operational Efficiency	\$20
	Department of Water Resources	Water Action Plan - Water and Energy Efficiency	\$20
Natural Resources and Waste Diversion	Department of Fish and Wildlife	Water Action Plan - Wetlands and Watershed Restoration	\$30
	Department of Forestry and Fire Protection	Fire Prevention and Urban Forestry Projects	\$50
	Cal Recycle	Waste Diversion	\$30
<b>Total</b>			<b>\$850</b>

# What's Missing?

- Transit operations funding.
- A detailed repayment plan for the \$500M loan.
- A proposal for how to track the benefits to disadvantaged communities.

# Ensuring Jobs Benefits Are Maximized in Disadvantaged Communities

- Question for the GCJC: Now that GGRF funds are flowing into programs, how do we ensure access to **good green** jobs in disadvantaged communities?



Thank you



For more information on Greenlining's work,  
please go to our website [greenlining.org](https://greenlining.org)

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