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Senate Passes California Clean Air Initiative

Historic Investment of Cap-and-Trade Dollars to Reduce Pollution

SACRAMENTO – The Senate today passed budget trailer bills AB 109 and AB 134, making this the most historic investment of its kind to clean air across California and advance zero-emission technologies in the transportation sector. Senate Democrats this summer led in determining the spending priorities for the Greenhouse Gas Reduction Fund, with the primary focus on reducing carbon emissions and other air pollutants from the transportation sector.

The **California Clean Air Initiative** will invest the bulk of available discretionary revenue (the 40 percent of cap and trade revenue not previously allocated by statute) through incentives to replace old, high-polluting diesel engines in heavy trucks and buses; provide rebates to help low- and middle-income families purchase new and used zero-emission vehicles; and promote zero-emission car-sharing and agricultural van pool programs, among others.

“It’s time for California to put an end to the public health epidemic caused by diesel pollution that disproportionately harms the most vulnerable residents in our state,” **Senate Leader Kevin de León (D-Los Angeles)** said. “This plan offers the greatest positive impact for our air, without new regulations or requirements for affected industries – it’s a win-win.”

Last month, Senators joined a coalition of vehicle manufacturers and clean air advocates to [showcase a broad range of clean truck and bus technologies](#) on Capitol grounds, including battery electric, fuel cell, natural gas, and hybrid technologies used in transit and shuttle buses, heavy duty work trucks, and medium-duty delivery vehicles. Growing demand for cleaner-burning engines has spurred a wave of innovation in the state, with a new generation of vehicle manufacturers opening up or relocating in California in recent years.

“Investing in clean energy trucks, buses and port equipment means investing in California families, California workers and California companies,” said **Senator Ricardo Lara (D-Bell Gardens)**, who represents one of the nation’s busiest ports and truck-traffic corridors. “The data is indisputable. If we are going to significantly reduce greenhouse gases and air toxics, we have to address mobile sources. Cleaning up dirty diesel trucks, buses and freight equipment gives California the biggest bang for our buck and will lead to immediate improvements in the health of residents in our most polluted areas.”

“Thousands of California school buses still run on dirty diesel fuel,” said **Senator Nancy Skinner (D-Berkeley)**. “Ditching diesel and moving toward California-built zero and low emission vehicles is right for our kids and communities.”

“By providing electric vehicle rebates and transitioning to cleaner buses and trucks, we can continue to drive innovation in our state, strengthen our clean-energy economy and improve the quality of air that we all breathe.” **Sen. Bob Wieckowski (D-Fremont)**, Chair, Senate Environmental Quality Committee.

“As a pediatrician, I see children with asthma and other respiratory and cardiovascular diseases which are caused or exacerbated by exposure from pollutants in the air they breathe,” said **Dr. Richard Pan (D-Sacramento)**, State Senator representing the Sacramento region. “With the deployment of the largest fleet of electric buses in the country by Twin Rivers Unified School District in my Senate district, students will be exposed to fewer pollutants riding to and from school, and we need to increase funding in this clean technology so all Californians will benefit.”

The Legislature’s Clean Air Initiative is the single largest investment in clean air in state history, with nearly \$900 million to phase out dirty diesel engines, promote clean trucks and buses, and expand access to electric vehicles for middle- and low-income families. This ambitious proposal is a win-win for business and public health; it delivers the greatest emissions reductions and air quality improvements, without adding a single new regulatory burden for industry.

California is also using revenue collected from polluters to make historic investments in forest management and fire prevention (\$225 million), sustainable agriculture (\$165 million), wetlands restoration, recycling and energy efficiency. All told, this \$1.5 billion proposal is a comprehensive investment to improve and preserve California’s quality of life and public health.

A detailed breakdown of proposed spending is below:

2017-18 Cap and Trade Spending Plan
40% Discretionary Portion
(millions of dollars)

Investment Category	Program	Amount
Air Quality (diesel reduction, low carbon transportation)	Carl Moyer Program, AQIP	\$250
	Agricultural Diesel Engine Replacement & Upgrades	85
	Clean Vehicle Rebate Project	140
	Freight Hubs/Ports: Zero Emission Freight Equipment Pilot Commercial Deployment Projects	140
	Clean Buses and Trucks	180
	Enhanced Fleet Modernization Program, School Buses & Transportation Equity Projects	100
	<i>Subtotal, Air Quality</i>	<i>(\$895)</i>
Air Quality Related, Local Action	AB 617 State and Local Implementation Costs	\$12
	Technical Assistance to Community Groups	5
	Transformative Climate Communities	10
	<i>Subtotal, Air Quality-Related and Local</i>	<i>(\$27)</i>
Sustainable Agriculture	Methane Reduction	\$99
	Energy Efficiency	60
	Renewable Energy	6
	<i>Subtotal, Sustainable Agriculture</i>	<i>(\$165)</i>
Sustainable Forests	Fire Prevention and Healthy Forests	\$200
	Local Fire Response/Emergency Fire Protection	25
	<i>Subtotal, Sustainable Forests</i>	<i>(\$225)</i>
Short-Lived Climate Pollutants, Carbon Sequestration, Greening	Recycling Infrastructure	\$40
	Urban Forestry	20
	Urban Greening	26
	Wetlands Restoration	15
	<i>Subtotal, Short-Lived Pollutants, Sequestration, Greening</i>	<i>(\$101)</i>
Climate Adaptation & Resiliency, Research	Low Income Weatherization	\$18
	Natural Land Adaptation	20
	Coastal Adaptation	6
	Research	11
<i>Subtotal, Adaptation, Resiliency, Research</i>	<i>(\$55)</i>	
Off-the-top Accounting	SRA backfill (40% share of costs)	\$32
Total		\$1,500

#CACleanAirInitiative

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