

DOCKETED

Docket Number:	15-OIR-02
Project Title:	Modification of Alternative and Renewable Fuel and Vehicle Technology Program Funding Restrictions
TN #:	204052
Document Title:	Notice of Staff Workshop - Confirmation of Emergency Regulation
Description:	Workshop held on Friday, April 10, 2015
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Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	4/2/2015 4:39:57 PM
Docketed Date:	4/2/2015



In the matter of:)	Docket No. 15-OIR-02
)	
Modification of Alternative and Renewable)	WORKSHOP
Fuels and Vehicle Technology Program)	RE: Confirmation of Emergency
Funding Restrictions)	Regulation

Notice of Staff Workshop

California Energy Commission staff will conduct a workshop to obtain comments and feedback from interested parties to confirm an emergency regulation previously adopted by the Commission on February 25, 2015. The emergency regulation modified funding restrictions for the Alternative and Renewable Fuels and Vehicle Technology Program (ARFVTP) to eliminate a requirement that funding recipients discount credits for greenhouse gas and air emission benefits proportionate to the ARFVTP funding received. The proposed confirming regulation would make the emergency regulation, with changes, permanent. The workshop will be held:

Friday, April 10, 2015

1:30 p.m.

CALIFORNIA ENERGY COMMISSION

1516 Ninth Street

Art Rosenfeld Hearing Room

Sacramento, California

Wheelchair Accessible

Remote Access Available by Computer or Phone via WebEx™
(Instructions below)

Background

On February 25, 2015, the Energy Commission adopted an emergency regulation, which amended section 3103 of Title 20 of the California Code of Regulations to eliminate a requirement that recipients of funds from the ARFVTP need to “discount” the value of credits generated by their projects to reduce greenhouse gases, criteria air pollutants and toxic air contaminants proportional to the amount of ARFVTP funds received. The U.S. Environmental Protection Agency, the California Air Resources Board and several local air quality management districts implement regulations to

reduce greenhouse gas, tailpipe criteria pollutants and toxic air contaminants. Use of alternative and renewable fuels present substantial opportunities to reduce emissions and the Energy Commission co-funds many of these projects under the ARFVTP.

Under the emergency regulation, the Energy Commission received testimony and summarized analysis of economic harm faced by several ARFVTP recipients as a result of the “credit discounting” requirement. The emergency regulation and background justification are available at www.energy.ca.gov/altfuels/2015-OIR-02/documents/. The Office of Administrative Law (OAL) approved the emergency regulation on March 13, 2015. A confirming rulemaking is required to make the changes approved in the emergency regulation permanent. The proposed language for the confirming regulation, which makes additional changes, is attached and, is also available at www.energy.ca.gov/altfuels/2015-OIR-02/documents/. The Energy Commission may also seek information at the workshop from interested parties regarding economic impacts of the proposed action to determine the need for a Standard Regulatory Impact Assessment (SRIA).

Public Comment

Oral comments. Staff will accept oral comments during the workshop. Comments may be limited to 5 minutes per speaker. Any comments may become part of the public record in this proceeding.

Written comments. Written comments should be submitted to the Dockets Unit by 4:00 p.m. on April 24, 2015. Written comments will also be accepted at the workshop, however, the Commission may not have time to review them before the conclusion of the meeting. For additional information, see Standing Order re: Proceedings and Confidentiality Procedural Requirements for Filing, Service, and Docketing Documents with the Energy Commission, available at: www.energy.ca.gov/commission/chief_counsel/docket.html.

Additionally, written comments may be posted to the Energy Commission’s website for the proceeding. Please note that your written and oral comments, attachments, and associated contact information (e.g. your address, phone, email, etc.) become part of the viewable public record. This information may become available via Google, Yahoo, and any other search engines.

The Energy Commission encourages comments by e-mail. Please include your name and any organization name. Comments should be in a downloadable, searchable format such as Microsoft® Word (.doc) or Adobe® Acrobat® (.pdf). Please include the docket number 15-OIR-02 and indicate “Modification of Alternative and Renewable Fuels and Technology Program Funding Restrictions” in the subject line. Send comments to:

docket@energy.ca.gov

If you prefer, you may send a paper copy of your comments to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 15-OIR-02
1516 Ninth Street
Sacramento, CA 95814-5512

Public Adviser and Other Commission Contacts

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission proceedings. If you want information on how to participate in this forum, please contact the Public Adviser, Alana Mathews, at PublicAdviser@energy.ca.gov or (916) 654-4489 or toll free at (800) 822-6228.

If you have a disability and require assistance to participate, please contact Lou Quiroz at lquiroz@energy.ca.gov or (916) 654-5146 at least five days in advance.

Media inquiries should be sent to the Media and Public Communications Office at mediaoffice@energy.ca.gov or (916) 654-4989.

If you have questions on the subject matter of this meeting, please contact Tim Olson, Tim.Olson@energy.ca.gov or (916) 654-4528.

Remote Attendance

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If you have difficulty joining the meeting, please call the WebEx Technical Support number at 1-866-229-3239.

Availability of Documents

Documents and presentations for this meeting will be available online at: <http://www.energy.ca.gov/altfuels/2015-OIR-02/documents/>

April 2, 2015

RANDY ROESSER
Deputy Director

Attachment

Mail Lists:
altfuels listserv
IEPR transportation listserv
bioenergy listserv

ATTACHMENT

**Express Terms to Modify Alternative and Renewable Fuel and Vehicle Technology
Program Funding Restrictions**

California Code of Regulations

Title 20. Public Utilities and Energy

Division 2. State Energy Resources Conservation and Development Commission

**Chapter 12. Alternative and Renewable Fuel and Vehicle Technology Program
Regulations**

**Article 1. General Provisions Regarding Project Funding
Section 3103**

- a) A project shall not be eligible for funding if it is ~~mandated~~ required to be undertaken pursuant to state or federal law, district rules or regulations, memoranda of understanding with a governmental entity, or legally binding agreements or documents. ~~by any local, regional, state, or federal law, rule, or regulation.~~
- b) If a project is one that helps the ~~proposing entity~~ applicant meet a performance requirement mandated by local, regional, state, or federal law, rule, or regulation, the project shall not be eligible for funding.
- c) To the extent a project exceeds what is required to be undertaken ~~for compliance with a legally enforceable requirement~~, it may receive funding for that part of the project that the applicant demonstrates is not required to be undertaken ~~mandated to meet the requirement~~. Credits generated by the excess, however, may not be used or sold by the ~~proposing entity~~ applicant to offset a legally enforceable requirement, except to the extent allowed by subsection (bd).
- d) For purposes of this section, a legally enforceable requirement refers to any requirement enforceable by a local, regional, state, or federal agency for the purpose of reducing the emission of one or more criteria pollutants, toxic air contaminants, or any greenhouse gas. For purposes of this section, the following are not subject to the restrictions contained in subdivisions (a)-(c):
1. A project that produces opt-in fuels under the Low Carbon Fuel Standard (California Code of Regulations, title 17, section 958480.1, subdivision (b));
 2. A project that produces fuel that meets or falls below the average carbon intensity requirements set forth in the Low Carbon Fuel Standard (California Code of Regulations, title 17, section 958482, subdivisions (b) and (c)) for the year in which the credits are generated;

ATTACHMENT

3. A project under which the applicant has voluntarily opted-in to an emission reduction credit generating program for the purpose of participating in the program's credit market; or
4. A project that had been awarded funding under Health and Safety Code section 44272 prior to the effective date of this section as amended and also satisfies at least one of the requirements listed in subdivisions (d)(1)-(3).

~~(b) A project that generates credits that the applicant plans to claim based on the reduction of criteria pollutants, toxic air contaminants, or greenhouse gases may not be eligible for funding unless all of the following occur:~~

- ~~(1) the applicant seeks funding for only a portion of the project;~~
- ~~(2) the applicant agrees in the funding agreement to discount emission credits at least in proportion to the amount of funding received;~~
- ~~(3) the project satisfies one or more of the criteria in sections 3101 and 3101.5, as appropriate.~~

Note: Authority cited: Sections 25213, 25218(e), Public Resources Code; Sections 44271(e) and 44242(a) Section 44272(a), Health and Safety Code. Reference: ~~Section 44271(e), Sections 44271-44272,~~ Health and Safety Code.