

ZEV Initiative TBL

Section 1

The Legislature finds and declares all of the following:

(a) California has adopted ambitious climate goals, including reducing greenhouse gas emissions 40 percent below 1990 levels by 2030.

(b) Mobile sources, including cars, trucks, and other vehicles contribute approximately 90 percent of diesel particulate matter emissions, 80 percent of smog-forming nitrogen oxide emissions, and 50 percent of all greenhouse gas emissions.

(c) California is taking a portfolio approach to meet its climate goals by supporting a variety of strategies across the state to reduce emissions. The Alternative and Renewable Fuel and Vehicle Transportation Program and the Clean Vehicle Rebate Program are key programs supporting a cleaner transportation sector.

(d) Focusing the investments of the Alternative and Renewable Fuel and Vehicle Transportation Program on zero-emission vehicle infrastructure consistent with Executive Order B-48-18 will spur accelerated development and deployment of zero-emission vehicles to help to meet these goals.

(e) The Clean Vehicle Rebate Program will complement the zero-emission vehicle infrastructure investments by providing a stable source of funding for clean vehicle incentives.

(f) It is the intent of the Legislature to provide \$200 million of Greenhouse Gas Reduction Funds annually, for the state board to provide rebates to California residents for the purchase or lease of new light-duty zero-emission vehicles and plug-in hybrids. This includes \$25 million annually for incentives for low-income consumers. As part of the existing annual Air Quality Improvement Program funding plan process, the state board may revise eligibility requirements with public input, as needed. Those revisions may include the program's income eligibility requirements to target moderate and low-income consumers, as well as incorporate other market considerations.

Health and Safety Code is amended to read:

Health and Safety Code 43018.9.

(a) For purposes of this section, the following terms have the following meanings:

(1) "Commission" means the State Energy Resources Conservation and Development Commission.

(2) "Publicly available hydrogen-fueling station" means the equipment used to store and dispense hydrogen fuel to vehicles according to industry codes and standards that is open to the public.

(b) Notwithstanding any other law, the state board shall have no authority to enforce any element of its existing clean fuels outlet regulation or of any other regulation that requires or has the effect of requiring that any supplier, as defined in Section 7338 of the Revenue and Taxation Code as in effect on May 22, 2013, construct, operate, or provide funding for the construction or operation of any publicly available hydrogen-fueling station.

(c) On or before June 30, 2014, and every year thereafter, the state board shall aggregate and make available all of the following:

(1) The number of hydrogen-fueled vehicles that motor vehicle manufacturers project to be sold or leased over the next three years as reported to the state board pursuant to the Low Emission Vehicle regulations, as currently established in Sections 1961 to 1961.2, inclusive, of Title 13 of the California Code of Regulations.

(2) The total number of hydrogen-fueled vehicles registered with the Department of Motor Vehicles through April 30.

(d) On or before June 30, 2014, and every year thereafter, the state board, based on the information made available pursuant to subdivision (c), shall do both of the following:

(1) Evaluate the need for additional publicly available hydrogen-fueling stations for the subsequent three years in terms of quantity of fuel needed for the actual and projected number of hydrogen-fueled vehicles, geographic areas where fuel will be needed, and station coverage.

(2) Report findings to the commission on the need for additional publicly available hydrogen-fueling stations in terms of number of stations, geographic areas where additional stations will be needed, and minimum operating standards, such as number of dispensers, filling protocols, and pressures.

(e) (1) The commission shall allocate ~~twenty million dollars (\$20,000,000) annually to fund the number of stations identified pursuant to subdivision (d), not to exceed 20 percent of the moneys appropriated by the Legislature from the Alternative and Renewable Fuel and Vehicle Technology Fund, established pursuant to Section 44273,~~ **funds from the Alternative and Renewable Fuel and Vehicle Technology Fund, established pursuant to Section 44273,** until there are at least ~~4~~**200** publicly available hydrogen-fueling stations in operation in California.

(2) If the commission, in consultation with the state board, determines that the full amount identified in paragraph (1) is not needed to fund the number of stations identified by the state board pursuant to subdivision (d), the commission may allocate any remaining moneys to other projects, subject to the requirements of the Alternative and Renewable Fuel and Vehicle Technology Program pursuant to Article 2 (commencing with Section 44272) of Chapter 8.9.

(3) Allocations by the commission pursuant to this subdivision shall be subject to all of the requirements applicable to allocations from the Alternative and Renewable Fuel and Vehicle Technology Program pursuant to Article 2 (commencing with Section 44272) of Chapter 8.9.

(4) The commission, in consultation with the state board, shall award moneys allocated in paragraph (1) based on best available data, including information made available pursuant to subdivision (d), and input from relevant stakeholders, including motor vehicle manufacturers that have planned deployments of hydrogen-fueled vehicles, according to a strategy that supports the deployment of an effective and efficient hydrogen-fueling station network in a way that maximizes benefits to the public while minimizing costs to the state.

(5) Notwithstanding paragraph (1), once the commission determines, in consultation with the state board, that the private sector is establishing publicly available hydrogen-fueling stations

without the need for government support the commission may cease providing funding for those stations.

(6) On or before December 31, 2015, and annually thereafter, the commission and the state board shall jointly review and report on progress toward establishing a hydrogen-fueling network that provides the coverage and capacity to fuel vehicles requiring hydrogen fuel that are being placed into operation in the state. The commission and the state board shall consider the following, including, but not limited to, the available plans of automobile manufacturers to deploy hydrogen-fueled vehicles in California and their progress toward achieving those plans, the rate of deployment of hydrogen-fueled vehicles, the length of time required to permit and construct hydrogen-fueling stations, the coverage and capacity of the existing hydrogen-fueling station network, and the amount and timing of growth in the fueling network to ensure fuel is available to these vehicles. The review shall also determine the remaining cost and timing to establish a network of ~~4~~200 publicly available hydrogen-fueling stations and whether funding from the Alternative and Renewable Fuel and Vehicle Technology Program remains necessary to achieve this goal.

(f) To assist in the implementation of this section and maximize the ability to deploy fueling infrastructure as rapidly as possible with the assistance of private capital, the commission may design grants, loan incentive programs, revolving loan programs, and other forms of financial assistance. The commission also may enter into an agreement with the Treasurer to provide financial assistance to further the purposes of this section.

(g) Funds appropriated to the commission for the purposes of this section shall be available for encumbrance by the commission for up to four years from the date of the appropriation and for liquidation up to four years after expiration of the deadline to encumber.

(h) Notwithstanding any other law, the state board, in consultation with districts, no later than July 1, 2014, shall convene working groups to evaluate the policies and goals contained within the Carl Moyer Memorial Air Quality Standards Attainment Program, pursuant to Section 44280, and Assembly Bill 923 (Chapter 707 of the Statutes of 2004).

(i) This section shall remain in effect only until January 1, 2024, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2024, deletes or extends that date.

Health and Safety Code 44270.3

For the purposes of this chapter, the following terms have the following meanings:

(a) "Benefit-cost score," for the Alternative and Renewable Fuel and Vehicle Technology Program created pursuant to Section 44272, means a project's expected or potential greenhouse gas emissions reduction per dollar awarded by the commission to the project from the Alternative and Renewable Fuel and Vehicle Technology Fund.

(b) "Commission" means the State Energy Resources Conservation and Development Commission.

(c) "Full fuel-cycle assessment" or "life-cycle assessment" means evaluating and comparing the full environmental and health impacts of each step in the life cycle of a fuel, including, but not limited to, all of the following:

(1) Feedstock production, extraction, cultivation, transport, and storage, and the transportation and use of water and changes in land use and land cover therein.

(2) Fuel production, manufacture, distribution, marketing, transport, and storage, and the transportation and use of water therein.

(3) Vehicle operation, including refueling, combustion, conversion, permeation, and evaporation.

(d) "Vehicle technology" means any vehicle, boat, off-road equipment, or locomotive, or component thereof, including its engine, propulsion system, transmission, or construction materials.

(e) For purposes of the Air Quality Improvement Program created pursuant to Section 44274, the following terms have the following meanings:

(1) "Benefit-cost score" means the reasonably expected or potential criteria pollutant emission reductions achieved per dollar awarded by the board for the project.

(2) "Project" means a category of investments identified for potential funding by the board, including, but not limited to, competitive grants, revolving loans, loan guarantees, loans, vouchers, rebates, and other appropriate funding measures for specific vehicles, equipment, technologies, or initiatives authorized by Section 44274.

Health and Safety Code 44272.

(a) The Alternative and Renewable Fuel and Vehicle Technology Program is hereby created. The program shall be administered by the commission. The commission shall implement the program by regulation pursuant to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The program shall provide, upon appropriation by the Legislature, competitive grants, revolving loans, loan guarantees, loans, or other appropriate funding measures to public agencies, vehicle and technology entities, businesses and projects, public-private partnerships, workforce training partnerships and collaboratives, fleet owners, consumers, recreational boaters, and academic institutions to develop and deploy innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change policies. The emphasis of this program shall be to develop and deploy technology ~~and alternative and renewable fuels~~ in the marketplace **to spur accelerated development and deployment of zero-emission vehicles and related infrastructure**, ~~without adopting any one preferred fuel or technology.~~

(b) A project that receives more than seventy-five thousand dollars (\$75,000) in funds from the commission shall be approved at a noticed public meeting of the commission and shall be consistent with the priorities established by the investment plan adopted pursuant to Section 44272.5. Under this article, the commission may delegate to the commission's executive director, or his or her designee, the authority to approve either of the following:

(1) A contract, grant, loan, or other agreement or award that receives seventy-five thousand dollars (\$75,000) or less in funds from the commission.

(2) Amendments to a contract, grant, loan, or other agreement or award as long as the amendments do not increase the amount of the award, change the scope of the project, or modify the purpose of the agreement.

(c) The commission shall provide preferences to those projects that maximize the goals of the Alternative and Renewable Fuel and Vehicle Technology Program, based on the following criteria, as applicable:

(1) The project's ability to spur the construction and installation of hydrogen fueling stations or electric vehicle chargers or related infrastructure.

~~(1) The project's ability to provide a measurable transition from the nearly exclusive use of petroleum fuels to a diverse portfolio of viable alternative fuels that meet petroleum reduction and alternative fuel use goals.~~

(2) The project's consistency with existing and future state climate change policy and low-carbon fuel standards.

(3) The project's ability to reduce criteria air pollutants and air toxics and reduce or avoid multimedia environmental impacts.

~~(4) The project's ability to decrease, on a life-cycle basis, the discharge of water pollutants or any other substances known to damage human health or the environment, in comparison to the production and use of California Phase 2 Reformulated Gasoline or diesel fuel produced and sold pursuant to California diesel fuel regulations set forth in Article 2 (commencing with Section 2280) of Chapter 5 of Division 3 of Title 13 of the California Code of Regulations.~~

~~(45) The project does not adversely impact the sustainability of the state's natural resources, especially state and federal lands.~~

~~(56) The project provides nonstate matching funds. Costs incurred from the date a proposed award is noticed may be counted as nonstate matching funds. The commission may adopt further requirements for the purposes of this paragraph. The commission is not liable for costs incurred pursuant to this paragraph if the commission does not give final approval for the project or the proposed recipient does not meet requirements adopted by the commission pursuant to this paragraph.~~

~~(67) The project provides economic benefits for California by promoting California-based technology firms, jobs, and businesses.~~

~~(78) The project uses existing or proposed fueling infrastructure to maximize the outcome of the project.~~

~~(89) The project's ability to reduce on a life-cycle assessment greenhouse gas emissions by at least 10 percent, and higher percentages in the future, from current reformulated gasoline and diesel fuel standards established by the state board.~~

~~(10) The project's use of alternative fuel blends of at least 20 percent, and higher blend ratios in the future, with a preference for projects with higher blends.~~

~~(914) The project drives new technology advancement for vehicles, vessels, engines, and other equipment, and promotes the deployment of that technology in the marketplace.~~

~~(1042) The project's ability to transition workers to, or promote employment in, the **zero emission vehicle infrastructure and** alternative and renewable fuel and vehicle technology sector.~~

(d) The commission shall rank applications for projects proposed for funding awards based on solicitation criteria developed in accordance with subdivision (c), and shall give additional preference to funding those projects with higher benefit-cost scores.

(e) ~~Only t~~The following shall be eligible for funding:

(1) Projects that increase or enhance the construction and installation of hydrogen fueling stations or electric vehicle chargers or related infrastructure.

~~(1) Alternative and renewable fuel projects to develop and improve alternative and renewable low-carbon fuels, including electricity, ethanol, dimethyl ether, renewable diesel, natural gas, hydrogen, and biomethane, among others, and their feedstocks that have high potential for long-term or short-term commercialization, including projects that lead to sustainable feedstocks.~~

~~(2) Demonstration and deployment projects that optimize **zero and near-zero emission vehicle technologies and infrastructure for zero emission vehicles** alternative and renewable fuels for existing and developing engine technologies.~~

~~(3) Projects to produce alternative and renewable low-carbon fuels in California.~~

~~(34) Projects to decrease the overall impact of an alternative and renewable fuel's life-cycle carbon footprint and increase sustainability.~~

~~(45) Alternative and renewable fuel infrastructure, fueling stations, and equipment. The preference in paragraph (10) of subdivision (c) shall not apply to renewable diesel or biodiesel infrastructure, fueling stations, and equipment used solely for renewable diesel or biodiesel fuel.~~

~~(56) Projects to develop and improve light-, medium-, and heavy-duty vehicle technologies that provide for better fuel efficiency and lower greenhouse gas emissions, alternative fuel usage and storage, or emission reductions, including propulsion systems, advanced internal combustion engines with a 40 percent or better efficiency level over the current market standard, lightweight materials, intelligent transportation systems, energy storage, control systems and system integration, physical measurement and metering systems and software, development of design standards and testing and certification protocols, battery recycling and reuse, engine and fuel optimization electronic and electrified components, hybrid technology, plug-in hybrid technology, battery electric vehicle technology, fuel cell technology, and conversions of hybrid technology to plug-in technology through the installation of safety certified supplemental battery modules.~~

~~(67) **Infrastructure p**Programs and projects that accelerate the commercialization of **zero-emission** vehicles and alternative and renewable fuels including buy-down programs through near-market and market-path deployments, advanced technology warranty or replacement insurance, development of market niches, **and** supply-chain development, and research related to the pedestrian safety impacts of vehicle technologies and alternative and renewable fuels.~~

~~(78) Programs and projects to retrofit medium- and heavy-duty onroad and nonroad vehicle fleets with technologies that create higher fuel efficiencies, including alternative and renewable fuel **zero and near-zero emission** vehicles and technologies, idle management technology, and aerodynamic retrofits that decrease fuel consumption.~~

~~(89) Infrastructure projects that promote alternative and renewable fuel **zero-emission vehicle technology** infrastructure development connected with existing fleets, public transit, and existing transportation corridors, including physical measurement or metering equipment and truck stop electrification.~~

~~(940) Workforce training programs related to the development and deployment of technologies that transform California's fuel and vehicle types and assist the state in implementing its climate change policies, including, but not limited to, alternative and renewable fuel feedstock production and extraction; renewable fuel production, distribution, transport, and storage; high-performance and low-emission vehicle technology and high tower electronics; automotive computer systems; mass transit fleet conversion, servicing, and maintenance; and other sectors~~

~~or occupations related to the purposes of this chapter, including training programs to transition dislocated workers affected by the state's greenhouse gas emission policies, including those from fossil fuel sectors, or training programs for low-skilled workers to enter or continue in a career pathway that leads to middle skill, industry-recognized credentials or state-approved apprenticeship opportunities in occupations related to the purposes of this chapter.~~

~~(1014) Block grants or incentive programs administered by public entities or not-for-profit technology entities for multiple projects ***that develop and deploy zero emission vehicles and related infrastructure*** education and program promotion within California, and development of alternative and renewable fuel, and vehicle technology ***or zero-emission infrastructure*** centers. The commission may adopt guidelines for implementing the block grant or incentive program, which shall be approved at a noticed public meeting of the commission.~~

~~(1142) Life-cycle and multimedia analyses, sustainability and environmental impact evaluations, and market, financial, and technology assessments performed by a state agency to determine the impacts of increasing the use of low-carbon transportation fuels and technologies, and to assist in the preparation of the investment plan and program implementation.~~

~~(1213) A program to provide funding for homeowners who purchase a plug-in electric vehicle to offset costs associated with modifying electrical sources to include a residential plug-in electric vehicle charging station. In establishing this program, the commission shall consider funding criteria to maximize the public benefit of the program.~~

~~(f) The commission may make a single source or sole source award pursuant to this section for applied research. The same requirements set forth in Section 25620.5 of the Public Resources Code shall apply to awards made on a single source basis or a sole source basis. This subdivision does not authorize the commission to make a single source or sole source award for a project or activity other than for applied research.~~

~~(g) The commission may do all of the following:~~

~~(1) Contract with the Treasurer to expend funds through programs implemented by the Treasurer, if the expenditure is consistent with all of the requirements of this article and Article 1 (commencing with Section 44270).~~

~~(2) Contract with small business financial development corporations established by the Governor's Office of Business and Economic Development to expend funds through the Small Business Loan Guarantee Program if the expenditure is consistent with all of the requirements of this article and Article 1 (commencing with Section 44270).~~

~~(3) Advance funds, pursuant to an agreement with the commission, to any of the following:~~

~~(A) A public entity.~~

~~(B) A recipient to enable it to make advance payments to a public entity that is a subrecipient of the funds and under a binding and enforceable subagreement with the recipient.~~

~~(C) An administrator of a block grant program.~~

~~(h) The commission shall collaborate with entities that have expertise in workforce development to implement the workforce development components of this section, including, but not limited to, the California Workforce Development Board, the Employment Training Panel, the Employment Development Department, and the Division of Apprenticeship Standards.~~

Health and Safety Code 44272.3.

~~(a) It is the intent of the Legislature that, to the maximum extent feasible, loan moneys provided by the state to refiners of biofuels, also known as biorefiners, be awarded so as to increase the efficiency and environmental sustainability of biofuel production.~~

~~(b) In order to reduce the carbon intensity equivalent value of the fuel that biorefiners produce, biorefiners receiving loans from the commission's California Ethanol Producer Incentive Program, established under the authority of this chapter, shall meet all of the following requirements:~~

~~(1) Within six months of acceptance to the program, biorefiners shall submit a draft plan to the commission that details one or more projects that can be undertaken at the biorefinery that are designed to achieve compliance with either of two biorefinery operational enhancement goals established by the commission.~~

~~(2) Within 12 months of acceptance to the program, biorefiners shall submit a detailed cost estimate for their target projects that can be undertaken at the biorefinery and that are designed to achieve compliance with the commission's enhancement goals.~~

~~(3) Within 24 months of acceptance to the program, biorefiners shall complete and obtain all of the necessary permits or negative declarations sufficient to allow the project to move forward with financing, major equipment purchases, and hiring if project approval is executed by the company's officers.~~

~~(4) Within 36 months of acceptance to the program, biorefiners shall obtain all of the necessary financing and initiate construction for their project associated with their elected enhancement goal pathway.~~

~~(5) Within 48 months of acceptance to the program, biorefiners shall complete all modifications to the facility and begin modified operations that achieve compliance with either of the enhancement goal pathways selected by the project applicant.~~

~~(c) This section does not limit the commission's ability to set more stringent guidelines for the California Ethanol Producer Incentive Program that further maximize the efficiency and environmental sustainability of biofuel production.~~

~~(d) This section shall become inoperative on July 1, 2013.~~

Health and Safety Code 44272.4.

~~(a) Notwithstanding subdivision (d) of Section 44272.3, on and after June 30, 2013, a biorefiner receiving loan moneys from the state pursuant to an appropriation made in the 2010-11 or 2011-12 fiscal year shall comply with all conditions established pursuant to Section 44272.3 and shall demonstrate that compliance to the commission.~~

~~(b) On and after July 1, 2013, the eligibility for funding, pursuant to paragraph (1) of subdivision (d) of Section 44272, of projects for the production of ethanol is limited to ethanol that is not derived from corn. This limitation does not apply to ethanol derived from corn stover, leaves, cobs, or other nonedible plant portions of the corn.~~

Health and Safety Code 44272.5.

(a) The commission shall develop and adopt an investment plan to determine priorities and opportunities for the Alternative and Renewable Fuel and Vehicle Technology Program created pursuant to this chapter. The investment plan shall establish priorities for investment of funds and technologies to achieve the goals of this chapter and describe how funding will complement existing public and private investments, including existing state programs that further the goals of this chapter. The commission shall create and consult with an advisory body as it develops the investment plan. The advisory body is subject to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code). The commission shall, at a minimum, hold one public hearing on the advisory body's recommendations prior to approving the investment plan.

(b) Membership of the advisory body created pursuant to subdivision (a) shall include **a range of representatives from stakeholders such as**, but is not limited to, representatives of fuel and **zero-emission** vehicle **makers, zero-emission infrastructure entities**, labor

organizations, environmental organizations, community-based justice and public health organizations, recreational boaters, consumer advocates, academic institutions, workforce training groups, ***retail electricity suppliers, original engine manufacturers, ride share entities,*** and ***other stakeholders as appropriate*** private industry. The advisory body shall also include representatives from the Resources Agency, the Transportation Agency, the Labor and Workforce Development Agency, and the California Environmental Protection Agency.

(c) The commission shall hold at least three public workshops in different regions of the state and one public hearing prior to approving the investment plan. The commission shall annually update and approve the plan. The commission shall reconvene and consult with the advisory body created pursuant to subdivision (a) prior to annually updating and approving the plan.

Health and Safety Code 44273.

(a) The Alternative and Renewable Fuel and Vehicle Technology Fund is hereby created in the State Treasury, to be administered by the commission. The moneys in the fund, upon appropriation by the Legislature, shall be expended by the commission to implement the Alternative and Renewable Fuel and Vehicle Technology Program in accordance with this chapter.

(b) Beginning with the integrated energy policy report adopted in 2011, and in the subsequent reports adopted thereafter, pursuant to Section 25302 of the Public Resources Code, the commission shall include an evaluation of research, development, and deployment efforts funded by this chapter. The evaluation shall include all of the following:

(1) A list of projects funded by the Alternative and Renewable Fuel and Vehicle Technology Fund.

(2) The expected benefits of the projects in terms of air quality, petroleum use reduction, greenhouse gas emissions reduction, technology advancement, benefit-cost assessment, and progress towards achieving these benefits.

(3) The overall contribution of the funded projects toward promoting a transition to a diverse portfolio of clean, alternative transportation fuels and reduced petroleum dependency in California.

(4) Key obstacles and challenges to meeting these goals identified through funded projects.

(5) Recommendations for future actions.

(c) The Alternative and Renewable Fuel and Vehicle Technology Program is hereby declared to be a qualified use of funding for authorized moneys for the New Solar Homes Partnership Program and collected pursuant to Public Utilities Code Section 2851(e)(3). The Public Utilities Commission shall order that any authorized moneys not encumbered by June 1, 2018 or that later become not encumbered, from the previously authorized New Solar Homes Partnership Program be made available for deposit into the Alternative and Renewable Fuel and Vehicle Technology Fund. The amount of this deposit is hereby appropriated to the commission to fund projects in the Alternative and Renewable Fuel and Vehicle Technology Program. The Public Utilities Commission shall implement such funding requirement, in consultation with the Energy Commission. For purposes of this subdivision (c), "encumbered" refers to moneys spent, ordered spent, or otherwise committed to the New Solar Homes Partnership Program, and "not encumbered" refers to moneys not so allocated.

(d) Funds appropriated to the commission for the purposes of this chapter shall be available for encumbrance by the commission for up to four years from the date of the

appropriation and for liquidation up to four years after expiration of the deadline to encumber.

Section 2

Public Utilities Code Section 2851(e)(3) is amended to read:

Except as provided in subdivision (f), financial components of the California Solar Initiative shall consist of the following:

(3) (A) Programs for the installation of solar energy systems on new construction (New Solar Homes Partnership Program), administered by the Energy Commission, and funded by charges in the amount of four hundred million dollars (\$400,000,000), collected from customers of San Diego Gas and Electric Company, Southern California Edison Company, and Pacific Gas and Electric Company. If the commission is notified by the Energy Commission that funding available pursuant to Section 25751 of the Public Resources Code for the New Solar Homes Partnership Program and any other funding for the purposes of this paragraph have been exhausted, the commission may require an electrical corporation to continue administration of the program pursuant to the guidelines established for the program by the Energy Commission, until the funding limit authorized by this paragraph has been reached. The commission may determine whether a third party, including the Energy Commission, should administer the utility's continuation of the New Solar Homes Partnership Program. The commission, in consultation with the Energy Commission, shall supervise the administration of the continuation of the New Solar Homes Partnership Program by an electrical corporation or third-party administrator. After the exhaustion of funds, the Energy Commission shall notify the Joint Legislative Budget Committee 30 days prior to the continuation of the program. ~~This subparagraph shall become inoperative on June 1, 2018.~~

(B) If the commission requires a continuation of the program pursuant to subparagraph (A), any funding made available pursuant to the continuation program shall be encumbered through the issuance of rebate reservations by no later than June 1, 2018, and disbursed by no later than December 31, 2021.

(C) The commission shall order that any authorized moneys pursuant to subdivision (3)(A) for the New Solar Homes Partnership Program and that have not been encumbered for the New Solar Homes Partnership Program by June 1, 2018 or that later become not encumbered, be made available for deposit into the Alternative and Renewable Fuel and Vehicle Technology Fund for the Alternative and Renewable Fuel and Vehicle Technology Program, established pursuant to Health and Safety Code Section 44272. The commission shall implement such funding requirement, in consultation with the Energy Commission. For purposes of this subparagraph, "encumbered" refers to moneys spent, ordered spent, or otherwise committed to the New Solar Homes Partnership Program, and "not encumbered" refers to moneys not so allocated.

Section 3

Public Resources Code Section 25751 is amended to read:

(a) The Renewable Resource Trust Fund is hereby created in the State Treasury.

(b) The Emerging Renewable Resources Account is hereby established within the Renewable Resources Trust Fund. Notwithstanding Section 13340 of the Government Code, the moneys in the account are hereby continuously appropriated to the commission without regard to fiscal years for the following purposes:

(1) To close out the award of incentives for emerging technologies in accordance with former Section 25744, as this law existed prior to the enactment of the Budget Act of 2012, for which applications had been approved before the enactment of the Budget Act of 2012.

(2) To close out consumer education activities in accordance with former Section 25746, as this law existed prior to the enactment of the Budget Act of 2012.

(3) To provide funding for the New Solar Homes Partnership pursuant to paragraph (3) of subdivision (e) of Section 2851 of the Public Utilities Code.

(c) The Controller shall provide to the commission funds pursuant to the continuous appropriation in, and for purposes specified in, subdivision (b).

(d) The Controller shall provide to the commission moneys from the fund sufficient to satisfy all contract and grant awards that were made by the commission pursuant to former Sections 25744 and 25746, and Chapter 8.8 (commencing with Section 25780), as these laws existed prior to the enactment of the Budget Act of 2012.

(e) If the Public Utilities Commission determines that the commission should be the third-party administrator for the New Solar Homes Partnership Program pursuant to subparagraph (A) of paragraph (3) of subdivision (e) of Section 2851 of the Public Utilities Code, any moneys made available to fund the New Solar Homes Partnership Program shall be deposited into the Emerging Renewable Resources Account of the Renewable Resource Trust Fund and used for this purpose **for all moneys encumbered by June 1, 2018 and disbursed by no later than December 31, 2021.**

(f) The Public Utilities Commission shall order that any authorized moneys for the New Solar Homes Partnership Program through subdivision (e), and that are not encumbered for the New Solar Homes Partnership Program by June 1, 2018 or that later become not encumbered, be made available for deposit into the Alternative and Renewable Fuel and Vehicle Technology Fund for the Alternative and Renewable Fuel and Vehicle Technology Program, established pursuant to Health and Safety Code Section 44272. The Public Utilities Commission shall implement such funding requirement, in consultation with the Energy Commission. For purposes of this subdivision (f), "encumbered" refers to moneys spent, ordered spent, or otherwise committed to the New Solar Homes Partnership Program, and "not encumbered" refers to moneys not so allocated.

(g) Any moneys made available for the New Solar Homes Partnership pursuant subdivision (b)(3) that become disencumbered after June 1, 2018, due to the expiration or cancellation of rebate reservations after this date, shall be transferred by the commission to the Alternative and Renewable Fuel and Vehicle Technology Fund.