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*Senate Budget and Fiscal Review—Scott Wiener, Chair*  
**SUBCOMMITTEE NO. 2**

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**Agenda**

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**Senator Ben Allen, Chair**  
**Senator Catherine Blakespear**  
**Senator Steven Choi**  
**Senator Jerry McNerney**



**Tuesday, June 10, 2025**  
**1:30 p.m.**  
**1021 O Street - Room 2200**  
**Vote-Only Calendar**  
**PART B**

Consultant: Eunice Roh

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**OUTCOMES**

4-0: Issues 1, 3, 12-16, 19, 21, 29, 31, 33, 35-42, 45, 48.

3-1: Issues 2, 4-8, 10, 17, 18, 20-28, 30, 32, 34, 46, 47.

3-0: Issues 9, 11, 43, 44, 49.

**Vote-Only Calendar****3355 OFFICE OF ENERGY INFRASTRUCTURE SAFETY****Issue 1: Enforcement of the Dig Safe Law**

<u><b>Issue #</b></u>	<u><b>Origin</b></u>	<u><b>Subject</b></u>	<u><b>Staff Recommendation</b></u>
1.	January Governor's Budget	<b>Enforcement of the Dig Safe Law.</b> The Governor's Budget includes \$1.3 million ongoing from the Safe Energy Infrastructure and Excavation Fund (SEIEF) for seven positions to address Energy Safety's Underground Safety Board's ongoing and unmet needs associated with the operational alignment of Chapter 809, Statutes of 2016 (SB 661); Chapter 307, Statutes of 2020 (SB 865); associated legislation; its partnership in pipeline safety regulatory responsibilities with the Pipeline and Hazardous Materials Safety Administration (PHMSA); excavation safety outreach; and education, as mandated.	Approve as budgeted.

## 3360 ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

### Issue 2-12: Various Proposals

<u>Issue #</u>	<u>Origin</u>	<u>Subject</u>	<u>Staff Recommendation</u>
2.	January Governor's Budget	<b>Reappropriation and Technical Adjustment Proposal.</b> The Governor's Budget includes various reappropriations to continue implementation of existing authorized programs.	Approve as budgeted.
3.	January Governor's Budget	<b>Grid Resilience and Innovation Partnership 2 (GRIP 2) Federal Authority.</b> The budget includes \$600.6 million in budget authority from the Federal Trust Fund to receive federal funds awarded through the Grid Resilience and Innovation Partnership (GRIP) program authorized by the Infrastructure Investment and Jobs Act (IIJA).	Approve as budgeted.
4.	January Governor's Budget	<b>California Energy Commission Chairperson Salary Increase Trailer Bill Language.</b> The Administration proposes trailer bill language to increase the salary of the chairperson of the California Energy Commission by 5 percent for the 2025-26, 2026-27, and 2027-28 years. In 2023, the budget included trailer bill that provided increases in CEC commissioner salaries of five percent per year for the next three fiscal years. This proposal is to reflect a similar increase for the chairperson of the Commission, because the prior language did not apply to the chair.	Approve placeholder trailer bill language.

5.	January Governor's Budget	<b>Demand Side Grid Support Trailer Bill Language.</b> The Administration proposes trailer bill language to amend the Demand Side Grid Support program by exempting the program from the Administrative Procedure Act, allowing the use of third party block grant or contract with incentive program implementers, allowing CEC to provide an advance up to 25 percent of awarded funds at a time, and exempting contracts, grants, or loans as part of the program from any review, consent, or approval from the Department of General Services or other state department or agency.	Approve placeholder trailer bill language.
6.	Legislative Proposal	<b>Distributed Electricity Backup Assets (DEBA) Program Budget Bill Language.</b> The Legislature proposes budget bill language that specifies that the DEBA be used for microgrids and distributed clean energy and storage projects, as well as be prioritized for projects receiving federal funding.	Approve placeholder budget bill language.
7.	May Revision	<b>Offshore Wind.</b> The May Revision cuts \$42.8 million General Fund in 2025-26 for the development of offshore wind at the CEC. The administration requests to backfill the like amount from Proposition 4 Climate Bond funds. This was originally a part of a \$45 million appropriation for offshore wind infrastructure investments in the 2022 Budget.	Approve as budgeted.
8.	May Revision	<b>Clean Transportation Program Block Grant Trailer Bill Language.</b> The May Revision includes trailer bill language that revises eligibility requirements for the Clean Transportation Program by eliminating the restriction that block grants or incentive programs be administered by public entities or not-for-profit technology entities and by expanding the category to authorize this funding for block grants or incentive programs for zero-emission vehicle infrastructure.	Approve placeholder trailer bill language.

9.	May Revision	<p><b>Emergency Reliability, Load Flexibility and Demand Reduction Trailer Bill Language.</b> The May Revision includes trailer bill language that requires any funds allocated to the School Energy Efficiency Stimulus Program (CalSHAPE) that are unencumbered as of July 1, 2025, be reverted and returned to the electrical corporation or gas corporation and used to reduce ratepayer charges that support the Emergency Load Reduction Program, or any other existing utility emergency grid reliability, load flexibility, or demand reduction program.</p>	Approve placeholder trailer bill language.
10.	May Revision	<p><b>Alternative Fee Structure for the Power Plant Licensing and Compliance Programs Trailer Bill Language.</b> The May Revision includes trailer bill language that would change the existing certification process for power plants, energy storage systems, and related facilities at the CEC. Specifically, it requires a person submitting an application for certification to submit with the application a nonrefundable deposit of \$750,000 and would require the applicant to pay all costs incurred by the Energy Commission in processing the application; require the Energy Commission to provide invoices for additional fees, at least annually, for the actual costs incurred by the Energy Commission in excess of the deposit; increase the annual fee to \$70,000 for each year the facility retains its certification; and specify that the petition fee is nonrefundable.</p> <p>In addition, the May Revision includes \$1.9 million limited-term funding per year for three years (through fiscal year 2027-28) for nine temporary positions from the Energy Facility Licensing and Compliance Fund (EFLCF, Fund 3062) for the CEC's Siting, Environmental, Engineering, and Safety and Reliability Program to process anticipated applications for certification, to ensure compliance of a facility's license, and to successfully implement the new Chapter 61, Statutes of 2022 (Assembly Bill (AB) 205) Opt-in expedited licensing program.</p>	Approve as budgeted and approve placeholder trailer bill language.
11.	May Revision	<p><b>Electric Program Investment Charge (EPIC) Program Follow-on Funding Extension Trailer Bill Language.</b> The May Revision includes trailer bill language extends the CEC's follow-on funding authority for the EPIC program January 1, 2031. The EPIC program is a ratepayer-funded program, intended to fund scientific and technological research to accelerate innovation in the electricity sector to meet the state's energy and climate goals.</p>	Approve placeholder trailer bill language.

12.	May Revision	<b>Federal Funding Expenditure Authority.</b> The May Revision includes \$71,010,000 in Federal Trust Fund expenditure authority to administer three federal awards authorized as part of the federal Infrastructure Investment and Jobs Act (IIJA) of 2021 and \$12,000,000 reimbursement authority to supplement an existing federal program. The CEC received awards for the Community Energy Reliability and Resilience Investment (CERRI), Resilient and Efficient Codes Implementation (RECI), the Grid Resilience and Innovation Partnerships (GRIP) programs, and pledges from three entities to supplement the Charging and Fueling Infrastructure federal program funded via the California Department of Transportation that will be funded in fiscal year 2025-26.	Approve as budgeted.
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## 3360 ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

### 8660 PUBLIC UTILITIES COMMISSION

#### Issues 13-14: Various Proposals

<u>Issue #</u>	<u>Origin</u>	<u>Subject</u>	<u>Staff Recommendation</u>
13.	January Governor's Budget	<b>Electric Transmission Grid Study (AB 3264).</b> The California Public Utilities Commission (CPUC) requests ongoing budget authority of \$829,000 for three permanent positions and \$500,000 per year for four years for consulting services from the Public Utilities Commission Utilities Reimbursement Account (PUCURA); and the CEC requests \$204,000 from the Energy Resources Program's Account annually and one permanent position to implement requirements from AB 3264 (Petrie-Norris and Rivas), Chapter 762, Statutes of 2024 to enhance clean energy initiatives by developing and reporting on a new and complex framework for assessing, tracking, and analyzing total annual energy costs paid by residential households in California.	Approve as budgeted.
14.	January Governor's Budget	<b>Implementation Support for SB 846 of 2022.</b> The Governor's budget includes \$1.1 million ongoing for five positions from PUCURA for the CPUC and \$319,000 ongoing for two positions from the Cost of Implementation Account, Air Pollution Control Fund (COIA) for the CEC for the ongoing workload related to SB 846 (Dodd), Chapter 239, Statutes of 2022.	Approve as budgeted.



**3860 DEPARTMENT OF WATER RESOURCES****Issue 15: Electricity Supply Strategic Reliability Reserve Facility Divestiture Trailer Bill Language**

<b><u>Issue #</u></b>	<b><u>Origin</u></b>	<b><u>Subject</u></b>	<b><u>Staff Recommendation</u></b>
15.	January Governor's Budget	<b>Electricity Supply Strategic Reliability Reserve Facility Divestiture Trailer Bill Language.</b> The Administration proposes trailer bill language to specify restrictions on operations be applied to facilities constructed and owned by the department, not just facilities constructed by the department as currently stated in existing statute.	Approve placeholder trailer bill language.

## 3900 STATE AIR RESOURCES BOARD

### Issue 16-28: Various Proposals

<u>Issue #</u>	<u>Origin</u>	<u>Subject</u>	<u>Staff Recommendation</u>
16.	January Governor's Budget	<b>Cap and Trade Administrative Services (WCI, Inc.).</b> The Governor's budget includes \$1 million in 2025-26 and \$2 million ongoing beginning in 2026-27 from the Cost of Implementation Account for the California Air Resources Board (CARB)'s increased contract services costs. Specifically, CARB is facing a cost increase for contract services from the Western Climate Initiative (WCI, Inc.) to help support the Cap-and-Trade program.	Approve as budgeted.
17.	January Governor's Budget	<b>Conversion of Limited-Term to Permanent Positions for Advanced Clean Fleets and Zero-Emission Airport Shuttle Regulations.</b> The Governor's Budget includes permanent position authority for 32.5 limited-term (LT) positions beginning 2025-26 and \$5.8 million in ongoing funding authority starting in 2026-27 from the Air Pollution Control Fund (APCF) to implement the approved Advanced Clean Fleets (ACF) and Zero-Emission Airport Shuttle (ZEAS) regulations. These LT positions were approved in the 2023-24 Zero-Emission Vehicle (ZEV) Portfolio proposal and appropriated in the Budget Act of 2023 (Chapter 12, Statutes of 2023).	Approve positions and funding for the Zero-Emission Airport Shuttle Regulations and reject without prejudice positions and funding for the Advanced Clean Fleets regulation.
18.	January Governor's Budget	<b>Conversion of Limited-Term to Permanent Positions for Incentives Portfolio.</b> The budget includes position authority for CARB to convert 25 positions from limited-term to permanent. These positions are intended to support the department's incentives programs. This request is specifically for position authority, as these positions will be funded out of the 5 percent administrative set asides from funding for incentive programs.	Approve as budgeted.
19.	January Governor's Budget	<b>E15 Fuel Specification.</b> The Governor's budget includes \$2.3 million ongoing from the Air Pollution Control Fund for ten permanent positions to complete the regulatory process to authorize the use of motor vehicle fuels with up to 15 percent ethanol blending (E15) and conduct ongoing program implementation enabling the use of E15 fuels in California.	Approve on a two-year, limited-term basis.

20.	January Governor's Budget	<b>Expanded Resources for Carbon Capture, Removal, Utilization and Storage Program (SB 905).</b> The Governor's Budget includes \$2.2 million in 2025-26 and \$4.3 million ongoing beginning in 2026-27 from the Cost of Implementation Account (COIA) for 18 positions to implement SB 905 (Caballero and Skinner), Chapter 359, Statutes of 2022. SB 905 requires that CARB establish a Carbon Capture, Removal, Utilization, and Storage Program (Program) to evaluate carbon capture, utilization, or storage (CCUS) technologies and carbon dioxide removal (CDR) technologies and facilitate the capture and sequestration of carbon dioxide from those technologies.	Approve as budgeted.
21.	January Governor's Budget	<b>Implementation and Enforcement of Zero-Emission Forklift Regulation.</b> The Governor's Budget includes \$3.5 million from the Air Pollution Control Fund (APCF) for 17.0 permanent staff positions to support policy implementation and enforcement to meet the statutory requirements outlined in the newly adopted Zero-Emission Forklift Regulation (Cal. Code Regs, title 13, § 3000-3011 et seq.). The requested staff would assist an expected large number of regulated entities new to CARB fleet regulations, conduct enforcement investigations, provide information technology support for an updated reporting system, and furnish legal counsel for the newly adopted regulation.	Reject without prejudice.
22.	January Governor's Budget	<b>Mobile Source Laboratory Equipment Support and Maintenance.</b> The budget includes \$8 million ongoing from the Certification and Compliance Fund for CARB to support and maintain its mobile source laboratory, which is key to investigating manufacturers violating emissions standards. Of this amount, \$6.5 million will support cost increases in maintenance, service, and training contracts, equipment procurements, and laboratory supplies. The remaining \$1.5 million will fund the replacement of laboratory equipment beyond its useful life.  In addition, the Administration proposes trailer bill language to specify deficiency fines and fees are a part of the certification, audit, and compliance programs regulating motor vehicle manufacturers.	Approve as budgeted and approve placeholder trailer bill language.
23.	January Governor's Budget	<b>Right Sizing of IT Procurement, Contracting, and Business Technology Management.</b> The budget includes \$439,000 in 2025-26 and \$840,000 ongoing beginning in 2026-27 from various funds for information technology (IT) procurement, contracting, business technology management, and contact management units.	Approve as budgeted.

24.	January Governor's Budget, May Revision	<p><b>Regulatory Fee Authority Trailer Bill Language.</b> The Governor proposes trailer bill language that would provide CARB the authority to impose fees on entities regulated by the board, for the purpose of recovering reasonable costs incurred in regulating that entity. Under this proposal, CARB would be able to collect fees for a range of their responsibilities, including, but not limited to, developing new and amending existing airborne toxic control measures as well as emission reduction measures for on-road and non-road sources; implementing and enforcing airborne toxic control measure; and identifying, quantifying, inventorying, monitoring, evaluating, and reducing emissions of toxic pollutants in communities across the state, among other activities.</p> <p>The May Revision includes a revised version of the Regulatory Fee Authority trailer bill language that was originally a part of the Governor's Budget. This proposal narrows the regulatory fee authority to the Transport Refrigeration Unit and Commercial Harbor Craft regulations.</p>	Approve placeholder trailer bill language.
25.	May Revision	<p><b>California Climate Investments Administration.</b> The May Revision includes \$666,000 from the Greenhouse Gas Reduction Fund ongoing to convert three limited-term positions to permanent to provide technical assistance to agencies administering the California Climate Investments programs for quantification, reporting, and policy guidance to maximize greenhouse gas (GHG) reductions and ensure benefits to disadvantaged communities and low-income communities and households.</p>	Reject without prejudice, deferring until the Greenhouse Gas Reduction Fund spending plan is finalized.
26.	May Revision	<p><b>Legal Resources to Respond to Federal Actions.</b> The May Revision includes \$1.9 million from the Air Pollution Control Fund for eight positions for its Legal Office to support the significant workload attributable to the current federal administration in the form of affirmative and defensive litigation, as well as associated e-discovery, records management, and administrative support.</p>	Approve as budgeted.

27.	Legislative Proposal	<b>California Environmental Quality Act (CEQA) Exemption for SB 253/261 Regulations.</b> The Senate proposes trailer bill language that exempts the SB 253/261 regulations from the standardized regulatory impact analysis requirement as well as CEQA.	Approve placeholder trailer bill language.
28.	Legislative Proposal	<b>Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP).</b> The Legislature proposes to appropriate \$132.2 million from the Air Pollution Control Fund for HVIP. Specifically, the appropriation shall be from a recent legal settlement with Hino Motors.	Approve legislative proposal.

## 8660 PUBLIC UTILITIES COMMISSION

### Issue 29-46: Various Proposals

<u>Issue #</u>	<u>Origin</u>	<u>Subject</u>	<u>Staff Recommendation</u>
29.	January Governor's Budget	<b>California Public Utilities Commission Energy Reports (AB 2462).</b> The Governor's Budget includes \$400,000 for one-time consulting services and \$50,000 per year ongoing for subscription fees from PUCURA to annually report on recommendations for actions that could be undertaken during the succeeding 12 months to limit utility cost and rate increases, consistent with the state's energy and environmental goals, culminating in the creation of the SB 695 Report.	Approve as budgeted.
30.	January Governor's Budget	<b>Implementation Support for AB 14 of 2021.</b> The Governor's Budget includes \$602,000 ongoing from PUCURA to convert three limited-term positions to permanent positions to continue to administer and maintain surcharge and user fee revenues.	Approve as budgeted.
31.	January Governor's Budget	<b>Implementation Support for SB 28 of 2021.</b> The Governor's Budget includes \$1,139,000 annually from PUCURA to convert four limited-term positions to permanent positions, and the addition of one new permanent position to implement new complaint and enforcement procedures related to video services.	Approve as budgeted.
32.	January Governor's Budget	<b>Implementation Support for SB 4 of 2021.</b> The Governor's Budget includes \$1,085,000 ongoing from PUCURA to convert five limited-term positions to permanent positions; and \$2.55 million one-time for consultant services with an extended encumbrance and liquidation period from the California Advanced Services Fund (CASF) to address the increased demand for broadband funding, larger collection authority, and overall expansion of the CASF program.	Approve as budgeted.
33.	January Governor's Budget	<b>Industrial Process Heat Recovery (AB 2109).</b> The Governor's Budget includes \$222,000 ongoing for one position from PUCURA to establish rules regarding the exemption of nonbypassable or departing load surcharges from applying to a reduction in kilowatt-hours of electricity consumption due to industrial heat process technology that meets prescribed requirements.	Approve as budgeted.

34.	January Governor's Budget	<b>Neighborhood Decarbonization Zones (SB 1221).</b> The Governor's Budget includes \$1,652,000 ongoing for seven positions and \$49,000 one-time, \$240,000 over four years, and \$7,000 for training, travel, workshop support, and software licensing from PUCURA to implement a new neighborhood decarbonization program to transition customers from natural gas usage to cleaner forms of energy usage.	Approve as budgeted.
35.	January Governor's Budget	<b>Public Utilities Rate of Return (AB 2666).</b> The Governor's Budget includes \$2,720,000 ongoing for twelve positions; \$35,000 for one-time equipment and training; \$40,000 per year for two-years for workshop travel; and \$20,000 ongoing for software subscriptions from PUCURA to establish guidelines, evaluate rate of return variances, and adjust revenue requirements as appropriate while ensuring sufficient funds for safe and reliable services, in addition to clearly communicating to consumers about the CPUC and utility work in support of implementing this statute and outcomes.	Approve as budgeted.
36.	January Governor's Budget	<b>SB 1130 Electricity: Family Electric Rate Assistance Program.</b> The Governor's Budget includes \$222,000 ongoing from PUCURA for one senior analyst position to implement the changes to the Family Electric Rate Assistance (FERA) program, pursuant to SB 1130.	Approve as budgeted.
37.	January Governor's Budget	<b>System Reliability and Outages (AB 2368).</b> The Governor's Budget includes \$845,000 ongoing for four positions from PUCURA to implement the reliability and modeling requirements in the integrated resource planning and resource adequacy programs pursuant to AB 2369.	Approve as budgeted.
38.	January Governor's Budget	<b>Public Advocates Office Administrative Support (AB 2109, AB 2368, and SB 1221).</b> The budget includes \$925,000 from the Public Utilities Commission Public Advocates Office Account (PUC) for four positions to meet the Public Advocates Office's statutory obligations resulting from AB 2109, AB 2368, and SB 1221.	Approve as budgeted.
39.	January Governor's Budget	<b>Support for Administrative Law Judge Division.</b> The Governor's Budget includes \$340,000 ongoing for three new support staff positions and position authority for two existing Senior Legal Typist positions to support the Administrative Law Judge (ALJ) Division's timely management and issuance of documents in proceedings and to enhance agenda support functions, records filling and maintenance, as well as support the Intervenor Compensation unit.	Approve as budgeted.

40.	January Governor's Budget	<b>Support for CPUC Administrative Functions.</b> The Governor's Budget includes \$575,000 ongoing for four positions, 0.5 position authority to enhance and strengthen the core administrative functions and provide customer service supporting the entire CPUC, and \$150,000 ongoing for licensing/data storage from various special funds.	Approve as budgeted.
41.	January Governor's Budget	<b>Deaf and Disabled Telecommunications Program Trailer Bill Language.</b> The Governor's Budget includes trailer bill language that would extend the surcharge for the Deaf and Disabled Telecommunications Program (DDTP) until December 31, 2034 and authorize the CPUC to make recommendations to the Legislature regarding the appropriations for the DDTP.	Defer to legislative policy process.
42.	January Governor's Budget	<b>Data Sharing with the Western Energy Coordinating Council and Others Trailer Bill Language.</b> The Governor's Budget includes trailer bill language that would allow CPUC to share information, pursuant to an agreement to treat the shared information as confidential, with the Western Energy Coordinating Council (WECC), the North American Electric Reliability Corporation (NERC), and the Northwest Power and Conservation Council (NPCC). In addition, the bill would allow for a disclosure made through the sharing of information between the Independent System Operator, WECC, NERC, NPCC, and a state agency does not constitute a waiver of an exemption.	Reject without prejudice.
43.	January Governor's Budget, May Revision	<b>California Lifeline – State Operations and Local Assistance.</b> The May Revision includes \$528 million in 2025-26 from the Universal LifeLine Telephone Service Trust Administrative Committee Fund (0471) for the Universal LifeLine Telephone Service Program to provide low-income California households with basic, high-quality wireless and wireline services at affordable rates in accordance with the Public Utilities Code section 871 et seq.	Approve as budgeted.
44.	May Revision	<b>Community Renewable Energy and Storage.</b> The May Revision cuts \$33 million General Fund for programs funding community renewable energy projects at the CPUC. This is a part of the Clean Energy Reliability Investment Plan (CERIP), a \$1 billion commitment to clean energy programs as part of the Diablo Canyon Power Plant extension agreement.	Approve as budgeted.
45.	May Revision	<b>Safe Battery Energy Storage Systems.</b> The May Revision includes \$3.7 million Public Utilities Commission Utilities Reimbursement Account (PUCURA) in 2025-26 and 2026-27, and \$2.9 million ongoing PUCURA and 12 positions in 2027-28 to support compliance and enforcement of safety standards for large-scale, electric grid connected battery energy storage systems at the CPUC.	Approve as budgeted.



46.	Legislative Proposal	<b>Self-Generation Incentive Program (SGIP) Trailer Bill Language.</b> The Legislature proposes trailer bill language to clarify that customers receiving service from community choice aggregators are eligible for SGIP funds as well as that specified demand response or peak load reduction programs are eligible to meet the requirement for the program.	Approve placeholder trailer bill language.
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## VARIOUS DEPARTMENTS

### Issue 47-49: Various Proposals

<u>Issue #</u>	<u>Origin</u>	<u>Subject</u>	<u>Staff Recommendation</u>
47.	January Governor's Budget, May Revision	<p><b>GGRF Spending Plan.</b> The Governor's Budget includes \$1.8 billion in discretionary Greenhouse Gas Reduction Fund (GGRF) expenditures, in addition to \$2.4 billion continuous appropriations and \$430 million in statutory obligations. The proposed spending plan generally aligns with the multi-year commitments made in prior years, with the exception of two changes: a \$32 million shift from GGRF to Proposition 4 for the Clean Energy Reliability Investment Plan and an \$81 million shift from the GGRF to the Motor Vehicle Account (MVA), to address fund insolvency in the budget year.</p> <p>The May Revision cuts all discretionary expenditures to shift \$1.5 billion from the General Fund to GGRF to support CalFire's fire prevention, fire control, and resource management activities on an ongoing basis. This proposal also includes a General Fund backstop to protect CalFire's operations in the event "Cap-and-Invest" auction proceeds fall below projected revenues.</p>	Approve \$1 billion fund shift (across two years) to the General Fund for CalFire operational costs. Defer the remainder of the discretionary GGRF spending plan in a future budget bill.
48.	May Revision	<p><b>Cap-and-Trade Reauthorization Trailer Bill Language.</b> The May Revision includes trailer bill language that reauthorizes the nearly identical cap-and-trade program until 2045, including the following components: CARB's existing price ceiling authority; offset credit limit of 6%, half with direct environmental benefits to the state; 100% industry assistance factors for free allowances; requirement that revenues from all additional tons sold at the price ceiling are used CARB to achieve emissions reductions via offset-like projects; and requirement for all emission reductions to demonstrate additionality. In addition, it contains (as does existing law from 2031 onwards) a pared-down version continuing from 2046 into the future that lacks most of the specifics described above.</p>	Defer to legislative policy process.

49.	Governor's Budget	<p><b>Motor Vehicle Account.</b> To maintain a positive MVA balance in 2025-26, the Governor proposes to transfer funds into the account from two other state accounts totaling \$166 million on a one-time basis. These transfers are intended to fully offset the estimated \$166 million that MVA annually provides to support CARB's Mobile Source Program. (That program aims to reduce emissions from on- and off-road mobile sources, such as vehicles and construction equipment.) The two components of these transfers consist of:</p> <ul style="list-style-type: none"> <li>• <i>\$85 million From the Air Pollution Control Fund (APCF).</i> The proposal would transfer \$85 million from APCF to MVA. The APCF is overseen by CARB and receives revenues from fees and penalties on vehicle and non-vehicle pollution sources. The account's funds generally are used to carry out CARB's duties and functions.</li> <li>• <i>\$81 Million From GGRF.</i> GGRF contains auction proceeds from the state's cap-and-trade program. The proposed funds to be transferred to MVA consist of \$49 million from unallocated projected discretionary GGRF revenues and \$32 million that would be "freed up" by shifting some prior planned GGRF expenditures for clean energy activities to the Proposition 4 climate bond.</li> </ul>	<p>Approve \$85 million transfer from the Air Pollution Control Fund. Defer \$81 million transfer from the Greenhouse Gas Reduction Fund until the Greenhouse Gas Reduction Fund spending plan is finalized.</p>
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