

**Introduced by Senator Wieckowski
(Coauthors: Senators Glazer and Hill)**

(Coauthors: Assembly Members Baker, Campos, Chiu, Frazier, Gordon,
Levine, Mullin, and Ting)

February 18, 2016

An act to add Section 39719.3 to the Health and Safety Code, and to add Chapter 7.8 (commencing with Section 25680) to Division 15 of the Public Resources Code, relating to renewable energy, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1213, as introduced, Wieckowski. Renewable energy: biosolids: matching grants.

Existing law requires the State Energy Resources Conservation Commission to administer various grant programs, including a program to provide incentives for liquid fuels fermented from biomass and biomass-derived resources.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms to achieve its goals. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund.

This bill would require the commission to develop and implement the Biosolids to Clean Energy Grant Program to provide 50% matching funds to local wastewater agencies for biosolids to clean energy capital projects. The bill would continuously appropriate \$20,000,000 annually

from the fund to the commission for purposes of the program. The bill would, for the 2016–17 fiscal year, appropriate an additional \$12,000,000 from the fund to the Bay Area Biosolids to Energy Coalition for the design and construction of a regional biosolids to clean energy project located in the San Francisco Bay Area.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
2 following:
- 3 (a) California wastewater agencies generate 2.75 million tons
4 of biosolids each year.
- 5 (b) Biosolids management primarily consists of agricultural
6 land application and landfill disposal.
- 7 (c) Agricultural land application is discouraged by many local
8 governments, leading to increased landfill disposal and methane
9 emissions. Most agricultural land application sites are located far
10 from urban areas and wastewater treatment facilities, causing
11 biosolids to be trucked many miles, resulting in increased
12 petroleum consumption and greenhouse gas emissions.
- 13 (d) The Legislature, pursuant to Section 41780.01 of the Public
14 Resources Code, established the policy goal of the state that not
15 less than 75 percent of solid waste generated be source reduced,
16 recycled, or composted by year 2020, and annually thereafter.
- 17 (e) In his 2015 inaugural address, the Governor called upon the
18 state to reduce fuel consumption by 50 percent by 2030.
- 19 (f) In the San Francisco Bay area, hauling of biosolids by only
20 19 wastewater agencies contributes to one million trucking miles
21 and consumption of 153,000 gallons of petroleum.
- 22 (g) Chapter 547 of the Statutes of 2015 requires electric utilities,
23 by 2030, to increase to 50 percent the amount of electricity derived
24 from renewable resources.
- 25 (h) Biosolids are a renewable resource for energy generation
26 and can be converted to energy and useful byproducts without
27 incineration using various technologies, including, but not limited
28 to, supercritical water oxidation technology, which utilizes oxygen
29 and high pressure to create steam or hot water which, in turn, can
30 generate electricity.

1 (i) Biosolids are generated locally and biosolids to energy
2 projects can be deployed regionally as part of expanded regional
3 distributed generation projects serving local microgrids.

4 (j) California leads the nation in innovation and research and
5 development. Conversion of biosolids to energy has been proven
6 on a small scale. A public-private partnership among local
7 agencies, state government, and private enterprises to demonstrate
8 a commercial scale biosolids to energy project is consistent with
9 California’s leadership in promoting and creating renewable
10 energy.

11 SEC. 2. Section 39719.3 is added to the Health and Safety
12 Code, to read:

13 39719.3. Notwithstanding Section 13340 of the Government
14 Code, the sum of twenty million dollars (\$20,000,000) annually
15 is hereby continuously appropriated from the fund to the State
16 Energy Resources Conservation and Development Commission
17 for the Biosolids to Clean Energy Grant Program developed
18 pursuant to Chapter 7.8 (commencing with Section 25680) of
19 Division 15 of the Public Resources Code.

20 SEC. 3. Chapter 7.8 (commencing with Section 25680) is added
21 to Division 15 of the Public Resources Code, to read:

22
23 CHAPTER 7.8. BIOSOLIDS TO CLEAN ENERGY GRANT PROGRAM
24

25 25680. For purposes of this chapter, “biosolids to clean energy
26 capital project” or “project” means a capital project that uses
27 biosolids to generate useful heat energy or electricity, liquid or
28 gaseous fuels, or useful byproducts using nonincineration
29 technology in a manner or location that also reduces the emissions
30 of greenhouse gases as compared with biosolids management
31 practices in use at the time of the enactment of this chapter, such
32 as through a reduction in trucking biosolids to offsite landfill or
33 land application sites.

34 25681. The commission shall develop and implement the
35 Biosolids to Clean Energy Grant Program to award, on a
36 competitive basis, grants to local wastewater agencies providing
37 50-percent matching funds for biosolids to clean energy capital
38 projects.

39 25682. An applicant for a grant shall submit to the commission
40 an application on a form prescribed by the commission. The

1 applicant shall specify the sources of the matching funds for the
2 project.

3 25683. In awarding a grant pursuant to this chapter, the
4 commission shall consider the following:

5 (a) The cost-effectiveness of the project.

6 (b) Any other factors deemed appropriate by the commission.

7 25684. The commission shall implement this chapter using
8 moneys appropriated pursuant to Section 39719.3 of the Health
9 and Safety Code and from any other moneys appropriated for
10 purposes of this chapter.

11 SEC. 4. (a) In addition to the amount appropriated pursuant
12 to Section 39719.3 of the Health and Safety Code, for the 2016–17
13 fiscal year, the sum of twelve million dollars (\$12,000,000) is
14 hereby appropriated from the Greenhouse Gas Reduction Fund,
15 established pursuant to Section 16428.8 of the Government Code,
16 to the State Energy Resources Conservation and Development
17 Commission to provide 50-percent matching funds to the Bay Area
18 Biosolids to Energy Coalition for the design and construction of
19 a regional biosolids to clean energy project located in the San
20 Francisco Bay area.

21 (b) For purposes of this section, “biosolids to clean energy
22 project” means a project that generates electricity by creating steam
23 or hot water through the conversion of biosolids without
24 incineration using supercritical water oxidation technology utilizing
25 oxygen and high pressure.