



SENATOR  
**JOHN M. W. MOORLACH**  
THIRTY-SEVENTH SENATE DISTRICT

## FACT SHEET

### Senate Bill 1463 – CAP & TRADE FUNDS FOR UTILITY HARDENING & WILDLAND & FOREST MITIGATION

#### BILL SUMMARY

In an effort to reduce the state's highest source of greenhouse gas (GHG) emissions, curb the impacts of future wildfires and prevent unnecessary damage to life and property, Senate Bill 1463 will continuously appropriate 25 percent of cap and trade funds to counties to harden the state's utility infrastructure and better manage wildlands and forests. This measure requires counties that accept funds to move swiftly in providing a plan for the funds within 6 months and the funds to be encumbered within 2 years. Any funds neither planned for nor encumbered within those timelines will be reverted to those counties making plans for the money.

This bill also requires the California Air Resources Board (ARB) to include GHGs emissions from wildland and forest fires in their updated Scoping Plan.

SB 1463 emphasizes full accountability by requiring funding plans be made readily available to the public. All open meeting laws shall apply to all decision-making processes. Any county receiving and spending money for this program must have their program audited by the California State Auditor's Office.

#### REASON FOR LEGISLATION

Last fall, California saw numerous fires ravage the state, burn hundreds of thousands of acres of wildland and suburban landscape, destroy over

15,000 structures and take 44 lives, while devastating thousands of livelihoods. These fires are estimated to cost billions of dollars in firefighting resources and economic impacts, not to mention the gross environmental damage incurred.

It is estimated that for every 2 to 3 days these wildfires burn, GHG emissions are roughly equal to the annual emissions from every car in the entire state of California.<sup>1</sup> In 2017 alone, there were over 9,000 major wildfires which burned over 1.2 million acres. Several of the large fires were caused or exacerbated by sparking utility lines.

Last year, the legislature codified one of the most extensive cap and trade programs in the nation through AB 398 (E. Garcia, 2017) to extend the goals of the AB 32 (Nunez, 2006) Scoping Plan, as developed by the ARB. The problem is that the Scoping Plan pays scant attention to the most egregious of all GHG emission problems – manmade wildfires. Rather, it diverts funds to programs that have little to do with actually reducing GHG emissions. In fact, a substantial amount of cap and trade funds go to high-speed rail, which literally increases GHG emissions and eliminates large carbon sinks.

<sup>1</sup> "California fires produced as much pollution in 2 days as all the state's cars do in a year," USA TODAY, Benjamin Spillman, Oct. 11, 2017, [2017https://www.usatoday.com/story/news/nation-now/2017/10/11/air-pollution-california-fires-equals-years-worth-traffic-analyst-says/756602001/](https://www.usatoday.com/story/news/nation-now/2017/10/11/air-pollution-california-fires-equals-years-worth-traffic-analyst-says/756602001/)

## **ISSUE BACKGROUND**

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Set in stunning and sundry landscapes, California is rich in resources. It is blessed with more than 39 million people who inhabit various parts of its 163,696 square miles of land. For years, policymakers have gone to great lengths to accommodate a natural and modern living space balance. To that end, previous legislatures have created well-intended laws to preserve a California that is ever-evolving without considering the ramifications of such policy, mired, described by Alexis de Tocqueville in “a network of small complicated rules, minute and uniform, through which the most original minds and the most energetic characters cannot penetrate, to rise above the crowd.”

After watching recent wildfires decimate our state, the effects of numerous environmental and planning laws have been brought to light. Current laws not only expose nature to its own fury with little recourse, but increase costs to life and property.

In a previous proposal, SB 1463 (Moorlach, 2016) would have provided direction to the California Public Utilities Commission (PUC) to develop a definition of enhanced fire mitigation measures to prevent fires caused by overhead electrical lines. Unfortunately, the bill was vetoed by Governor Brown.

Cap and trade is the mechanism the ARB uses to control the emissions inventory for over 600 single-source emitters in the state. Including the results from the February 2018 auction, the state and various public and private utilities have sold a total of nearly 1 billion allowances since quarterly cap-and-trade auctions began in 2012. These sales have generated more than \$12 billion in revenue. Those revenues are distributed to a number of projects, based upon the AB 32 Scoping Plan and include, high-speed rail, affordable housing, low carbon vehicle, intercity rail, among other things.

So far, only a small percentage of cap and trade revenues have been spent on forest issues, even though wildfires are by far the highest emitters of GHGs in the state. Additionally, wildfires produce other co-pollutants and toxic bi-products that are damaging to public health.

In an effort to consider the future well-being of our state, SB 1463 allocates funds originally intended to projects that would increase GHG, instead to now help to protect our pristine state and its inhabitants.

## **SUPPORT**

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## **CO-AUTHORS**

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## **CONTACT**

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