

Trailer Bill Language for Energy Package - Industrial Decarbonization, Food Production Investment Program, Long Duration Storage, and Green Hydrogen

Chapter 7.4, sections 25640, 25641, 25642, 25643, and 25644 are added to the Public Resources Code

25640 (a) For any of the programs in this Chapter, the commission may:

- (1) Administer the program pursuant to Chapter 7.1 (commencing with Section 25620) of Division 15 of the Public Resources Code, but does not need to consult with the Department of General Services when utilizing the sole source authority under Public Resources Code section 25620.5.
- (2) In addition to any other authorized method, issue contracts, grants, loans, and other appropriate funding mechanisms.
- (3) Notwithstanding any other law, non-competitively award follow-on funding to recipients of contracts and grants from California government entities or a federal agency. Such awards must meet all the following requirements:
 - (A) Any project equipment installation site(s) are located in California.
 - (B) The project has received funding for the original project through a competitive bid process from a California government entity or federal agency.
 - (C) The project has technology breakthrough potential that can enable the state to achieve its statutory energy policy goals ahead of schedule.
- (4) Notwithstanding any other law, non-competitively award funding for a project that can leverage a significant federal or government award, including, but not limited to, providing cost share to federal and other government grants.
- (5) Notwithstanding any other law, non-competitively make amendments to existing commission or State managed technical assistance contracts or grants for any purposes, including but not limited to, adding to or changing the scope, funding, and terms.
- (6) Notwithstanding any other law, the commission, in its discretion, can advance some or all these funds if necessary to accomplish the project's goals and subject to submitting reconciliation reports and being audited. .
- (7) Make awards for technical assistance to help with outreach to eligible industries, identify promising technologies, technical review of proposals and deliverables, and benefits analysis.
- (8) Adopt guidelines or other standards for this program. The Administrative Procedures Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) does not apply to guidelines or other standards adopted at a commission business meeting.

(b) The commission may award non-competitive funding as outlined in (a)(3) and (4) in this section following commission approval of the award at a business meeting.

Notwithstanding any other law, the funding awards made pursuant to (a) (3) and (4), and the amendments made pursuant to (a)(5) of this section shall not be subject to and are exempt from:

- (1) The sole source requirements under subdivision (g) of Section 25620.5 of the Public Resources Code.
- (2) The Public Contract Code.
- (3) Requirements of the Department of General Services, including its State Contract Manuals.
- (4) Government Code 19130 et seq.
- (5) Any other normally applicable requirements for awarding, advertising, or amending contracts, grants, loans, or any other type of award.

25641 (a) Under the Industrial Decarbonization Program (IDP), eligible industrial facilities include, but are not limited to, those facilities involved with petroleum and non-petroleum manufacturing, production, and processing, such as chemicals, metals, food and beverage, and non-metallic minerals, including cement, glass, and pharmaceuticals.

(b) Under the IDP, eligible projects include electrification of natural gas or other fossil fuel using processes, incorporation of photovoltaics, energy storage, or other renewable energy sources, energy efficiency, develop and deploy carbon capture and utilization processes to reduce or eliminate greenhouse gas emissions, and develop and deploy other decarbonization strategies.

25642 (a) Under the Food Production Investment Program (FPIP), eligible facilities include, but are not limited to, those directly involved in food production and processing and related support facilities.

(b) Under FPIP, eligible projects include, but are not limited to, electrification of natural gas or other fossil fuel using processes, incorporation of photovoltaics, energy storage, or other renewable energy sources, energy efficiency, develop and deploy carbon capture and utilization processes to reduce or eliminate greenhouse gas emissions, and develop and deploy other decarbonization strategies.

25643 (a) Under the Long Duration Energy Storage Program (LDESP), eligible storage facilities include, but are not limited to, locations critical to the operation of the utility grid as well as at critical industrial facilities such as data centers, industrial plants and processes, community service centers that support the public, hospitals, medical facilities, military bases, university campuses, port authorities, police, fire and other facilities critical to the good order of a community, other support facilities or communities needing long term energy storage to support their operational mission.

(b) Under the LDESP, eligible projects include, but not limited to:

- (1) Providing increased reliability and resiliency to the facilities defined in part (a) of this section.
- (2) Providing added grid services when the utility grid is stressed or anticipating pending energy challenges.
- (3) Support for the facilities listed in part (a) of this section during wildfires, public safety power shutoff (PSPS) events.
- (4) Increasing the use of green energy and lowering the impact of climate change on the facilities or communities including such factors as improving air quality, lowering greenhouse gas emissions, providing under-resourced communities access to increase reliability and resiliency.
- (5) Lowering the energy costs and providing employment opportunities for residents of under-resourced communities.

25644 (a) Under the Green Hydrogen Program (GHP), eligible facilities include, but are not limited to:

- (1) Industrial operations that can use green hydrogen to replace fossil fuel use.
- (2) Providing new options, including but not limited to, decarbonize commercial buildings, industrial facilities, agricultural operations, military facilities, and college campuses.
- (3) Improving industrial and commercial processes that use fossil fuel.
- (4) Power plants that can operate on a mixture of hydrogen and fossil fuel such as natural gas.

(b) Under the GHP, eligible projects include, but not limited to, fuel switching for industrial operations and power plant operations to systems that can operate on a fuel blended with hydrogen, demonstrating the use of green hydrogen for energy storage, demonstrating the use of hydrogen technologies to de-carbonize operations of military bases, college campuses, industrial operations, and agricultural operations.

(c) GHP projects must provide a minimum amount reduction of greenhouse gas emissions compared to the baseline year, as determined by the commission.