

Agenda Report

File #: 2020-1263, **Version:** 1

FROM: James D. Herberg, General Manager

SUBJECT:

CONSIDERATION OF HOUSE OF REPRESENTATIVES BILL (H.R.) 763

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Continue to monitor and watch House of Representatives Bill (H.R.) 763 - Energy Innovation and Carbon Dividend Act (Deutch); and provide update to future meeting.

BACKGROUND

The Energy Innovation and Carbon Dividend Act of 2019 H.R. 763 is a Federal bill that proposes a fee on carbon at the point of extraction to encourage market-driven innovation of clean energy technologies to reduce greenhouse gas emissions.

The Orange County Sanitation District (Sanitation District) mission states that we “protect public health and the environment”, which is the goal of H.R. 763. Generally, this bill does not have a direct impact on the Sanitation District or the wastewater industry as a whole.

Conversely, H.R. 763 could financially impact the Sanitation District by virtue of pass-through costs. Additionally, it is anticipated the real impact to the Sanitation District is found in the higher costs of fuel.

RELEVANT STANDARDS

- Maintain influential legislative advocacy and a public outreach program
- Build brand, trust, and support with policy makers and community leaders
- Maintain collaborative and cooperative relationships with regulators, stakeholders, and neighboring communities

PROBLEM

H.R. 763 does not fall within the Sanitation District's adopted Legislative and Regulatory Plan, therefore, staff is seeking Committee direction.

PROPOSED SOLUTION

Per the 2020 Legislative and Regulatory Plan, “When a bill does not fall within the scope of the legislative and regulatory plan or is a controversial issue, staff will seek direction from the Legislative and Public Affairs Committee.”.

As such, staff is seeking guidance from the Legislative and Public Affairs Committee on the official position on this bill.

This bill is generally supported by the 2020 Legislative and Regulatory Plan. In particular, Page 12 Appendix C, the 2020 Legislative and Regulatory Plan states:

- Support air quality legislations, regulations, rules, and policies that emphasize the use of advanced technologies and promote greater flexibility and financial incentives to reduce air emission.

TIMING CONCERNS

If action is taken by Congress, it anticipated that it will not occur until 2021.

RAMIFICATIONS OF NOT TAKING ACTION

There will most likely not be any ramifications from not taking action as the bill is unlikely to receive House committee action.

ADDITIONAL INFORMATION

At the request of a Board Member, staff is bringing this bill for Committee consideration.

At the writing of this report, the California Association of Sanitation Agencies and the National Association of Clean Water Agencies have not taken a position on this bill.

FINANCIAL CONSIDERATIONS

N/A

ATTACHMENT

The following attachment(s) may be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- House of Representatives Bill 763