



OFFICE OF THE GOVERNOR

SEP 25 2012

To the Members of the California State Senate:

I am returning Senate Bill 234 without my signature.

The bill requires the Air Resources Board to reimburse 90 percent of eligible project costs on a quarterly basis for shore power electrification projects that are in substantial compliance with project milestones.


The bill would circumvent Proposition 1B accountability standards established by the Air Resources Board and the Department of Finance to assure that voter-approved Proposition 1B funding is used on projects that achieve real benefits to the public. Allowing only a 10 percent withholding does not afford the necessary assurance that the State's seaports have the commitment and resources necessary to see the project to completion.

It is reasonable, however, to provide flexibility to equipment owners such as seaports in a manner that facilitates project completion while assuring robust accountability. To this end, I am directing the Air Resources Board to amend its program guidelines for shore power projects to allow for quarterly reimbursement for up to 80 percent of eligible project costs, provided the equipment owner expends their portion of match funding for each berth first and is in compliance with its contract.

In those situations where a small port of less than 10 berths may experience difficulties meeting these conditions, I further direct the Board and those ports to work closely and cooperatively to develop a path forward to ensure project success.

We all share the goal of providing shore-side electrical power to ships at berth in order to reduce harmful emissions at and near the ports while also protecting taxpayer funds. This is a solvable problem.

Sincerely,


Edmund G. Brown Jr.