

AMENDED IN SENATE JUNE 28, 2006

AMENDED IN SENATE JUNE 8, 2006

AMENDED IN SENATE MAY 9, 2006

AMENDED IN SENATE APRIL 6, 2006

AMENDED IN ASSEMBLY MAY 9, 2005

AMENDED IN ASSEMBLY APRIL 28, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 1012

Introduced by Assembly Member Nation
(Coauthors: Assembly Members Koretz, Laird, and Pavley)

February 22, 2005

An act to add Article 7.1 (commencing with Section 43885) to Chapter 4 of Part 5 of Division 26 of the Health and Safety Code, relating to vehicular air pollution control.

LEGISLATIVE COUNSEL'S DIGEST

AB 1012, as amended, Nation. Vehicular air pollution control: clean alternative fuels.

(1) Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution. Existing law requires the state board to establish, by regulation, various standards for gasoline and motor vehicle fuel.

Existing law requires that, not later than June 30, 2007, the State Energy Resources Conservation and Development Commission, in partnership with the state board, and in consultation with specified state agencies, develop and adopt a state plan to increase the use of alternative fuels, as defined.

This bill would require the state board, by January 1, 2008, to develop and adopt regulations that would become operative no later than January 1, 2010, ~~to increase, as specified, the use of that will ensure that commencing January 1, 2020, 1/2 of new passenger vehicles and light duty trucks sold in California each year are clean~~ alternative vehicles, *as defined*. The bill would require the state board to submit a report to the Legislature on the progress the state has made in increasing the use of alternative fuels, reducing the state’s dependence on imported petroleum and petroleum fuels, and any improvements in public health and the environment attributable to the use of clean alternative fuels, as specified.

Existing law generally provides that a violation of various laws, rules, and regulations, relating to air pollution is a crime.

Because the bill would require the state board to adopt regulations the violation of which would be a crime, the bill would impose a state-mandated local program by creating a new crime.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

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

- 1 SECTION 1. Article 7.1 (commencing with Section 43885) is
- 2 added to Chapter 4 of Part 5 of Division 26 of the Health and
- 3 Safety Code, to read:

1 Article 7.1. ~~Alternative Fuels for Motor Vehicles~~ *Foreign Oil*
2 *Independence Act of 2006*

3
4 43885. The Legislature finds and declares all of the
5 following:

6 (a) The production, marketing, and use of petroleum fuels in
7 the state causes significant degradation of public health and
8 environmental quality due to the release of air pollution,
9 including greenhouse gas emissions, and water pollutants.

10 (b) Transportation accounts for nearly half of California's total
11 energy use. Petroleum fuels account for more than 90 percent of
12 California's transportation fuel use.

13 (c) Consumption of nonpetroleum fuels in California has
14 stagnated at less than 10 percent.

15 (d) Demand for transportation fuel has increased by nearly 50
16 percent during the last 20 years.

17 (e) California's crude oil production has declined by more
18 than 30 percent since 1986 and by nearly 20 percent since 1998.

19 (f) California's refineries currently import nearly 60 percent of
20 their petroleum. California's crude oil imports in 2004 were
21 nearly 400 million barrels and, in the absence of any new state
22 policy initiatives, would increase to more than 450 million
23 barrels by 2015 and more than 500 million barrels by 2025.

24 (g) California's refineries provide for the transportation fuel
25 needs of Nevada, Arizona, Oregon, and the State of Baja
26 California, and fuel demand is growing in these regions.

27 (h) In the face of this increasing demand, California's
28 refineries are not able to supply the state's increasing need for
29 petroleum fuels. This will increase the state's dependence on
30 imported fuels.

31 (i) California's petroleum import and refinery infrastructure
32 faces significant challenges including the inherent conflict
33 between the need to expand import, refining, and storage
34 facilities to meet transportation fuel demands and the
35 environmental and social concerns of local communities affected
36 by these proposed expansions.

37 (j) Efficiency and renewable resources are top priorities in
38 California's electricity loading order policy, and the state should
39 extend these priorities to California's transportation sector by

1 reducing demand for petroleum fuels by increasing the use of
2 alternative fuels.

3 (k) The state must vigorously pursue strategies to increase
4 transportation efficiency, including increasing the number of
5 hybrid electric and plug-in hybrid electric vehicles, and
6 accelerating the development and availability of alternative fuels
7 in order that the full potential of any air quality and petroleum
8 replacement benefits can be realized.

9 (l) The state must encourage the emerging nonpetroleum fuel
10 industry as suppliers of components for blended fuels and as
11 developers of completely nonpetroleum fuels and fueling
12 systems.

13 (m) The use of clean, alternative fuels has the potential to
14 considerably reduce the impacts associated with the use of
15 petroleum fuels and is an important strategy for the state to attain
16 its economic and air and water quality goals.

17 (n) Research, development, and commercialization of
18 alternative fuels in the state have the potential to strengthen the
19 state's economy by providing job growth and helping to reduce
20 the state's vulnerability to petroleum price volatility. ~~Three~~ *These*
21 activities will also maintain the tradition of California leading the
22 way in the utilization of innovative motor vehicle technologies at
23 the cutting edge of implementation.

24 (o) Dependence on foreign oil represents a threat to the
25 long-term security and economic stability of California and the
26 nation.

27 (p) Reducing petroleum use is technically feasible and
28 economically justifiable, because the State Energy Resources
29 Conservation and Development Commission and the state board
30 have previously recommended, in their August 2003 report to the
31 Legislature, "Reducing California's Petroleum Dependency,"
32 that the state adopt a goal of 20 percent nonpetroleum fuel use by
33 2020, and 30 percent use by 2030.

34 (q) Increasing the use of alternative fuels is one of the
35 technologically feasible and economically justifiable strategies
36 that can help to reduce the state's use of petroleum.

37 (r) A major challenge for increasing the use of alternative fuels
38 in California is both the lack of an integrated alternative fuel
39 infrastructure sufficient to provide reliable fuel supplies to
40 California consumers, and an insufficient number of alternative

1 fuel vehicles necessary to facilitate the development of a healthy
2 and robust alternative fuels market in the state.

3 43886. This article shall be known, and may be cited, as the
4 Foreign Oil Independence Act of 2006.

5 43887. (a) For purposes of this article:

6 ~~(1) (A) “Clean alternative fuel” means any fuel used as the~~
7 ~~certification fuel in a low-emission vehicle, other than primary~~
8 ~~gasoline or diesel fuel, used in exhaust emission-certification~~
9 ~~testing pursuant to the state board’s Exhaust Emission Standards~~
10 ~~and Test Procedures for 2004 and subsequent Model Passenger~~
11 ~~Cars, Light-Duty Trucks, and Medium Duty Vehicles, as~~
12 ~~incorporated by reference in Section 1961 of Title 13 of the~~
13 ~~California Code of Regulations that maintains or improves upon~~
14 ~~the Exhaust Emissions Standards and Test Procedures, as of~~
15 ~~January 1, 2006.~~

16 ~~(B) “Clean alternative fuel” includes petroleum fuel blended~~
17 ~~with nonpetroleum constituents derived from renewable~~
18 ~~resources and that meets both of the following requirements:~~

19 ~~(i) Maintains or improves upon the emissions reductions and~~
20 ~~air quality benefits achieved by the California Phase 2~~
21 ~~Reformulated Gasoline Program as of January 1, 1999, including~~
22 ~~emissions reductions for all pollutants and precursors identified~~
23 ~~in the State Implementation Plan for ozone, and emissions of~~
24 ~~potency weighted toxics compounds and particulate matter.~~

25 ~~(ii) Maintains or improves upon the emissions reductions and~~
26 ~~air quality benefits achieved by the California diesel fuel~~
27 ~~regulations in Title 13 of the California Code of Regulations. For~~
28 ~~the purposes of this article, “clean alternative fuel” has the same~~
29 ~~meaning as “alternative fuel” as defined in subdivision (a) of~~
30 ~~Section 43867.~~

31 ~~(2) “Clean~~

32 ~~(b) For the purposes of this article, “clean alternative vehicle”~~
33 ~~means any new passenger vehicle or light duty truck capable of~~
34 ~~running on a clean alternative fuel. Clean alternative vehicles~~
35 ~~include, but are not limited to, the following:~~

36 ~~(A) Electric hybrid~~

37 ~~(1) Hybrid vehicles.~~

38 ~~(B)~~

39 ~~(2) Plug-in electric hybrid vehicles with a minimum of 20~~
40 ~~miles all electric range.~~

1 ~~(C)~~

2 (3) Flexible fuel vehicles (FFVs).

3 ~~(D)~~

4 (4) Compressed natural gas (CNG) vehicles.

5 ~~(E)~~

6 (5) Liquid propane gas (LPG) vehicles.

7 ~~(F)~~

8 (6) Hydrogen fuel cell vehicles (HFCVs).

9 43888. (a) The state board shall develop, and by January 1,
10 2008, adopt, regulations that shall become operative no later than
11 January 1, 2010, that ~~require both of the following:~~

12 ~~(1) That by January 1, 2011, 25 percent of new passenger~~
13 ~~vehicles and light duty trucks sold in California are clean~~
14 ~~alternative vehicles.~~

15 ~~(2) That by January 1, 2020, all will ensure that, commencing~~
16 ~~January 1, 2020, one-half of new passenger vehicles and light~~
17 ~~duty trucks sold in California are clean alternative vehicles.~~

18 (b) In developing these regulations, the state board shall do all
19 of the following:

20 (1) Consider the technological *and economic* feasibility of the
21 regulations.

22 (2) Develop and enforce compliance options for eligible clean
23 alternative vehicles.

24 (3) Ensure, pursuant to Chapter 8 (commencing with Section
25 2300) of Division 3 of Title 13 of the California Code of
26 Regulations, that a clean alternative fuel is made available
27 statewide at retail outlets whenever the state board determines
28 that the required number of motor vehicles capable of using that
29 fuel has been reached.

30 (c) The regulations adopted pursuant to this section shall apply
31 only to a motor vehicle manufactured after December 31, 2010.

32 (d) No later than January 1, 2014, and every four years
33 thereafter, the state board shall submit a report to the Legislature,
34 produced in partnership with the State Energy Resources
35 Conservation and Development Commission, and in consultation
36 with the State Water Resources Control Board, the Department
37 of Food and Agriculture, and other relevant state agencies,
38 detailing an assessment of the progress the state has made in
39 increasing the use of alternative fuels, reducing the state's
40 dependence on imported petroleum and petroleum fuels, and any

1 improvements in public health and the environment attributable
2 to the use of clean alternative fuels. The assessment shall take
3 into account Section 43866.

4 SEC. 2. No reimbursement is required by this act pursuant to
5 Section 6 of Article XIII B of the California Constitution because
6 the only costs that may be incurred by a local agency or school
7 district will be incurred because this act creates a new crime or
8 infraction, eliminates a crime or infraction, or changes the
9 penalty for a crime or infraction, within the meaning of Section
10 17556 of the Government Code, or changes the definition of a
11 crime within the meaning of Section 6 of Article XIII B of the
12 California Constitution.