

AMENDED IN SENATE APRIL 25, 2006

AMENDED IN SENATE APRIL 17, 2006

AMENDED IN SENATE MARCH 27, 2006

**SENATE BILL**

**No. 1511**

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**Introduced by Senator Ducheny**

February 23, 2006

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An act to add Section 43013.4 to the Health and Safety Code, relating to vehicular air pollution, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1511, as amended, Ducheny. Renewable fuels: regulations.

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 permits the state board to adopt and implement motor vehicle emission standards, in-use performance standards, and motor vehicle fuel specifications for the control of air contaminants and sources of air pollution that the state board has found to be necessary, cost effective, and technologically feasible, as provided.

This bill would require the state board, as a part of the California Phase 3 Reformulated Gasoline regulations update to be concluded by January 1, 2007, to amend existing California cleaner burning gasoline regulations, as defined, to optimize the regulations for the increased use of renewable fuels in the California transportation fuel market, as specified.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

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

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) Renewable fuels have the potential to strengthen  
4 California’s economy by providing job growth and tax revenue  
5 and by reducing the state’s vulnerability to petroleum price  
6 volatility by adding critically needed domestic fuel supply.

7 (b) The State Energy Resources Conservation and  
8 Development Commission and the State Air Resources Board  
9 recommended in their August 2003 report, “Reducing  
10 California’s Petroleum Dependency,” that the state adopt the goal  
11 of increasing the use of nonpetroleum fuel to 20 percent of  
12 onroad fuel consumption by the year 2020 and 30 percent by the  
13 year 2030.

14 (c) The Governor has established targets to reduce greenhouse  
15 gas emissions to 2000 levels by 2010, to 1990 levels by 2020,  
16 and to 80 percent below 1990 levels by 2050.

17 (d) Renewable fuels are an immediately viable strategy to  
18 reduce greenhouse gas emissions in the transportation sector,  
19 which is California’s largest source of carbon dioxide emissions.

20 (e) The use of renewable fuels in California should maintain or  
21 improve the air quality and emission benefits achieved by current  
22 law.

23 (f) Current California Phase 3 Reformulated Gasoline  
24 regulations are calibrated to provide flexibility for the use of  
25 nonoxygenated, 100 percent petroleum fuels to expedite the  
26 phaseout of the gasoline additive methyl tertiary-butyl ether  
27 (MTBE).

28 (g) The MTBE phaseout concluded on December 31, 2002  
29 2003, and the promotion of 100 percent petroleum fuels no  
30 longer reflects the state’s policy goals with regard to the  
31 California transportation fuels sector.

32 (h) The State Air Resources Board updates the California  
33 reformulated gasoline regulations approximately every five

1 years, and the most recent update, already underway, will be  
2 completed by 2007.

3 SEC. 2. Section 43013.4 is added to the Health and Safety  
4 Code, to read:

5 43013.4. (a) For purposes of this section, the following  
6 definitions shall apply:

7 (1) “Blending impacts” means unwanted impacts that occur as  
8 a direct result of the reaction that takes place between renewable  
9 fuels and gasoline under some blend scenarios. For the purposes  
10 of this section, blending impacts include any impacts that occur  
11 as a result of the interaction between renewable fuels and  
12 petroleum that inhibit the use of renewable fuels.

13 (2) “California cleaner burning gasoline regulations” means all  
14 current and future California gasoline regulations adopted and  
15 enforced by the state board for the purpose of controlling vehicle  
16 or fuel emissions or fuel content, including the California Phase  
17 3 Reformulated Gasoline (CaRFG3) program specifications and  
18 the CaRFG3 Predictive Model.

19 (3) “Certified California base gasoline” means any California  
20 reformulated gasoline blendstock for oxygen blending  
21 (CARBOB) certified for use in California, by the state board  
22 under the California cleaner burning gasoline program.

23 (4) “Fuel control parameter” means the fuel-content limits and  
24 caps on specific fuel blend properties adopted and enforced by  
25 the state board under the California cleaner burning gasoline  
26 program.

27 (b) As a part of the California Phase 3 Reformulated Gasoline  
28 regulations update to be concluded by January 1, 2007, the state  
29 board shall amend existing California cleaner burning gasoline  
30 regulations to optimize the regulations for the increased use of  
31 renewable fuels in the California transportation fuel market.

32 (c) The state board shall ensure that the amended California  
33 cleaner burning gasoline regulations do all of the following:

34 (1) Establish fuel control parameters that provide  
35 transportation fuel refiners and marketers with maximum  
36 flexibility to increase the use of renewable fuels, in varying  
37 percentages above current levels on a year-round basis, with any  
38 certified California base gasoline:

39 ~~(2) Where feasible, establish fuel control parameters that~~  
40 ~~provide transportation fuel refiners and marketers with maximum~~

1 flexibility to utilize, by volume, between six and ten percent  
2 ethanol blends, in order to, *among other purposes*, maximize the  
3 use of renewable fuels within current vehicle manufacturer  
4 warranties.

5 ~~(3)~~

6 (2) Establish fuel control parameters that minimize the  
7 blending impacts of renewable and petroleum fuels.

8 ~~(4)~~

9 (3) Take into account, to the maximum degree feasible, both  
10 ~~on and offroad~~ *onroad and off-road* emissions impacts in order to  
11 provide the most accurate emissions and air quality profile of  
12 renewable fuel blends.

13 (d) In the design of the analysis used to amend the California  
14 cleaner burning gasoline regulations, including in the selection of  
15 assumptions and the interpretation of any inconclusive data  
16 results, the state board shall exercise its discretion in a manner  
17 that increases flexibility for the use of renewable fuels, consistent  
18 with the state’s goal of increasing the use of renewable fuel  
19 resources to meet the state’s energy demands, and within the  
20 constraints of subdivision ~~(d)~~ (e).

21 (e) The state board shall ensure that the amended California  
22 cleaner burning gasoline regulations maintain or improve upon  
23 the emissions and air quality benefits achieved by the California  
24 Phase 3 Reformulated Gasoline program, including emissions  
25 reductions for all pollutants and precursors identified in the State  
26 Implementation Plan for ozone, including emissions of  
27 potency-weighted toxics compounds and particulate matter.

28 SEC. 3. This act is an urgency statute necessary for the  
29 immediate preservation of the public peace, health, or safety  
30 within the meaning of Article IV of the Constitution and shall go  
31 into immediate effect. The facts constituting the necessity are:

32 In order to help ensure, at the earliest possible time, that the  
33 State Air Resources Board is able to adopt regulations to increase  
34 the use of renewable fuels, and thereby protect public health and  
35 safety, it is necessary that this act take effect immediately.