

ASSEMBLY BILL

No. 2645

Introduced by Assembly Member Nunez
(Coauthor: Senator Lowenthal)

February 22, 2008

An act to amend Sections 44270.3 and 44272 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 2645, as introduced, Nunez. Air pollution: alternative fuels and vehicle technologies: funding programs.

Existing law creates the Alternative and Renewable Fuel and Vehicle Technology Program that is administered by the State Energy Resources Conservation and Development Commission to provide, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, and other appropriate measures, to specified entities to develop and deploy innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change policies. The commission is required to provide preference to specified projects based on specified criteria, including the use of alternative fuel with a fuel blend of at least 20% or higher. The fuel blend criteria does not apply to alternative and renewable fuel infrastructure, fueling stations, and equipment.

Existing law defines "full fuel-cycle assessment" or "life-cycle assessment" for the purposes of the program as evaluating and comparing the full environmental and Health impacts of each step in the life cycle of a trial including, but not limited to specific activities.

This bill would, instead, provide that the fuel blend criteria does not apply only to renewable diesel infrastructure, fueling stations, and

equipment. The bill would, in addition, provide specified life cycle and multimedia analyses as eligible projects under the program.

This bill would recast the definition of “full fuel-cycle assessment” or “life-cycle assessment” to additionally include when specified activities feedstock cultivation; fuel manufacturing and marketing; and the transportation and use of water, changes in land use and land cover related to feedstock and fuel production.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

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

1 SECTION 1. Section 44270.3 of the Health and Safety Code
 2 is amended to read:
 3 44270.3. For the purposes of this chapter, the following terms
 4 have the following meanings:
 5 (a) “Commission” means the State Energy Resources
 6 Conservation and Development Commission.
 7 (b) “Full fuel-cycle assessment” or “life-cycle assessment”
 8 means evaluating and comparing the full environmental and health
 9 impacts of each step in the life cycle of a fuel, including, but not
 10 limited to, all of the following:
 11 (1) Feedstock production, extraction, *cultivation*, transport, and
 12 storage.
 13 (2) Fuel production, *manufacture*, distribution, *marketing*,
 14 transport, and storage.
 15 (3) Vehicle operation, including refueling, combustion,
 16 conversion, permeation, and evaporation.
 17 (4) *Both feedstock and fuel production, the transportation and*
 18 *use of water, changes in land use and land cover.*
 19 (c) “Vehicle technology” means any vehicle, boat, off-road
 20 equipment, or locomotive, or component thereof, including its
 21 engine, propulsion system, transmission, or construction materials.
 22 SEC. 2. Section 44272 of the Health and Safety Code is
 23 amended to read:
 24 44272. (a) The Alternative and Renewable Fuel and Vehicle
 25 Technology Program is hereby created. The program shall be
 26 administered by the commission. The program shall provide, upon
 27 appropriation by the Legislature, grants, revolving loans, loan
 28 guarantees, loans, or other appropriate measures, to public agencies,

1 vehicle and technology consortia, businesses and projects,
2 public-private partnerships, workforce training partnerships and
3 collaboratives, fleet owners, consumers, recreational boaters, and
4 academic institutions to develop and deploy innovative
5 technologies that transform California’s fuel and vehicle types to
6 help attain the state’s climate change policies. The emphasis of
7 this program shall be to develop and deploy technology and
8 alternative and renewable fuels in the marketplace, without
9 adopting any one preferred fuel or technology.

10 (b) The commission shall provide preferences to those projects
11 that maximize the goals of the Alternative and Renewable Fuel
12 and Vehicle Technology Program created by ~~Section 44272~~
13 *subdivision (a)*, based on the following criteria, as appropriate:

14 (1) The project’s ability to provide a measurable transition from
15 the nearly exclusive use of petroleum fuels to a diverse portfolio
16 of viable alternative fuels that meet petroleum reduction and
17 alternative fuel use goals.

18 (2) The project’s consistency with existing and future state
19 climate change policy and low-carbon fuel standards.

20 (3) The project’s ability to reduce criteria air pollutants and air
21 toxics and reduce or avoid multimedia environmental impacts.

22 (4) The project’s ability to decrease, on a life-cycle basis, the
23 emissions of water pollutants or any other substances known to
24 damage human health or the environment, in comparison to the
25 production and use of California Phase 2 Reformulated Gasoline
26 or diesel fuel produced and sold pursuant to California diesel fuel
27 regulations set forth in Article 2 (commencing with Section 2280)
28 of Chapter 5 of Division 3 of Title 13 of the California Code of
29 Regulations.

30 (5) The project does not adversely impact the sustainability of
31 the state’s natural resources, especially state and federal lands.

32 (6) The project provides nonstate matching funds.

33 (7) The project provides economic benefits for California by
34 promoting California-based technology firms, jobs, and businesses.

35 (8) The project uses existing or proposed fueling infrastructure
36 to maximize the outcome of the project.

37 (9) The project’s ability to reduce on a life-cycle assessment
38 greenhouse gas emissions by at least 10 percent, and higher
39 percentages in the future, from current reformulated gasoline and
40 diesel fuel standards established by the state board.

1 (10) The project's use of alternative fuel blends of at least 20
2 percent, and higher blend ratios in the future, with a preference
3 for projects with higher blends.

4 (11) The project drives new technology advancement for
5 vehicles, vessels, engines, and other equipment, and promotes the
6 deployment of that technology in the marketplace.

7 (c) All of the following shall be eligible for funding:

8 (1) Alternative and renewable fuel projects to develop and
9 improve alternative and renewable low-carbon fuels, including
10 electricity, ethanol, dimethyl ether, renewable diesel, natural gas,
11 hydrogen, and biomethane, among others, and their feedstocks
12 that have high potential for long-term or short-term
13 commercialization, including projects that lead to sustainable
14 feedstocks.

15 (2) Demonstration and deployment projects that optimize
16 alternative and renewable fuels for existing and developing engine
17 technologies.

18 (3) Projects to produce alternative and renewable low-carbon
19 fuels in California.

20 (4) Projects to decrease the overall impact of an alternative and
21 renewable fuel's life-cycle carbon footprint and increase
22 sustainability.

23 (5) Alternative and renewable fuel infrastructure, fueling
24 stations, and equipment. The preference in paragraph (10) of
25 subdivision (b) shall not apply to ~~these projects:~~ *renewable diesel*
26 *infrastructure, fueling stations, and equipment.*

27 (6) Projects to develop and improve light-, medium-, and
28 heavy-duty vehicle technologies that provide for better fuel
29 efficiency and lower greenhouse gas emissions, alternative fuel
30 usage and storage, or emission reductions, including propulsion
31 systems, advanced internal combustion engines with a 40 percent
32 or better efficiency level over the current market standard,
33 light-weight materials, energy storage, control systems and system
34 integration, physical measurement and metering systems and
35 software, development of design standards and testing and
36 certification protocols, battery recycling and reuse, engine and fuel
37 optimization electronic and electrified components, hybrid
38 technology, plug-in hybrid technology, fuel cell technology, and
39 conversions of hybrid technology to plug-in technology through
40 the installation of safety certified supplemental battery modules.

1 (7) Programs and projects that accelerate the commercialization
2 of vehicles and alternative and renewable fuels including buy-down
3 programs through near-market and market-path deployments,
4 advanced technology warranty or replacement insurance,
5 development of market niches, and supply-chain development.

6 (8) Programs and projects to retrofit medium- and heavy-duty
7 on-road and nonroad vehicle fleets with technologies that create
8 higher fuel efficiencies, including alternative and renewable fuel
9 vehicles and technologies, idle management technology, and
10 aerodynamic retrofits that decrease fuel consumption.

11 (9) Infrastructure projects that promote alternative and renewable
12 fuel infrastructure development connected with existing fleets,
13 public transit, and existing transportation corridors, including
14 physical measurement or metering equipment and truck stop
15 electrification.

16 (10) Workforce training programs related to alternative and
17 renewable fuel feedstock production and extraction, renewable
18 fuel production, distribution, transport, and storage,
19 high-performance and low-emission vehicle technology and high
20 tower electronics, automotive computer systems, mass transit fleet
21 conversion, servicing, and maintenance, and other sectors or
22 occupations related to the purposes of this chapter.

23 (11) Block grants administered by not-for-profit technology
24 consortia for multiple projects, education and program promotion
25 within California, and development of alternative and renewable
26 fuel and vehicle technology centers.

27 (12) *Life cycle and multimedia analyses and sustainability and*
28 *environmental impact evaluations performed by state agencies to*
29 *determine the impacts of increasing the use of low carbon*
30 *transportation fuels and technologies.*

31 (d) The same requirements in Section 25620.5 of the Public
32 Resources Code shall apply to awards made on a single source
33 basis or a sole sources basis.