

AMENDED IN SENATE APRIL 9, 2012

SENATE BILL

No. 1455

Introduced by Senator Kehoe
(Principal coauthor: Assembly Member Skinner)

February 24, 2012

An act to add Section 43867.5 to the Health and Safety Code, relating to vehicular air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 1455, as amended, Kehoe. Alternative fuels.

Existing law requires the State Energy Resources Conservation and Development Commission, in partnership with the State Air Resources Board, to develop and adopt a state plan to increase the use of alternative transportation fuels.

This bill would require the commission and the state board, among other things, to coordinate efforts to implement the state alternative fuels goal, as specified. The bill would require the commission and the state board, on or before January 1, 2014, to update a specified economic analysis, evaluate how the use of new and existing investment programs could be used to attain the state alternative transportation fuels goal, and evaluate how the impact of federal fuel policies and existing state policies will help attain the state alternative transportation fuels goal. The bill would require the commission and the state board, ~~commencing~~ *on or before* November 1, 2013, and every 2 years thereafter, to report in the integrated energy policy report, as specified, the status and implementation of reaching the state alternative transportation fuels goals, as specified, *and make specified evaluations*. The bill would require ~~the commission and the state board~~ to include a finding on the

effect of proposed regulations related to the state alternative transportation fuels goal.

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 43867.5 is added to the Health and Safety
2 Code, to read:

3 43867.5. (a) The Legislature finds and declares all of the
4 following:

5 (1) The state overwhelmingly relies on a single source of fuel,
6 petroleum, for its transportation needs, and nearly one-half of that
7 petroleum comes from overseas. This overreliance on petroleum
8 leaves residents vulnerable to supply interruptions and price
9 instabilities, and it leaves consumers with essentially no options
10 for alternative transportation fuels.

11 (2) Residents spend over twenty billion dollars
12 (\$20,000,000,000) each year on petroleum fuel imports,
13 representing a significant missed economic opportunity.

14 (3) The “State Alternative Fuels Plan,” which was adopted by
15 the state board and the State Energy Resources Conservation and
16 Development Commission pursuant to Section 43866, outlined
17 specific strategies *and targets* that would increase the use of
18 alternative and nonpetroleum fuels. The strategy set a ~~target goal~~
19 of 26 percent penetration for alternative fuel use in on-road and
20 off-road vehicles by 2022. In 2007, alternative fuels accounted for
21 less than 5 percent of the transportation sector’s consumption.

22 (4) Therefore, it is in the interest of the state to codify alternative
23 fuels usage goals that will help guide the state down a path to
24 transportation energy security, improve environmental quality,
25 reduce fuel price volatility, and demonstrate the state’s continued
26 leadership in reducing greenhouse gas emissions.

27 (b) In order to attain a ~~target goal~~ of at least 26 percent
28 alternative transportation fuels use for on-road and off-road
29 vehicles in the state by 2022, ~~it is the intent of the Legislature that~~
30 the state board and the State Energy Resources Conservation and
31 Development Commission *shall* implement the state alternative
32 transportation fuels goal described in this section.

1 (c) The state board and the State Energy Resources Conservation
2 and Development Commission shall coordinate efforts to
3 implement this article. Implementation also shall complement
4 existing state and federal policies and programs.

5 (d) On or before January 1, 2014, the state board and the State
6 Energy Resources Conservation and Development Commission
7 shall do all of the following:

8 (1) Update the economic analysis used in developing and
9 reviewing state board ~~and State Energy Resources Conservation~~
10 ~~and Development Commission~~ regulations to include a range of
11 petroleum fuel prices to more accurately assess the future cost of
12 petroleum-based fuels.

13 (2) Evaluate how the use of new and existing investment
14 programs could be used to attain the state alternative transportation
15 fuels goal.

16 (3) Evaluate how the impact of federal fuel policies and existing
17 state policies will help attain the state alternative transportation
18 fuels goal.

19 (e) On or before November 1, 2013, and every two years
20 thereafter consistent with and reported within the integrated energy
21 policy report, pursuant to Section 25302 of the Public Resources
22 Code, the state board and the State Energy Resources Conservation
23 and Development Commission shall report on the status and
24 implementation of reaching the state alternative transportation
25 fuels goals in subdivision (b) *and make evaluations required in*
26 *subdivision (d)*. The report shall include details as to the quantities
27 of alternative fuels used in the state during the preceding years in
28 absolute terms and as a percentage of the state's overall
29 transportation fuel mix.

30 (f) As part of developing relevant new and amended regulations,
31 the state board ~~and State Energy Resources Conservation and~~
32 ~~Development Commission~~ shall include a finding on the effect of
33 proposed regulations related to the state alternative transportation
34 fuels goal.

35 (g) This section shall be implemented consistent with the
36 environmental, public health, and sustainability considerations
37 included in Sections 44271 and 44272, ~~as enacted in Chapter 750~~
38 ~~of the Statutes of 2007~~. Further, nothing in this section shall be
39 interpreted to preempt the California Global Warming Solutions

1 Act of 2006 (Division 25.5 (commencing with Section 38500)) or
2 the programs and policies implemented pursuant to that act.

3 (h) The state board and the State Energy Resources Conservation
4 and Development Commission, in implementing the state
5 alternative transportation fuels goal, shall seek to achieve all of
6 the following:

7 (1) In-state job creation through the continued development of
8 an alternative fuels industry in the state.

9 (2) Decrease economic vulnerability of residents to future, costly
10 petroleum fuel price spikes by positioning the state to be an early
11 adopter of alternative fuels and vehicles.

12 (3) Maximize alternative fuel market penetration in
13 nonattainment areas.

14 (4) Increase access to alternative fuels and alternative fuel
15 vehicles for all residents.