

AMENDED IN SENATE SEPTEMBER 10, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

Assembly Joint Resolution

No. 21

**Introduced by Assembly Member Olsen
(Coauthors: Assembly Members Achadjian, Bigelow, Dahle,
Eggman, Gray, Jones, Patterson, Perea, and Salas)**

May 20, 2013

Assembly Joint Resolution No. 21—Relative to the federal Renewable Fuel Standard program.

LEGISLATIVE COUNSEL'S DIGEST

AJR 21, as amended, Olsen. Renewable Fuel Standard program: reform.

This measure would urge Congress to ~~swiftly enact House Resolution 1462, the RFS Reform Act of 2013, to revise the requirements of the Renewable Fuel Standard program.~~ *reform the Renewable Fuel Standard program, or the United States Environmental Protection Agency to use all available authority, to expeditiously transition away from biofuel sources that compete with food production, as well as implement aggressive mechanisms to promote the development of advanced, sustainable noncrop-based fuels, including, but not limited to, cellulosic ethanol.*

Fiscal committee: no.

- 1 WHEREAS, The Renewable Fuel Standard program was created
- 2 under the Energy Policy Act of 2005, and established the first
- 3 renewable fuel volume mandate in the United States; and
- 4 WHEREAS, The Energy Policy Act of 2005 required 7.5 billion
- 5 gallons of renewable fuel to be blended into gasoline by 2012 and,

1 under the Energy Independence and Security Act of 2007, the
2 Renewable Fuel Standard program was expanded to include diesel,
3 in addition to gasoline; and

4 WHEREAS, The Energy Independence and Security Act of
5 2007 increased the volume of renewable fuel required to be blended
6 into transportation fuel from 9 billion gallons in 2008 to 36 billion
7 gallons by 2022; and

8 WHEREAS, The 2013 requirement of corn-starch-derived
9 ethanol of 13.8 billion gallons represents approximately 84 percent
10 of the total renewable fuel mandated in the Energy Independence
11 and Security Act of 2007; and

12 WHEREAS, At the time that the Renewable Fuel Standard
13 program became law, the daily price of a metric ton of corn used
14 in biofuel ethanol production was \$99, and at the time the Energy
15 Independence and Security Act of 2007 became law, the daily
16 price of a metric ton of corn used in biofuel ethanol production
17 had risen to nearly \$180, with the latest price of a metric ton of
18 corn currently reported by the United States Department of
19 Agriculture as approximately \$310, representing an increase of
20 over 300 percent since the inception of the Renewable Fuel
21 Standard program; and

22 WHEREAS, The Environmental Protection Agency has
23 determined that as a result of the Renewable Fuel Standard
24 program, the increase in overall commodity prices expected as a
25 result of the demand for agricultural products used in biofuel
26 production will result in an annual increase of food costs to
27 consumers of over \$3 billion by 2022; and

28 *WHEREAS, Agriculture is a vital component of California's*
29 *economic livelihood with livestock, poultry and related products,*
30 *accounting for approximately 26 percent, or \$12.4 billion of*
31 *California's gross agricultural cash income in 2011; and*

32 *WHEREAS, California leads the nation in milk production with*
33 *over 1.75 million dairy cows that primarily depend on feed corn;*
34 *and*

35 WHEREAS, The loss of alternative feedstock acreage to biofuel
36 crop production combined with the unprecedented rise in corn
37 prices due to the requirements of the Renewable Fuel Standard
38 program have significantly contributed to the loss of dairy
39 production capacity in California, as represented by the 387

1 California dairies that have gone out of business since 2007, with
2 over 100 dairy farms lost in 2012 alone; ~~and now, therefore, be it~~
3 ~~WHEREAS, A bipartisan group of Members of Congress have~~
4 ~~authored the RFS Reform Act of 2013 in the form of House~~
5 ~~Resolution 1462, which will eliminate corn-based ethanol~~
6 ~~requirements, limit the amount of ethanol that can be blended into~~
7 ~~conventional gasoline to 10 percent, and require the United States~~
8 ~~Environmental Protection Agency to set cellulosic biofuels levels~~
9 ~~at production levels, bringing fundamental and urgently needed~~
10 ~~reform to this costly and unworkable federal policy; now, therefore,~~
11 ~~be it~~

12 ~~*Resolved by the Assembly and the Senate of the State of*~~
13 ~~*California, jointly, That the Legislature join a diverse group of*~~
14 ~~*businesses, industry representatives, and dairymen across California*~~
15 ~~*in urging Congress to swiftly enact House Resolution 1462, the*~~
16 ~~*RFS Reform Act of 2013, and bring immediately necessary relief*~~
17 ~~*to consumers and agricultural families of California; and be it*~~
18 ~~*further*~~

19 ~~RESOLVED BY THE ASSEMBLY AND THE SENATE OF~~
20 ~~THE STATE OF CALIFORNIA, JOINTLY, *That the Legislature*~~
21 ~~*recognize and support the benefits from a robust and thriving*~~
22 ~~*agricultural sector, and join a diverse group of businesses, industry*~~
23 ~~*representatives, and beef, dairy, and poultry producers across*~~
24 ~~*California in urging Congress to reform the Renewable Fuel*~~
25 ~~*Standard program, or the United States Environmental Protection*~~
26 ~~*Agency to use all available authority, to expeditiously transition*~~
27 ~~*away from biofuel sources that compete with food production, as*~~
28 ~~*well as implement aggressive mechanisms to promote the*~~
29 ~~*development of advanced, sustainable noncrop-based fuels,*~~
30 ~~*including, but not limited to, cellulosic ethanol; and be it further*~~

31 ~~*Resolved, That the Chief Clerk of the Assembly transmit copies*~~
32 ~~*of this resolution to the President and Vice President of the United*~~
33 ~~*States, to the Speaker of the House of Representatives, to the*~~
34 ~~*Minority Leader of the House of Representatives, to the Majority*~~
35 ~~*Leader of the Senate, to the Minority Leader of the Senate, and to*~~
36 ~~*each Senator and Representative from California in the Congress*~~
37 ~~*of the United States.*~~

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