

AMENDED IN SENATE JUNE 5, 2014  
AMENDED IN ASSEMBLY APRIL 21, 2014  
AMENDED IN ASSEMBLY MARCH 28, 2014  
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1992**

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**Introduced by Assembly Member Quirk**

February 20, 2014

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An act to add Section 38568 to the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

AB 1992, as amended, Quirk. California Global Warming Solutions Act of 2006: very low carbon transportation fuels.

The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires the state board to adopt a statewide greenhouse gas emissions limit to be achieved by 2020 equivalent to the statewide greenhouse gas emissions levels of 1990. The state board additionally is required to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions. Pursuant to the act, the state board has adopted the Low-Carbon Fuel Standard regulations.

This bill would authorize the state board to establish a very low carbon fuel market commitment program that requires wholesalers, producers, importers, or any other entity that provides transportation fuel to a retailer or sells transportation fuel to a consumer to include as part of their transportation fuel sales in the state percentages of very low carbon

transportation fuel, as defined, to be determined by the state board. These provisions would become inoperative 5 years after the state board makes a specified notification to the Secretary of State.

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

3 (a) Low-carbon transportation fuels are an important element  
4 of the state’s greenhouse gas reduction policy and increasing the  
5 supply of those fuels will help the state achieve its greenhouse gas  
6 reduction goals.

7 (b) Existing incentives for the development of low-carbon  
8 transportation fuels, including the Low-Carbon Fuel Standard  
9 regulation (Subarticle 7 (commencing with Section 95480) of  
10 Article 4 of Subchapter 10 of Chapter 1 of Division 3 of Title 17  
11 of the California Code of Regulations), the California Global  
12 Warming Solutions Act of 2006 (Division 25.5 (commencing with  
13 Section 38500) of the Health and Safety Code), and Assembly Bill  
14 118 (Chapter 750 of the Statutes of 2007), have not resulted in  
15 sufficient development of low-carbon transportation fuels.

16 SEC. 2. Section 38568 is added to the Health and Safety Code,  
17 to read:

18 38568. (a) For purposes of this section, the following terms  
19 have the following meanings:

20 (1) “Indirect land use change emission” means the carbon  
21 emissions associated with changes in agricultural activity that  
22 result from the market-mediated effects of using an agricultural  
23 commodity that is a food product as feedstock for the production  
24 of the transportation fuel.

25 (2) “Very low carbon transportation fuel” means a liquid or  
26 gaseous transportation fuel having no greater than 50 percent the  
27 carbon intensity of the closest comparable petroleum fuel for that  
28 year, as measured by the methodology in the Low-Carbon Fuel  
29 Standard regulation (Subarticle 7 (commencing with Section  
30 95480) of Article 4 of Subchapter 10 of Chapter 1 of Division 3  
31 of Title 17 of the California Code of Regulations). The carbon  
32 intensity for the transportation fuel shall include the indirect land

1 use change emission if an agricultural commodity that is a food  
2 product is used as a feedstock for the production of the  
3 transportation fuel.

4 (b) The state board may establish a very low carbon fuel market  
5 commitment program that requires a wholesaler, producer,  
6 importer, or any other entity that provides transportation fuel to a  
7 retailer or sells transportation fuel to a consumer to include as part  
8 of its transportation fuel sales in the state percentages of very low  
9 carbon transportation fuel to be determined by the state board and  
10 measured in energy equivalent units. The state board may require  
11 percentages of very low carbon transportation fuel as low as  
12 one-quarter of 1 percent or as high as 2 percent.

13 (c) When the state board determines that very low carbon  
14 transportation fuel sales have reached 2 percent of all transportation  
15 fuel sales in the state, the state board shall notify the Secretary of  
16 State and this section shall be inoperative five years from that  
17 notification.

18 (d) *This section does not replace or modify any existing fuel*  
19 *standards or requirements imposed under the Low-Carbon Fuel*  
20 *Standard regulation (Subarticle 7 (commencing with Section*  
21 *95480) of Article 4 of Subchapter 10 of Chapter 1 of Division 3*  
22 *of Title 17 of the California Code of Regulations).*