

AMENDED IN SENATE SEPTEMBER 1, 2015

AMENDED IN ASSEMBLY JUNE 2, 2015

AMENDED IN ASSEMBLY APRIL 20, 2015

AMENDED IN ASSEMBLY APRIL 6, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 692**

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**Introduced by Assembly Member Quirk**

February 25, 2015

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An act to add Section ~~38568~~ 43870 to the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

AB 692, as amended, Quirk. 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, commencing January 1, 2017, would ~~require~~ *require, except as provided*, at least 3% of the aggregate amount of *bulk* transportation fuel purchased by state agencies ~~that are buyers of transportation fuel~~ to be procured from very low carbon transportation fuel sources. The

bill would ~~require~~ *require, except as provided*, the percentage to be increased by 1% each year thereafter until January 1, 2024. The bill would require the Department of General Services to coordinate with state agencies that are buyers of transportation fuel and submit an annual progress report to the Legislature. ~~The bill would authorize the Legislature to appropriate money from the Greenhouse Gas Reduction Fund to state agencies that are buyers of transportation fuel to offset any increased costs resulting from the purchase of very low carbon transportation fuel.~~ The bill would define very low carbon transportation fuel for these purposes.

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 both 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.~~ *can be*  
 16 *enhanced if the state’s purchasing power is used to buy very low*  
 17 *carbon transportation fuel for its own fleets, providing a reliable*  
 18 *source of demand for these fuels.*  
 19 SEC. 2. Section ~~38568~~*43870* is added to the Health and Safety  
 20 Code, to read:  
 21 ~~38568.~~  
 22 *43870. (a) Commencing* ~~Except as provided in subdivision~~  
 23 ~~(e), commencing~~ *January 1, 2017*, at least 3 percent of the aggregate  
 24 amount of *bulk* transportation fuel purchased by state agencies ~~that~~  
 25 ~~are buyers of transportation fuel~~ shall be procured from very low

1 carbon transportation fuel ~~sources~~. ~~Commencing~~ *sources, and,*  
2 *commencing* January 1, 2018, the amount of very low carbon  
3 transportation fuel purchased shall be increased every year, by 1  
4 percent, until January 1, 2024.

5 (b) As used in this section, “very low carbon transportation fuel”  
6 means a liquid or gaseous transportation fuel having no greater  
7 than 40 percent of the carbon intensity of the closest comparable  
8 petroleum fuel for that year, as measured by the methodology in  
9 the low-carbon fuel standard regulation (Subarticle 7 (commencing  
10 with Section 95480) of Article 4 of Subchapter 10 of Chapter 1 of  
11 Division 3 of Title 17 of the California Code of Regulations). The  
12 carbon intensity for the transportation fuel shall include the indirect  
13 land use change emission if an agricultural commodity that is a  
14 food product is used as a feedstock for the production of the  
15 transportation fuel.

16 (c) This section does not replace or modify any existing fuel  
17 standards or requirements imposed under the low-carbon fuel  
18 standard regulation.

19 ~~(d) The Legislature may appropriate money from the Greenhouse~~  
20 ~~Gas Reduction Fund to state agencies that are buyers of~~  
21 ~~transportation fuel to offset any increased costs resulting from the~~  
22 ~~purchase of very low carbon transportation fuel.~~

23 (e)

24 (d) The Department of General Services shall coordinate with  
25 state agencies that are buyers of transportation fuel and submit to  
26 the Legislature, consistent with Section ~~9795~~ 25722.8 of the  
27 ~~Government~~ *Public Resources* Code, an annual progress report on  
28 actions taken pursuant to this section.

29 (e) *If the Department of General Services, in consultation with*  
30 *the chairperson of the state board, makes a determination that*  
31 *very low carbon transportation fuel does not perform adequately*  
32 *for its intended use or is not available at a reasonable price and*  
33 *in a reasonable period of time, the state shall procure very low*  
34 *carbon transportation fuel only to the extent feasible.*