

AMENDED IN SENATE AUGUST 24, 2006
AMENDED IN SENATE AUGUST 7, 2006
AMENDED IN SENATE JUNE 28, 2006
AMENDED IN SENATE JUNE 8, 2006
AMENDED IN SENATE MAY 9, 2006
AMENDED IN SENATE APRIL 6, 2006
AMENDED IN ASSEMBLY MAY 9, 2005
AMENDED IN ASSEMBLY APRIL 28, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 1012

Introduced by Assembly Member Nation
(Coauthors: Assembly Members Koretz, Laird, and Pavley)
(Coauthor: Senator Kehoe)

February 22, 2005

An act to add Article 7.1 (commencing with Section 43885) to Chapter 4 of Part 5 of Division 26 of the Health and Safety Code, relating to vehicular air pollution control.

LEGISLATIVE COUNSEL'S DIGEST

AB 1012, as amended, Nation. Vehicular air pollution control: clean alternative fuels.

(1) Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility

for the control of vehicular air pollution. Existing law requires the state board to establish, by regulation, various standards for gasoline and motor vehicle fuel.

Existing law requires that, not later than June 30, 2007, the State Energy Resources Conservation and Development Commission, in partnership with the state board, and in consultation with specified state agencies, develop and adopt a state plan to increase the use of alternative fuels, as defined.

This bill would require the state board, by ~~January 1~~ June 30, 2008, to develop and adopt regulations that would become operative no later than January 1, 2010, that will ensure that commencing January 1, 2020, ½ of new passenger vehicles and light-duty trucks sold in California each year are clean alternative vehicles, as defined. The bill would require the state board to submit a report to the Legislature on the progress passenger vehicle and light-duty truck manufacturers have made in meeting these requirements, the progress the state has made in increasing the use of alternative fuels and reducing the state's dependence on imported petroleum and petroleum fuels, and any improvements in public health and the environment attributable to the use of clean alternative fuels, as specified.

Existing law generally provides that a violation of various laws, rules, and regulations, relating to air pollution is a crime.

Because the bill would require the state board to adopt regulations the violation of which would be a crime, the bill would impose a state-mandated local program by creating a new crime.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

- 1 SECTION 1. Article 7.1 (commencing with Section 43885) is
- 2 added to Chapter 4 of Part 5 of Division 26 of the Health and
- 3 Safety Code, to read:

1 Article 7.1. Foreign Oil Independence Act of 2006

2
3 43885. The Legislature finds and declares all of the
4 following:

5 (a) The production, marketing, and use of petroleum fuels in
6 the state causes significant degradation of public health and
7 environmental quality due to the release of air pollution,
8 including greenhouse gas emissions, and water pollutants.

9 (b) Transportation accounts for nearly half of California's total
10 energy use. Petroleum fuels account for more than 90 percent of
11 California's transportation fuel use.

12 (c) Consumption of nonpetroleum fuels in California has
13 stagnated at less than 10 percent.

14 (d) Demand for transportation fuel has increased by nearly 50
15 percent during the last 20 years.

16 (e) California's crude oil production has declined by more
17 than 30 percent since 1986 and by nearly 20 percent since 1998.

18 (f) California's refineries currently import nearly 60 percent of
19 their petroleum. California's crude oil imports in 2004 were
20 nearly 400 million barrels and, in the absence of any new state
21 policy initiatives, would increase to more than 450 million
22 barrels by 2015 and more than 500 million barrels by 2025.

23 (g) California's refineries provide for the transportation fuel
24 needs of Nevada, Arizona, Oregon, and the State of Baja
25 California, and fuel demand is growing in these regions.

26 (h) In the face of this increasing demand, California's
27 refineries are not able to supply the state's increasing need for
28 petroleum fuels. This will increase the state's dependence on
29 imported fuels.

30 (i) California's petroleum import and refinery infrastructure
31 faces significant challenges including the inherent conflict
32 between the need to expand import, refining, and storage
33 facilities to meet transportation fuel demands and the
34 environmental and social concerns of local communities affected
35 by these proposed expansions.

36 (j) Efficiency and renewable resources are top priorities in
37 California's electricity loading order policy, and the state should
38 extend these priorities to California's transportation sector by
39 reducing demand for petroleum fuels by increasing the use of
40 alternative fuels.

1 (k) The state must vigorously pursue strategies to increase
2 transportation efficiency, including increasing the number of
3 hybrid electric and plug-in hybrid electric vehicles, and
4 accelerating the development and availability of alternative fuels
5 in order that the full potential of any air quality and petroleum
6 replacement benefits can be realized.

7 (l) The state must encourage the emerging nonpetroleum fuel
8 industry as suppliers of components for blended fuels and as
9 developers of completely nonpetroleum fuels and fueling
10 systems.

11 (m) The use of clean, alternative fuels has the potential to
12 considerably reduce the impacts associated with the use of
13 petroleum fuels and is an important strategy for the state to attain
14 its economic and air and water quality goals.

15 (n) Research, development, and commercialization of
16 alternative fuels in the state have the potential to strengthen the
17 state's economy by providing job growth and helping to reduce
18 the state's vulnerability to petroleum price volatility. These
19 activities will also maintain the tradition of California leading the
20 way in the utilization of innovative motor vehicle technologies at
21 the cutting edge of implementation.

22 (o) Dependence on foreign oil represents a threat to the
23 long-term security and economic stability of California and the
24 nation.

25 (p) Reducing petroleum use is technically feasible and
26 economically justifiable, because the State Energy Resources
27 Conservation and Development Commission and the state board
28 have previously recommended, in their August 2003 report to the
29 Legislature, "Reducing California's Petroleum Dependency,"
30 that the state adopt a goal of 20 percent nonpetroleum fuel use by
31 2020, and 30 percent use by 2030.

32 (q) Increasing the use of alternative fuels is one of the
33 technologically feasible and economically justifiable strategies
34 that can help to reduce the state's use of petroleum.

35 (r) A major challenge for increasing the use of alternative fuels
36 in California is both the lack of an integrated alternative fuel
37 infrastructure sufficient to provide reliable fuel supplies to
38 California consumers, and an insufficient number of alternative
39 fuel vehicles necessary to facilitate the development of a healthy
40 and robust alternative fuels market in the state.

1 43886. This article shall be known, and may be cited, as the
2 Foreign Oil Independence Act of 2006.

3 43887. (a) For the purposes of this article, “clean alternative
4 fuel” ~~means “alternative fuel” as defined in subdivision (a) of~~
5 ~~Section 43867 or any other fuel derived from renewable~~
6 ~~resources. However, “clean alternative fuel” includes petroleum~~
7 ~~fuel blended with nonpetroleum constituents derived from~~
8 ~~renewable resources only if the fuel achieves either of the~~
9 ~~following:~~ *means a fuel that, on a full fuel-cycle and energy*
10 *equivalent basis, does not increase the emissions of greenhouse*
11 *gases, toxic air contaminants, criteria air pollutants, water*
12 *pollutants, or any other substances known to damage human*
13 *health or the environment, in comparison to the production and*
14 *use of a petroleum derived fuel, and that is either of the*
15 *following:*

16 (1) “Alternative fuel” as defined in subdivision (a) of Section
17 43867.

18 (2) Any other fuel derived from renewable resources.

19 (b) “Clean alternative fuel” only includes petroleum fuel
20 blended with more than 50 percent nonpetroleum constituents
21 derived from renewable resources, if the fuel achieves either of
22 the following:

23 (1) Maintains or improves upon emissions reductions and air
24 quality benefits achieved by the California Phase 2 Reformulated
25 Gasoline Program as of January 1, 1999, including emissions
26 reductions for all pollutants and precursors identified in the State
27 Implementation Plan for ozone, and emissions of potency
28 weighted toxics compounds and particulate matter.

29 (2) Maintains or improves upon the emissions reductions and
30 air quality benefits achieved by the California diesel fuel
31 regulations in Article 2 (commencing with Section 2280) of
32 Chapter 5 of Division 3 of Title 13 of the California Code of
33 Regulations.

34 ~~(b)~~

35 (c) For the purposes of this article, “clean alternative vehicle”
36 means any new passenger vehicle or light-duty truck ~~capable of~~
37 ~~running~~ *certified by the state board to run* on a clean alternative
38 fuel. Clean alternative vehicles include, but are not limited to, the
39 following:

40 (1) Hybrid vehicles.

1 (2) Plug-in electric hybrid vehicles with a minimum of 20
2 miles all electric range *or that meet minimum specifications*
3 *established by the state board.*

4 (3) Flexible fuel vehicles (FFVs).

5 (4) Compressed natural gas (CNG) vehicles.

6 (5) Liquid propane gas (LPG) vehicles.

7 (6) Hydrogen fuel cell vehicles (HFCVs).

8 43888. (a) The state board shall develop, and by ~~January 1~~
9 *June 30, 2008*, adopt, regulations that shall become operative no
10 later than ~~January 1, 2010~~, that

11 ~~with January 1, 2010~~, that will ensure that, commencing
12 January 1, 2020, one-half of new passenger vehicles and light
13 duty trucks sold in California are clean alternative vehicles.

14 (b) In developing these regulations, the state board shall do all
15 of the following:

16 (1) Consider the technological and economic feasibility of the
17 regulations.

18 (2) Develop and enforce compliance options for eligible clean
19 alternative vehicles.

20 (3) ~~Ensure, pursuant to Chapter 8 (commencing with Section~~
21 ~~2300) of Division 3 of Title 13 of the California Code of~~
22 ~~Regulations to the extent technologically and economically~~
23 ~~feasible~~, that a clean alternative fuel is made available statewide
24 at retail outlets whenever the state board determines that ~~the~~
25 ~~required a sufficient~~ number of motor vehicles ~~capable of using~~
26 ~~certified by the state board to run on~~ that fuel has been reached.

27 (c) The regulations adopted pursuant to this section shall apply
28 only to a motor vehicle manufactured after December 31, 2010.

29 (d) No later than January 1, 2014, and every four years
30 thereafter, the state board shall submit a report to the Legislature,
31 produced in partnership with the State Energy Resources
32 Conservation and Development Commission, and in consultation
33 with the State Water Resources Control Board, the Department
34 of Food and Agriculture, and other relevant state agencies,
35 detailing an assessment of the progress passenger vehicle and
36 light-duty truck manufacturers have made towards meeting the
37 requirements of subdivision (a) of Section 43888, the progress
38 the state has made in increasing the use of alternative fuels and
39 reducing the state's dependence on imported petroleum and
40 petroleum fuels, and any improvements in public health and the

1 environment attributable to the use of clean alternative fuels. The
2 assessment shall take into account Section 43866.

3 SEC. 2. No reimbursement is required by this act pursuant to
4 Section 6 of Article XIII B of the California Constitution because
5 the only costs that may be incurred by a local agency or school
6 district will be incurred because this act creates a new crime or
7 infraction, eliminates a crime or infraction, or changes the
8 penalty for a crime or infraction, within the meaning of Section
9 17556 of the Government Code, or changes the definition of a
10 crime within the meaning of Section 6 of Article XIII B of the
11 California Constitution.

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