

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

February 24, 2012

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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 introduced, 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 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. 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 over-reliance 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 20 billion dollars (\$20,000,000,000)  
12 each year on petroleum fuel imports, representing a significant  
13 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 that would increase the use of alternative and  
18 nonpetroleum fuels. The strategy set a target of 26 percent  
19 penetration for alternative fuel use in on-road and off-road vehicles  
20 by 2022. In 2007, alternative fuels accounted for less than 5 percent  
21 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 of at least 26 percent alternative  
28 transportation fuels use for on-road and off-road vehicles in the  
29 state by 2022, it is the intent of the Legislature that the state board  
30 and the State Energy Resources Conservation and Development  
31 Commission implement the state alternative transportation fuels  
32 goal described in this section.

33 (c) The state board and the State Energy Resources Conservation  
34 and Development Commission shall coordinate efforts to  
35 implement this article. Implementation also shall complement  
36 existing state and federal policies and programs.

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

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

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

12 (3) Evaluate how the impact of federal fuel policies and existing  
13 state policies will help attain the state alternative transportation  
14 fuels goal.

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

25 (f) As part of developing relevant new and amended regulations,  
26 the state board and State Energy Resources Conservation and  
27 Development Commission shall include a finding on the effect of  
28 proposed regulations related to the state alternative transportation  
29 fuels goal.

30 (g) This section shall be implemented consistent with the  
31 environmental, public health, and sustainability considerations  
32 included in Sections 44271 and 44272, as enacted in Chapter 750  
33 of the Statutes of 2007. Further, nothing in this section shall be  
34 interpreted to preempt the California Global Warming Solutions  
35 Act of 2006 (Division 25.5 (commencing with Section 38500)) or  
36 the programs and policies implemented pursuant to that act.

37 (h) The state board and the State Energy Resources Conservation  
38 and Development Commission, in implementing the state  
39 alternative transportation fuels goal, shall seek to achieve all of  
40 the following:

- 1 (1) In-state job creation through the continued development of
- 2 an alternative fuels industry in the state.
- 3 (2) Decrease economic vulnerability of residents to future, costly
- 4 petroleum fuel price spikes by positioning the state to be an early
- 5 adopter of alternative fuels and vehicles.
- 6 (3) Maximize alternative fuel market penetration in
- 7 nonattainment areas.
- 8 (4) Increase access to alternative fuels and alternative fuel
- 9 vehicles for all residents.