

**Assembly Bill No. 1007**

CHAPTER 371

An act to add Article 6.5 (commencing with Section 43865) to Chapter 4 of Part 5 of Division 26 of the Health and Safety Code, relating to air pollution.

[Approved by Governor September 29, 2005. Filed with Secretary of State September 29, 2005.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1007, Pavley. Air quality: alternative fuels.

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.

This bill would require 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, to develop and adopt a state plan to increase the use of alternative fuels, as defined.

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

SECTION 1. Article 6.5 (commencing with Section 43865) is added to Chapter 4 of Part 5 of Division 26 of the Health and Safety Code, to read:

Article 6.5. Alternative Fuels

43865. The Legislature finds and declares all of the following:

- (a) The production, marketing, and use of petroleum fuels in California causes significant degradation of public health and environmental quality due to releases of air and water pollutants.
- (b) Clean alternative fuels have the potential to considerably reduce these impacts and are important strategies for the state to attain its air and water quality goals.
- (c) Research, development, and commercialization of alternative fuels in California have the potential to strengthen California's economy by providing job growth and helping to reduce the state's vulnerability to petroleum price volatility.
- (d) The State Energy Resources Conservation and Development Commission and the State Air Resources Board have previously recommended in their report to the Legislature, "Reducing California's

Petroleum Dependency” in August 2003, that the state adopt a goal of 20 percent nonpetroleum fuel use in the year 2020 and 30 percent in the year 2030.

43866. Not later than June 30, 2007, the State Energy Resources Conservation and Development Commission, in partnership with the state board, and in consultation with the State Water Resources Control Board, the Department of Food and Agriculture, and other relevant state agencies, shall develop and adopt a state plan to increase the use of alternative transportation fuels.

(a) The plan shall include an evaluation of alternative fuels on a full fuel-cycle assessment of emissions of criteria air pollutants, air toxics, greenhouse gases, water pollutants, and other substances that are known to damage human health, impacts on petroleum consumption, and other matters the state board deems necessary.

(b) The plan shall set goals for the years 2012, 2017, and 2022 for increased alternative fuel use in the state that accomplishes all of the following:

(1) Optimizes the environmental and public health benefits of alternative fuels, including, but not limited to, reductions in criteria air pollutants, greenhouse gases, and water pollutants consistent with existing or future state board regulations in the most cost-effective manner possible.

(2) Ensures that there is no net material increase in air pollution, water pollution, or any other substances that are known to damage human health.

(3) Minimizes the economic costs to the state, if any.

(4) Maximizes the economic benefits of producing alternative fuels in the state.

(5) Considers issues related to consumer acceptance and costs and identifies methods to overcome any barriers to alternative fuel use.

(c) The plan shall recommend policies to ensure alternative fuel goals are attained, including, but not limited to:

(1) Standards on transportation fuels and vehicles.

(2) Requirements, financial incentives, and other policy mechanisms to ensure that vehicles capable of operating on alternative fuels use those fuels to the maximum extent feasible.

(3) Requirements, financial incentives, and other policy mechanisms to ensure that alternative fuel fueling stations are available to drivers of alternative fuel vehicles.

(4) Incentives, requirements, programs, or other mechanisms to encourage the research, development, demonstration, commercialization, manufacturing, or production of vehicles that use alternative fuels.

43867. For the purposes of this article, the following terms have the following meanings:

(a) “Alternative fuel” means a nonpetroleum fuel, including electricity, ethanol, biodiesel, hydrogen, methanol, or natural gas that, when used in vehicles, has demonstrated, to the satisfaction of the state board, to have the ability to meet applicable vehicular emission standards. For the

purpose of this section, alternative fuel may also include petroleum fuel blended with nonpetroleum constituents, such as E85 or B20.

(b) “Full fuel-cycle assessment” means evaluating and comparing the full environmental and health impacts of each step in the life cycle of a fuel, including, but not limited to, all of the following:

- (1) Feedstock extraction, transport, and storage.
- (2) Fuel production, distribution, transport, and storage.
- (3) Vehicle operation, including refueling, combustion or conversion, and evaporation.