

Fuels subject to this section 95487(c)(2) include CaRFG, diesel fuel, E100, E85, CNG, LNG, and hydrogen. The exemption applies only to the extent that the Executive Officer does not amend the fuel specification for any of the above fuels. When OAL approves an ARB amendment to a fuel specification identified above, the exemption shall no longer apply for that fuel.

- (3) *Biomass-Based Diesel and Electricity.* The requirements of this section 95487 do not apply to a regulated fuel that:
- (A) is subject to the Division of Measurement Standards' Engine Fuels Standards (4 CCR §4140 et seq.); but
 - (B) is not subject to an ARB-adopted fuel specification.

Fuels subject to this section 95487(c)(3) include biomass-based diesel and electricity. The exemption applies only to the extent that the Executive Officer does not adopt a fuel specification for any of the above fuels. When OAL approves an ARB-adopted fuel specification for a fuel identified above, the exemption shall no longer apply for that fuel.

NOTE: Authority cited: Sections 38510, 38560, 38560.5, 38571, 38580, 39600, 39601, 41510, 41511, Health and Safety Code; and *Western Oil and Gas Ass'n v. Orange County Air Pollution Control District*, 14 Cal.3rd 411, 121 Cal.Rptr. 249 (1975). Reference cited: Sections 38501, 38510, 38560, 38560.5, 38571, 38580, 39000, 39001, 39002, 39003, 39515, 39516, 41510, 41511, 43830.8, Health and Safety Code; and *Western Oil and Gas Ass'n v. Orange County Air Pollution Control District*, 14 Cal.3rd 411, 121 Cal.Rptr. 249 (1975).

Section 95488. [Reserved]

Section 95489. Regulation Review

As provided in this section, the Executive Officer shall conduct two reviews of the implementation of the LCFS program. The first review shall be completed and presented to the Board by January 1, 2012; the second review shall be completed and presented to the Board by January 1, 2015.

- (a) The scope of each review shall include, at a minimum, consideration of the following areas:
 - (1) The LCFS program's progress against LCFS targets;
 - (2) Adjustments to the compliance schedule, if needed;
 - (3) Advances in full, fuel-lifecycle assessments;
 - (4) Advances in fuels and production technologies, including the feasibility

- and cost-effectiveness of such advances;
- (5) The availability and use of ultralow carbon fuels to achieve the LCFS standards and advisability of establishing additional mechanisms to incentivize higher volumes of these fuels to be used;
 - (6) An assessment of supply availabilities and the rates of commercialization of fuels and vehicles;
 - (7) The LCFS program's impact on the State's fuel supplies;
 - (8) The LCFS program's impact on state revenues, consumers, and economic growth;
 - (9) An analysis of the public health impacts of the LCFS at the state and local level, including the impacts of local infrastructure or fuel production facilities in place or under development to deliver low carbon fuels, using an ARB approved method of analysis developed in consultation with public health experts from academia and other government agencies;
 - (10) An assessment of the air quality impacts on California associated with the implementation of the LCFS; whether the use of the fuel in the State will affect progress towards achieving State or federal air quality standards, or results in any significant changes in toxic air contaminant emissions; and recommendations for mitigation to address adverse air quality impacts identified;
 - (11) Identification of hurdles or barriers (e.g., permitting issues, infrastructure adequacy, research funds) and recommendations for addressing such hurdles or barriers;
 - (12) Significant economic issues; fuel adequacy, reliability, and supply issues; and environmental issues that have arisen; and
 - (13) The advisability of harmonizing with international, federal, regional, and state LCFS and lifecycle assessments.
- (b) The Executive Officer shall establish an LCFS advisory panel by July 1, 2010. Panel participants should include representatives of the California Energy Commission; the California Public Utilities Commission; fuel providers; storage and distribution infrastructure owner/operators; consumers; engine and vehicle manufacturers; environmental justice organizations; environmental groups; academia; public health; and other stakeholders and government agencies as deemed appropriate by the Executive Officer. The advisory panel shall participate in the reviews of the LCFS program required by this section, and the Executive Officer shall solicit comments and evaluations from the panel on the ARB staff's assessments of the areas and elements specified in section (a) above, as well as on other topics relevant to the periodic reviews.
- (c) The Executive Officer shall conduct the reviews specified above in a public process and shall conduct at least two public workshops for each review prior to presenting the reports to the Board. In presenting the results of each program review to the Board, the Executive Officer shall propose any amendments or such other action as the Executive Officer determines is warranted.