

Assembly Bill No. 692

CHAPTER 588

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

[Approved by Governor October 8, 2015. Filed with
Secretary of State October 8, 2015.]

LEGISLATIVE COUNSEL'S DIGEST

AB 692, 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, except as provided, at least 3% of the aggregate amount of bulk transportation fuel purchased by the state government to be procured from very low carbon transportation fuel sources. The bill would 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 define very low carbon transportation fuel for these purposes.

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

SECTION 1. The Legislature finds and declares both of the following:

(a) Low-carbon transportation fuels are an important element of the state's greenhouse gas reduction policy, and increasing the supply of those fuels will help the state achieve its greenhouse gas reduction goals.

(b) Existing incentives for the development of low-carbon transportation fuels, including the Low-Carbon Fuel Standard regulation (Subarticle 7 (commencing with Section 95480) of Article 4 of Subchapter 10 of Chapter 1 of Division 3 of Title 17 of the California Code of Regulations), the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code), and Assembly Bill 118 (Chapter 750 of the Statutes of 2007), can be enhanced

if the state's purchasing power is used to buy very low carbon transportation fuel for its own fleets, providing a reliable source of demand for these fuels.

SEC. 2. Section 43870 is added to the Health and Safety Code, to read:

43870. (a) Except as provided in subdivision (e), commencing January 1, 2017, at least 3 percent of the aggregate amount of bulk transportation fuel purchased by the state government shall be procured from very low carbon transportation fuel sources, and, commencing January 1, 2018, the amount of very low carbon transportation fuel purchased shall be increased every year, by 1 percent, until January 1, 2024.

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

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

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

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