

June 25, 2007

The Honorable Don Perata
President pro Tempore
California State Senate
State Capitol, Room 205
Sacramento, CA 95814

Dear Senator Perata:

As you know, AB 1007 (Pavley Chapter 371, Statutes of 2005) directs the California Energy Commission (CEC), in partnership with the California Air Resources Board (ARB), to develop and adopt by June 30, 2007 a comprehensive plan to increase the use of alternative transportation fuels. We also are required to develop a thorough evaluation of alternative fuels on a full fuel-cycle assessment of emissions of criteria air pollutants, air toxics, greenhouse gases, water pollutants, other substances that are known to damage human health, as well as impacts on petroleum consumption and any other matters that the CEC deemed necessary.

On June 27, the CEC will adopt the full fuel-cycle assessment at a special business meeting and submit it to the ARB for use in meeting their AB 32 requirements. A copy of this assessment is attached for your review.

We also have made substantial progress in preparing the Alternative Fuels Plan, but we are unable to adopt it at the same business meeting. Since the joint CEC/ARB hearing held on May 31, we have received numerous written requests from stakeholders for more time to review the multiple analyses and reports which form the basis for the Plan. After much deliberation with our partners at ARB and with the stakeholders, we concur that additional time will produce a more thorough and thoughtful product.

Developing the Plan has been a complex undertaking that has required integration of the state's petroleum reduction, biofuel, low carbon fuel, and global climate change objectives. As such, we have worked extensively with fuel producers, automakers, equipment manufacturers, project developers, and environmental organizations. Likewise, our staffs have conducted numerous public workshops and have produced a series of draft reports describing conditions and circumstances needed to stimulate the production and use of alternative fuels and vehicles in California. Consequently, we expect to complete the Plan and submit to the Governor and Legislature in September 2007.

Sincerely,

JACKALYNE PFANNENSTIEL
Chairman

Attachment

JAMES D. BOYD
Vice Chair and Presiding Member of
the Transportation Fuels Committee