

AB 1007 Overview

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Transportation Trends and Issues Driving Interest in Alternative Fuels

- Transportation Demand Growth
- Petroleum Fuel Price Volatility
- Environmental Impacts of Transportation Fuels and Technologies

AB 1007 Legislative and Policy Context

- Petroleum Reduction Goals – AB 2076 Report in 2001 – 2003
 - Reduce On Road Gasoline and Diesel Demand To 15% Below 2003 Levels by 2020
 - Increase Use of Non-Petroleum Fuels To 20% of On Road Fuel Consumption by 2020 and 30% by 2030 Transportation IEPR Recommendations – 2003 and 2005
- Alternative Fuels Plan – AB 1007 of 2005
 - Develop a Plan to Increase the Use of Alternative Fuels in 2012, 2017 and 2022
- Bioenergy Action Plan – Governor’s Executive Order in 2006
 - Increase In-State Production of Biofuels to 20% by 2010, 40% by 2020 and 75% by 2050

AB 1007 Legislative and Policy Context II

- Motor Vehicle Greenhouse Gas Emission Regulations – AB 1493 of 2000
 - Reduce GHG Emissions from Light Duty Vehicles by 18% by 2020 and 27% by 2030
- Climate Action Team Initiatives – 2005
 - Identified Ethanol, Biodiesel and Other Alternative Fuels as Options to Reduce Greenhouse Gas Emissions
 - Estimated 80% Reduction of 70 Million Metric Tons (GHG Emissions) Needed from Transportation Sector by 2020
- California Global Warming Solutions Act – AB 32 of 2006
 - Reduce GHG Emissions to 1990 Levels by 2020
- Low Carbon Fuel Standard – Governor's Executive Order in 2007
 - Reduce Carbon Intensity of California's Transportation Fuels by at Least 10% by 2020
- Zero Emission Vehicle Proceeding Update – 2007
 - Increase Penetration of ZEVs by 2.5% and PZEVs by 8.5% by 2009
- Predictive Model Emissions Update – 2007
 - Forecasted Gasoline Emissions Calls for E10 Ethanol Blend in Gasoline by 2012

AB 1007 Plan Requirements

- Develop Plan to Increase Alternative Fuel Use in California
- Evaluate Fuel Options on a Full Fuel Cycle Basis (GHGs, Criteria Pollutants, Toxics and Multi-Media Environmental Impacts)
 - No Net Material Increase in Air Pollution, Water Pollution and Damage to Human Health
- Set Market Penetration Goals (Vehicles/Fuel Consumption) For Each Fuel/Technology in 2012, 2017 and 2022 (CEC and CARB Added 2030 and 2050)
- Optimize Environmental and Public Health Benefits
- Minimize Economic Costs to the State
- Maximize Economic Benefits of Producing Alternative Fuels in California
- Consider Issues Related to Consumer Acceptance and Costs
- Identifies Methods to Overcome Barriers to Alternative Fuel Use
- Recommend Policies to Ensure Alternative Fuel Goals are Attained
 - Standards
 - Financial Incentives (Vehicles, Fueling Stations)
 - Programs (R&D and other Activities)

AB 1007 Status

- Completed Full Fuel Cycle Report and Companion Reports
 - Modified GREET Model for California Conditions
 - Quantifies Environmental Footprint of 62 Fuel Pathways
 - Used to Develop Low Carbon Fuel Standard Analysis
 - Advances “State of the Art” Methodology
 - Establishes Transparent Process to Update Analysis
- Completed Draft Reports on Alternative Fuel Scenario Storylines
 - Include 3 Scenario Options
 - Estimate Market Penetration for 10 Alternative Fuels (2007-2050)
 - Estimate In-State Biofuels Production
 - Characterize Conditions, Circumstances and Assumptions
 - Quantify Capital Cost Requirements
 - Estimate GHG and Petroleum Reduction
 - Recommend Actions
- Completed Survey of Fleet Managers
- Received UC Technical Analysis (Part 1) of the Low Carbon Fuel Standard Analysis
- Received Comments and Insights from 35 Stakeholder Groups and Individuals
- Requested Extension to Discuss Alternative Fuels Findings with Stakeholders and Complete Final Plan

Remaining AB 1007 Tasks

- Scenario Updates to Reflect Fuel Price Forecast and Transportation Demand Assessment
- Economic Analysis of Scenario Impacts on California's Economy
- Final Alternative Fuels Plan
- Meetings with Stakeholders

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