

# AB 1007 Alternative Fuels Plan

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# 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
- 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

# 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
- Establish Goals (Vehicles/Fuel Consumption) To Increase Alternative Fuels In 2012, 2017 and 2022
- 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
- Identify 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
  - Quantified Environmental Footprint of 94 Fuel Pathways
  - Used to Develop Low Carbon Fuel Standard Analysis
  - Advanced “State of the Art” Methodology
  - Established Transparent Process to Update Analysis
- Completed Draft Reports on Alternative Fuel Scenario Storylines
  - Included 3 Growth Options
  - Estimated Market Penetration for 10 Alternative Fuels (2007-2050)
  - Estimated In-State Biofuels Production
  - Characterized Conditions, Circumstances and Assumptions
  - Quantified Capital Cost Requirements and Investment Needed
  - Estimated GHG and Petroleum Reduction
  - Estimated (USDOE) High Fuel Price Forecast For Gasoline and Diesel Fuel
- Completed Survey of Fleet Managers
- Received UC Technical and Policy Reports for the Low Carbon Fuel Standard Analysis
- Received Comments and Insights from 57 Stakeholder Groups and Individuals
- Completed Economic Analysis
- Completed Alternative Fuels Plan with Recommended Actions
- Updated Draft Plan with Errata and Additions

# Plan's Key Conclusions

- No Single Policy Action Can Help Achieve Multiple Goals
- Moderate Growth Of Alternative Fuels Can Achieve
  - AB 2076 Petroleum Reduction Goals
  - Instate Bioenergy Action Plan Goals
  - Partial GHG Emission Reduction Targets
- All Alternative Fuels Are Needed
  - Plausible Mix Includes Contingency Examples

# Plan's Key Conclusions Cont'd

- Extend Federal Incentives
- State Incentives Needed - \$100 Million Per Year for 15 Years
- Market Investment of at Least \$100 Billion Required Between 2007-2050
- New Industry Participants
- Alternative Fuel Mix Cost Effective as Early as 2015 or In 2030-2050 Timeframe
- Establish Goals to Increase Alternative Fuels: 9 % in 2012, 11% in 2017 and 26 % in 2022.

# Errata and Additions

- Emphasize Importance of Reducing Criteria Air Pollutants and Existing Environmental Laws/Standards
- Correct Future Vision Projections
- Upgrade Descriptions of Technology/Fuel Attributes and Challenges
- Highlight Need for Alternative Fuel Infrastructure Development
- Provide Supporting Documents – Make Consistent with Plan
- Specify “Who Does What By When” in Recommendations

# Next Steps

- October 24, 2007
  - Comments Due on the Revised Draft Plan
- Prior to October 31, 2007
  - Complete Final Committee Report
- October 31, 2007
  - CEC Adoption of AB 1007 Alternative Fuels Plan

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