

AMENDED IN ASSEMBLY APRIL 15, 2015

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1074

Introduced by Assembly Member Cristina Garcia

February 27, 2015

An act to add Sections 25010, 25142, and 25991 to the Public Resources Code, relating to alternative transportation fuels.

LEGISLATIVE COUNSEL'S DIGEST

AB 1074, as amended, Cristina Garcia. Alternative fuels: infrastructure.

The Warren-Alquist State Energy Resources Conservation and Development Act establishes the State Energy Resources Conservation and Development Commission and requires the commission to prepare a biennial integrated energy policy report containing an overview of major energy trends and issues facing the state, including supply, demand, pricing, reliability, efficiency, and impacts on public health and safety, the economy, resources, and the environment. The commission is required to make recommendations to improve the efficiency of transportation energy use, reduce dependence on petroleum fuels, decrease environmental impacts from transportation energy use, and contribute to reducing congestion, promoting economic development, and enhancing energy diversity and security.

Existing law authorizes the Humboldt Bay Harbor, Recreation, and Conservation District and specified harbor and port districts, as defined, to jointly, with an electrical corporation, gas corporation, community choice aggregator established on or before July 1, 2013, or publicly

owned electric or gas utility serving the district, to prepare one or more energy management plans to reduce air emissions and promote economic development through the addition of new businesses and the retention of existing businesses in the district. Existing law requires that if a district prepares an energy management plan pursuant to these provisions, that the plan include specified provisions.

This bill would add a definition of “alternative fuel” and would provide that it is the policy of the state to help accelerate the adoption of vehicles using alternative fuels throughout the state by increasing the amount of charging and refueling options needed to facilitate electric, hydrogen, and natural gas vehicles traveling along all passenger and goods movement corridors on federal and state highways. The bill ~~would~~, *would* require the commission to conduct an assessment and develop an ~~intergrated~~ *integrated* strategy to maximize the benefits and scope of an alternative refueling infrastructure, as defined, to help the state achieve its climate change, air quality, and economic goals and this newly stated policy. *The bill would require the commission, as part of this assessment and strategy, to develop a refueling infrastructure plan that identifies specified matter and to provide the infrastructure plan to the Legislature on or before January 1, 2017.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

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

- 1 SECTION 1. Section 25010 is added to the Public Resources
- 2 Code, to read:
- 3 25010. It is the policy of the state and the intent of the
- 4 Legislature to help accelerate the adoption of vehicles using
- 5 alternative fuels throughout the state by increasing the amount of
- 6 charging and refueling options needed to facilitate electric,
- 7 hydrogen, and natural gas vehicles traveling along all passenger
- 8 and goods movement corridors on federal and state highways.
- 9 SEC. 2. Section 25142 is added to the Public Resources Code,
- 10 to read:
- 11 25142. “Alternative fuel” include biodiesel, bioalcohol
- 12 (methanol, ethanol, and butanol), ~~chemically stored electricity~~
- 13 ~~(batteries and fuel cells)~~, *electricity*, hydrogen, compressed fossil
- 14 or nonfossil natural gas, liquefied fossil or nonfossil natural gas,
- 15 vegetable oil, propane, and other biomass sources.

1 SEC. 3. Section 25991 is added to the Public Resources Code,
2 to read:

3 25991. (a) As used in this section, “alternative refueling
4 infrastructure” means the equipment used to charge or store and
5 dispense alternative fuel to vehicles according to industry codes
6 and standards that is open to the public.

7 (b) The commission shall conduct an assessment and develop
8 an ~~intergrated~~ *integrated* strategy to maximize the benefits and
9 scope of an alternative refueling infrastructure to help the state
10 achieve its climate change, air quality, and economic goals and
11 the policy described in Section 25010. As part of this assessment
12 and strategy, the commission shall develop a refueling
13 infrastructure plan that identifies both of the following:

14 (1) The number and types of stations that are needed to fulfill
15 the policy goal described in Section 25010.

16 (2) The geographical areas where additional stations will be
17 needed.

18 (c) *Where applicable, when conducting the assessment,*
19 *developing the integrated strategy, and developing the refueling*
20 *infrastructure plan, the commission shall rely upon, and*
21 *consolidate, existing reports and information.*

22 (d) *The commission shall provide the infrastructure plan to the*
23 *Legislature on or before January 1, 2017.*

Date of Hearing: April 13, 2015

ASSEMBLY COMMITTEE ON TRANSPORTATION
Jim Frazier, Chair
AB 1074 (Cristina Garcia) – As Amended March 26, 2015

SUBJECT: Alternative fuels: infrastructure

SUMMARY: Directs the State Energy Resources Conservation and Development Commission (Commission) to develop an alternative refueling infrastructure plan, as part of a broader assessment, that identifies the number of alternative fueling stations that will be needed to fulfill the state's clean transportation goals. Specifically, **this bill:**

- 1) Declares that it is the policy of the state and intent of the Legislature to accelerate the adoption of alternatively fueled vehicles by increasing alternative fueling options needed to facilitate electric, hydrogen, and natural gas vehicles along passenger and goods movement corridors.
- 2) Specifies that "alternative fuel" includes biodiesel, bio-alcohol (methanol, ethanol, and butenal), chemically stored electricity (battery and fuel cells), hydrogen, compressed fossil or non-fossil natural gas, liquefied fossil or non-fossil natural gas, vegetable oil, propane, and other biomass sources.
- 3) Defines "alternative refueling infrastructure" as equipment that is available to the public and used to charge or store and dispense alternative fuel to vehicles in accordance with industry codes and standards.
- 4) Requires the Commission to conduct an assessment and develop an integrated strategy to maximize the benefits and scope of alternative refueling infrastructure to help the state achieve climate change, air quality, and economic goals.
- 5) Requires the Commission to develop a refueling infrastructure plan that identifies the number and types of stations and geographical areas where additional stations will be needed.

EXISTING LAW:

- 1) Requires the Commission to prepare a biennial integrated energy policy report containing an overview of major energy trends and issues facing the state.
- 2) Requires the Commission to make recommendations to improve the efficiency of transportation energy use, reduce dependence on petroleum fuels, decrease environmental impacts from transportation energy use, and contribute to reducing congestion, promoting economic development, and enhancing energy diversity and security.

FISCAL EFFECT: Unknown

COMMENTS: Despite making significant strides in reducing greenhouse gas (GHG) emissions, substantial efforts still need to take place in order for the state to achieve the emissions reduction goals set forth in AB 32 (Nunez), Chapter 488, Statutes of 2006, and Governor Schwarzenegger's Executive Order S-3-05. Given that the transportation sector in

California is responsible for nearly 40% of GHG emissions, it stands to reason that reducing emissions in this sector is paramount to achieving the state's climate change goals.

To help reduce transportation's impact on air quality, California has committed to transitioning its vehicle fleet from predominantly fossil fueled vehicles to zero- and near-zero emission vehicles. Many of the efforts to accomplish this transition involve advancing clean fuel and vehicle technologies and incentivizing their purchase and use. Equally important to the deployment of these vehicles is supplying the fueling infrastructure needed to support the fleet.

According to the author, the existing refueling infrastructure for alternatively fueled vehicles is insufficient to support the widespread adoption in California. The author believes that to achieve widespread, rapid adoption, the state needs to be "saturated" with fueling stations; particularly in disadvantaged communities as well as along key transportation corridors. The author believes that providing more alternative fueling opportunities will decrease range anxiety and drive consumer choice toward increased purchase and use of alternatively fueled vehicles. The author asserts that existing alternative fueling planning efforts have merely identified estimated numbers of alternative fueling stations that are needed to support and encourage adoption but that California would be better served if the locations of alternative fueling stations, along with the numbers and types that are needed, are identified.

To accomplish this, the author has introduced AB 1074 which would require the Commission to conduct an assessment and develop an integrated strategy to achieve build-out of alternative refueling infrastructure in California. The assessment prepared by the Commission would include a plan to identify both the number and types of fueling stations that are needed to accelerate the adoption of alternatively fueled vehicles and to identify geographical areas where the stations should be located.

There have been a number of efforts undertaken by both state and local entities as well as by private businesses and stakeholder groups over the last decade or so with regard to establishing alternative fueling technologies and expanding alternative fueling infrastructure. In fact, Governor Brown issued an Executive Order B-16-2012 in March 2012 that directed state governments to help accelerate the market for zero-emission vehicles and established a milestone of placing 1.5 million zero-emission vehicles on the California roads by 2025.

To achieve the target set forth in the Executive Order, the Governor's office worked with state agencies, businesses and other stakeholder groups to produce the Zero Emission Vehicle Action Plan of 2013 (ZEV Action Plan). The ZEV Action Plan spoke to achieving four main goals including: 1) completing needed infrastructure planning; 2) expanding consumer awareness and demand; 3) transforming fleets; and 4) growing jobs and investment in the private sector.

According to the Governor's office, several objectives in the plan have already been completed and a summit is planned for May of this year to bring together key industry, nonprofit, and local and state government leaders to evaluate progress towards achieving remaining goals. These, as well as numerous other efforts aimed at increasing demand and use of alternatively fueled vehicles, have resulted in the development of numerous planning and program documents and data that would be useful to the Commission in developing the integrated strategy and planning documents called for in this bill. While AB 1074 could be construed as yet another effort designed to explore fueling infrastructure needs, it can also be regarded as an opportunity for the Commission to conduct a comprehensive review of existing information and compile new,

relevant data into a unified, comprehensive infrastructure planning document can be used by public and private entities to achieve a fully integrated alternative fueling infrastructure plan.

Writing in support of the bill, the Southern California Gas Company (SoCalGas) points out that convenient access to alternative fuel stations remains a barrier to accelerated adoption of clean vehicles. They note that in order to assist with the transition to clean vehicles, California needs a focused roadmap that strategically identifies where alternative fueling stations should be located. They contend that before alternatively fueled cars and trucks, including heavy-duty trucks, are sold or leased, consumers and businesses must have confidence that these vehicles can refuel near their homes, jobs or in other locations that allow them to access key destinations throughout California and that developing a comprehensive infrastructure plan would make this happen.

Suggested amendments:

- 1) Given that there is a great deal of information already available in related documents, requiring the Commission to recreating it would be duplicative. Therefore, the committee recommends that the bill be amended to explicitly authorize the Commission to, where applicable, utilize existing data and information to prepare the documents required by the bill.
- 2) To ensure that information is gathered and presented in a timely fashion, the committee recommends that the bill be amended to include a specific date by which the Commission must complete the required studies and provide them to the Legislature. In an effort to provide the Commission adequate time to prepare the information but not so long as to allow the information to become "stale," the Committee recommends the bill require that the information required by the bill be provided to the Legislature on or before January 1, 2017.
- 3) Additionally, the terms used to describe electricity as a form of "alternative fuel" are non-standard. To ensure uniformity, the Committee recommends that the terms "chemically stored" and "(batteries and fuel cells)" used to describe electricity be deleted.

Previous legislation: AB 1257 (Bocanegra) Chapter 749, Statutes of 2013, enacted the Natural Gas Act that required the Commission, every four years, to prepare and submit to the Legislature a report containing specified information identifying strategies to maximize the benefits obtained from natural gas as an energy source.

AB 8 (Perea), Chapter 401, Statutes of 2013, among other things, extended until January 1, 2024, extra fees on vehicle registrations, boat registrations, and tire sales in order to fund programs that support the production, distribution, and sale of alternative fuels and vehicle technologies, as well as air emissions reduction efforts.

Executive Order B-16-2012, signed by Governor Brown on March 23, 2012, set a long-term target of reaching 1.5 million zero emission vehicles on California's roadways by 2025 and also set a longer term target of reducing transportation-related greenhouse gas emission by 80 percent below 1990 levels by 2050.

Executive Order S-3-05, signed by Governor Schwarzenegger on June 1, 2005, established GHG reduction targets that called for reducing GHG emissions to 80% below 1990 levels in California by 2050.

AB 32 (Nunez), Chapter 488, Statutes of 2006, required the Air Resources Board to develop a plan of how to reduce emissions to 1990 levels by the year 2020.

REGISTERED SUPPORT / OPPOSITION:

Support

Los Angeles Area Chamber of Commerce
Southern California Gas Company
Southwest California Legislative Counsel

Opposition

None on file

Analysis Prepared by: Victoria Alvarez / TRANS. / (916) 319-2093

Date of Hearing: April 29, 2015

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Jimmy Gomez, Chair
AB 1074 (Cristina Garcia) – As Amended April 15, 2015

Policy Committee: Transportation Vote: 16 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill requires the California Energy Commission (CEC), by January 1, 2017, to develop an alternative fueling infrastructure plan, that includes determining the numbers and types of stations needed and the geographic areas where stations will be needed.

FISCAL EFFECT:

One-time special fund costs of around \$350,000 for two positions and related costs to develop the detailed statewide infrastructure plan. [Alternative and Renewable Fuel and Vehicle Technology Fund]

COMMENTS:

Purpose. The state's transportation sector contributes nearly 40% of the California greenhouse gas emissions, thus reducing emissions in the sector will be key to achieving the state's climate change goals. To help reduce transportation's impact on air quality, California has committed to transitioning its vehicle fleet from predominantly fossil fueled vehicles to zero- and near-zero emission vehicles. Many of the efforts to accomplish this transition involve advancing clean fuel and vehicle technologies and incentivizing their purchase and use. Equally important to the deployment of these vehicles is supplying the fueling infrastructure needed to support the fleet.

According to the author, the existing refueling infrastructure for alternatively fueled vehicles is insufficient to support the widespread adoption in California. The author believes that to achieve widespread, rapid adoption, the state needs to be "saturated" with fueling stations; particularly in disadvantaged communities as well as along key transportation corridors. The author asserts that existing alternative fueling planning efforts have merely identified estimated numbers of alternative fueling stations that are needed to support and encourage adoption but that California would be better served if the locations of alternative fueling stations, along with the numbers and types that are needed, are identified.

Analysis Prepared by: Chuck Nicol / APPR. / (916) 319-2081