

Senate Bill 140 (Kehoe)
Fuels: renewable diesel fuel.

Summary: This bill would require all diesel fuel sold or offered for sale in the state for use in internal combustion engines to contain at least 2% renewable diesel fuel, as defined, no later than one year after a specified determination is made by the state board, and, no later than 2 years after the implementation of the 2% standard, would require all diesel fuel sold or offered for sale in the state for use in internal combustion engines to contain at least 5% renewable diesel fuel. The bill would require these provisions to be enforced by the Department of Food and Agriculture, as specified. The bill would permit the state board to adopt regulations to grant exemptions to those requirements under specified circumstances. SB 140 would also require CARB to make a determination that by requiring specified renewable fuel blends, the emission reductions and air quality benefits achieved by diesel fuel regulations would be maintained or improved upon. The bill would permit the State Energy Resources Conservation and Development Commission to temporarily suspend those requirements if fuel supplies are shown to be inadequate, as provided.

Background: Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and non-vehicular sources. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution. Existing law permits, until January 1, 2008, any federal, state, or local agency to utilize a biodiesel blend fuel consisting of not more than 20% biodiesel in any retrofitted vehicular or off-road diesel engine certified by the state board, whether or not biodiesel is expressly identified as a fuel for use with the retrofit system, as provided. Existing law requires the state board to not adopt any regulation that establishes a specification for motor vehicle fuel unless that regulation, and a multimedia evaluation, as defined, conducted by affected agencies and coordinated by the state board, are reviewed by the California Environmental Policy Council. Existing law generally provides that a violation of any rule, regulation, or law relating to air pollution is a crime.

Status: 5/31/2007 Senate Third Reading

Recommended Position: Support with Major Amendments

1. The timeline for biodiesel introduction shall be contingent on CARB performing thorough testing and review of a wide range of in-use diesel vehicles. If CARB testing confirms that there are no significant NOx or other adverse emission impacts, then the timetable targeted in this bill shall be imposed or modified at CARB's discretion.
2. A multimedia review of biodiesel shall be required before the biodiesel mandate goes into effect. This review shall include an assessment of the impact of possible increased NOx emissions on public health and welfare, including green house gases (GHG) impacts and the nitrate effects from added deposition of NOx emissions.

Justification:

This bill would require that all diesel fuel sold for IC engines (i.e., on and off-road) contain 2% biodiesel no later than 1 year after certain findings by the ARB, and that 2 years following that implementation, that the 2% level would be increased to 5%. Although an ARB multimedia review would also be mandated, no timetable for this review is established in the current version. The completion of a multimedia review, and the adoption of findings, will not in and of themselves, ensure that there will be no net NO_x emission increase. As a result, the bill would result in an approximately 2-4% NO_x increase. Although there would be some reduction in PM and HC emissions as the result of this legislation, it nonetheless would degrade air quality associated with NO_x emissions. Such a tradeoff is poor public policy and is inconsistent with the dual strategy of the District's AQMD to reduce both PM and NO_x emissions to achieve ozone and PM_{2.5} standards.

Until the ARB finalizes its testing program on biodiesel, there will not be sufficient protection under current biodiesel specifications or market place practices to ensure that NO_x emissions will be mitigated. At a minimum, this bill is premature until ARB can adopt appropriate specifications for biodiesel which ensure no net increase in NO_x emissions.

Support:

American Lung Association
Biodiesel Industries, Inc.
Moller International Inc.
Sierra Club California,
Union of Concerned Scientists

Opposition:

American Eagle Wheel Corporation
Arena Painting Contractors
California Chamber of Commerce
California Grocers Association
California Independent Oil Marketers
California Trucking Association
Pierotte's Plumbing, Inc.
Safeway
San Joaquin Beverage
Signal Hill Petroleum
Signs by Carl R. Westfall
Tom-Son-Tank Lines
Western States Petroleum Assoc.
Weston Solutions, Inc.