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**Joint Comments on the Draft Transportation Fuels Transition Plan -
The Climate Center, et al**

Additional submitted attachment is included below.



June 30, 2026

From: Climate, Justice, and Environmental Organizations

To: Air Board Members and Energy Commissioners

Via Public Comment Portal for Docket: 23-SB-02

Subject: CEC/CARB Draft Transportation Fuels Transition Plan, Needed Revisions

Dear Commissioners and Boardmembers:

On behalf of the undersigned organizations, we respectfully submit the following comments on the Draft Transportation Fuels Transition Plan (DTFTP), published on May 1, 2026. The concurrent and closely related SB 237 Assessment notes that the DTFTP is *“the first dedicated report to examine California’s petroleum system not just as a market to be managed, but a transition to plan holistically.”* We see proactive transition governance as an essential role for the State leaders and applaud the CEC for taking on this task. As a part of these comments, point by point responses to 13 discrete policy proposals in Chapter 4 are appended at the end of these comments.

The collaboration of the California Energy Commission (CEC) and the California Air Resources Board (CARB) has produced a document that rightly prioritizes supply stabilization, acknowledges fenceline community health, recognizes the importance of workforce safety as it transitions, and includes a critical acknowledgment that California must proactively manage the transition away from fossil fuels rather than leaving it to the uncertainties of the market and whims of corporate oil executives. These are vital components that climate and justice advocates have long demanded.

However, the DTFTP must be dramatically improved in a number of ways. There are four main categories we address:

1. Producing a more thorough plan;
2. Addressing ZEV market dynamics;
3. Ceasing fossil and combustion fuels subsidies;
4. Labor considerations.

1. Producing a more thorough plan.

The CEC and CARB must amend the DTFTP to call for binding, community-led phaseout timelines, eliminate the multi-billion-dollar Cap & Invest and LCFS giveaways, and produce an actual plan that outlines how the State can equitably achieve its climate goals.

The first three chapters of the DTFTP read more like a draft of the 2027 update to the Transportation Fuels Assessment than a new plan. Elements of what might be contained in a plan don't appear until Chapter 4 and total only fifteen pages. This represents a huge missed opportunity. The recommendations in Chapter 4 should be greatly expanded upon in the final TFTP, and much more emphasis needs to be presented on integrating demand reduction strategies for both fossil and non-fossil combustion fuels. In short, the final TFTP should place most of what is in the first three chapters into a new Appendix, and produce a plan that outlines how to achieve the rapid scenario depicted in Figure 10 on page 31.

The DTFTP also fails to recognize a key market dynamic that has emerged over the past fifteen years, ignores State actions that run counter to the stated purpose of the DTFTP, and ultimately fails to outline much of an actual *plan* for the transition that will help meet California's climate and clean transportation goals. Most alarmingly, current regulatory actions¹ threaten to dilute these goals by offering massive, unaccountable financial giveaways to fossil fuel and other polluting combustion fuels sectors.

The DTFTP projects that aviation, heavy-duty trucks, and long range marine transport will rely on renewable diesel and petroleum-based liquid fuels past 2045. This assumption risks locking in localized combustion pollution in communities of concern for decades to come along with continuing greenhouse gas emissions. We suggest including more specificity about the technological prospects for these sectors to transition to true zero emission propulsion.

Similarly, urgent needs to advance air quality, climate and affordability objectives by funding troubled public transit systems, and by expanding and further electrifying them, get short shrift in the DTFTP. This should be addressed in the final TFTP.

¹ <https://apnews.com/article/california-cap-trade-invest-carb-climate-emissions-0bf81d0faa623e26bd8ce40968d1edb77>

Lastly, a plan that integrates promising supply side resources could estimate, for example, the required acceleration of next generation geothermal energy deployment in the state to achieve ongoing reduction in fossil fuel use. Paralleling the decline of petroleum demand over the coming twenty years are projections for the rise of next generation geothermal energy systems. Next generation geothermal systems generate baseload electricity around the clock that is very low in greenhouse gas emissions. Several government and industry papers over the past few years have projected dramatic increases in geothermal deployment between now and 2045. The March 2024 US Department of Energy “Pathways to Commercial Liftoff” report found that Next-generation geothermal energy can provide 90 to 132 gigawatts of capacity to the U.S. grid by 2050, with the potential for significantly more. Most of that new capacity will be in the western US, including California, and California has the best geothermal resource availability anywhere in the U.S. There is a nearly one-to-one skills transferability for former oil & gas workers transitioning to geothermal.² This is just one example of the kind of comprehensive inclusion that could be represented in the final plan.

2. ZEV Market Dynamics Evolution

Much of the DTFTP reads as though it were written fifteen years ago, before the debate about what “alternative” fuels might win out in the light duty marketplace. It still refers to hydrogen fuel cell vehicles as though there is any realistic pathway for market acceptance of these vehicles. Hydrogen fuel cell vehicles are a failure. That should be acknowledged in the TFTP and the state should make no further investments of public dollars in light duty hydrogen fueling infrastructure or vehicles.

Likewise, most biofuel scenarios have proven problematic on many levels, so the State should adopt a much more cautious approach to this sector, with a strategy aimed at phasing out subsidies for renewable diesel and other biofuels. In the light duty vehicle sector, there is no sound argument why the State should support biofuel vehicles or fueling infrastructure with public money given the fact that battery-electric vehicles present a clear and sustainable path for combustion-free passenger vehicle transportation.

The report still uses the term “ZEV” for zero-emission vehicles as though there is some ecosystem of ZEVs out there. There is not. ZEV in 2026 means battery-electric vehicle. Some assert that it is not the role of the government to “pick winners.” This is not always the case. In the case of transportation fuels and vehicles and given the urgency of the climate crisis, it is incumbent upon the State Legislature and relevant state agencies to evaluate the options and make public investments wisely in technologies that have already demonstrated that they can scale. In this case, the State should double down

² <https://www.canarymedia.com/articles/geothermal/oil-and-gas-workers-segue-geothermal-jobs>

on its investments in electric vehicles and charging infrastructure, and let all other vying technologies sink or swim without further investment of public money.

In 2011 it was not clear whether hydrogen fuel cells, biofuels, or some other mode of propulsion would win out over the electric vehicle (EV) market that was just emerging with the rise of Tesla and the introduction of the Nissan Leaf. It is 2026 and the question has been answered. The path forward is electrification of transportation.

3. Continuing to Subsidize Fossil and Combustion Polluters

The DTFTP suffers from fatal contradictions that undermine California's climate goals. The intended goal of the TFTP is to offer a plan to rapidly phase out fossil fuels in California, but it fails to lay out a plan to cease fossil fuel and combustion fuel subsidies.

A key subsidy is CARB's Cap-and-Invest amendments of May 2026 that add up to 118 million metric tons of extra emissions allowances to oil refineries and other industries in exchange for non-binding "promises" of future emissions reductions.³ The consequence of this is corporate windfalls without guaranteed pollution reductions. These market amendments transfer up to \$4 billion in free emission allowances to major industries, with roughly half slated directly for the fossil fuel sector. This turns a transition roadmap into a multi-billion-dollar corporate bailout.

In fact over the twelve-year period from 2013 to 2024, the Cap and Invest program, along with the Low Carbon Fuels Standard, doled out about \$28 billion to fossil and non-fossil combustion fuels producers.⁴

CARB claims these free permits are tied to clean energy investments, but the provisions are based on *proposed* investments rather than *guaranteed* pollution reductions. There is a lack of binding accountability, lack of strict guardrails, which invites greenwashing without improving air quality or reducing climate emissions.

In this regard, the DTFTP should be revised to note that subsidies for new CCUS infrastructure at existing refineries and fossil hydrogen plants would further lock-in dependence on combustion fuels without empirically proven emission benefits.⁵

On page 16 there is an assertion that "*the State must meet demand for both fossil and low-emission infrastructure...*" We suggest a different approach. The State must double down on efforts to accelerate demand reduction for fossil and other combustion fuels by taking bold actions to commensurately accelerate the electrification of transportation. Not just light duty, but medium and heavy duty vehicles as well. And in order to help

³ <https://www.canarymedia.com/articles/emissions-reduction/california-cap-and-invest-proposal>

⁴ <https://theclimateteam.org/fossil-fuels/clearing-the-zero-emission-path/>

⁵ CARB Information Solicitation to Advise Implementation of the Carbon Capture, Removal, Utilization, and Storage Program: Senate Bill 905; Woody Hastings - Comments - Refinery Transitions Workgroup - CARB CCS Program, at https://ww2.arb.ca.gov/approved-comments?entity_id=44996

manage the grid, the State should mandate bidirectional charging capabilities in all electric vehicles so that that enormous capacity stored in those vehicles can be tapped during peak electricity demand episodes in order to avoid grid disruptions and the need for fossil gas peaker plants.⁶

4. Labor Considerations

The DTFTP frames labor more as an impact category than as a governing stakeholder in transition implementation. The labor community should be included as a decision making partner in transition planning. While the report references workforce transition planning in the labor context, it is vague on enforcement mechanisms, dedicated funding streams, labor governance roles, and what actually happens to workers when closures occur.

The DTFTP acknowledges that as refinery economics decline, investors may balk and operators may defer maintenance as a cost-cutting strategy, creating severe worker and community safety risks. Although the report highlights the importance of maintaining refinery safety and operational reliability throughout the transition period, it's not clear how this dynamic of declining motivation for proper maintenance of refineries will be resolved. This problem should be explored more thoroughly.

The DTFTP discusses worker retraining conceptually, but there is little specificity regarding how workers will be connected to replacement employment opportunities, how job quality will compare to existing refinery employment, or whether sufficient replacement industries will exist at the scale necessary to absorb displaced workers. The final TFTP should more clearly identify potential replacement sectors, such as the next generation geothermal sector mentioned above, and evaluate workforce transferability, particularly in industries where existing refiner and oil and gas skill may be readily applicable.

In addition, the TFTP would benefit from a more comprehensive assessment of California's refinery workforce ecosystem. Refinery transition impacts extend beyond directly employed refinery workers and include maintenance, construction and transportation workers that are represented by multiple labor organizations. A more complete workforce analysis would improve understanding of transition risks and help inform effective workforce planning.

Conclusion

Proactive transition governance that aims for a smooth holistic transition away from fossil fuels must be broad in scope in terms of interagency and inter-sectoral inclusion,

⁶ <https://theclimatecenter.org/events/how-electric-vehicles-can-transform-the-energy-landscape/>

collaboration, and coordination. The final draft should expand on Chapter 4 to provide more specifics, milestones, timelines, and more emphasis on the acceleration of petroleum-based fuels demand reduction.

Specific Responses to Chapter 4 Policy Recommendations

1. (pg. 60) *"While refineries are already required to submit planned turnaround schedules for the upcoming year, these reports should be extended to include staffing plans and schedules to the appropriate state agencies to ensure safe staffing levels and successful completion of regular and necessary maintenance."* **RESPONSE:** We agree.
2. (pg. 60) *"Refineries should each consider the collaborative development of a Workforce Safety and Transition Plan (WSTP) with impacted labor organizations that include appropriate standards and practices to ensure safe operations while refineries continue to operate..."* **RESPONSE:** We agree.
3. (pg. 61) *"Pilot Fund for Local Tax Base Support"* **RESPONSE:** We agree.
4. (pg. 62) *"Green Empowerment Zones" and "Local Economic Development Initiatives that Diversify Fossil-Fuel Based Economies"* **RESPONSE:** We agree and add that next generation geothermal resources that can be located closer to population centers should be taken into special consideration.
5. (pg. 63) *"Displaced Oil and Gas Worker Fund"* **RESPONSE:** The 2027 sunset should be removed and the DOGWF program should be extended permanently.
6. (pg. 64) *"Fossil Demand Reduction Strategies... Sustain the LCFS program..."* **RESPONSE:** The LCFS program should be reformed to phase out issuing credits for fossil and biofuels. Funds should be redirected to electrification of transportation, including, for example, expanded electrified public transit.
7. (pg. 64) *"Fossil Demand Reduction Strategies" "Zero-Emission Vehicle Growth" "Support ZEV market deployment incentive and rebate programs"* **RESPONSE:** We agree and add that "support" should translate into a doubling down on this strategy. Also, going forward, "ZEV" means battery-electric vehicle.
8. (pg. 65) *"Increase electric vehicle (EV) charger reliability and access"* **RESPONSE:** We agree, and add that as above, efforts on this strategy should accelerate.
9. (pg. 65) *"Explore options to utilize the California Climate Credit to support more affordable EV charging."* **RESPONSE:** We agree.
10. (pg. 65) *"Support local government fleet deployment of zero-emission vehicles"* **RESPONSE:** We agree.

11. (pg. 65) *"Drive Forward Initiative"* **RESPONSE:** The final TFTP should include a thorough integration of the potential for bidirectional charging EVs to help manage the grid and add enormous capacity to the grid. There are over 2.5 million EVs already on California roads with 7 or 8 million expected by 2030. The capacity in these rolling power plants can play a significant role in making electric transportation sustainable and also more affordable over the life-cycle of the vehicle.
12. (pg. 68) *"Supply Stabilization Strategies"..."Resupply and Minimum Inventory Tools"* **RESPONSE:** We support implementing both of these strategies at the earliest possible time.
13. (pg. 69) *"Fuel Specification Harmonization" and Non-CARBOB Fee or Variance Option"* **RESPONSE:** We fully support this strategy. See April 2026 letter in support of this policy.⁷ We further caution that the TFTP should proactively ensure against locking in further in-state oil dependency via new gasoline and diesel import infrastructure.

Thank you for the opportunity to comment.

Respectfully Submitted,

Barry Vesser, Chief Program Officer
The Climate Center

Prof. Clair Brown, Coordinator
Climate and Society Center, IRLE, UC Berkeley

Greg Karras, Senior Scientist
Community Energy reSource

Janet Cox, CEO
Climate Action California

Jan Warren, Chair
Interfaith Climate Action Network of Contra Costa County

David Diaz, Executive Director
Active San Gabriel Valley

Alicia Acevedo, CEO
Acevedo Media LLC

Jennifer Tanner, Leader
Indivisible CA Green Team

Valerie Ventre-Hutton, Legislative Analyst
350 Bay Area Action

⁷ <https://drive.google.com/file/d/1Hes-vzqFC37Tt2cazy8KOQXAcxH33dak/view?usp=sharing>

Thomas R. Fox
Senior Legislative Counsel

Quinn Eide, Executive Director
Fossil Free California Action

Dr. Catherine Garoupa, Executive Director
Central Valley Air Quality Coalition

Liza Tucker, Consumer Advocate,
Consumer Watchdog

Robert M. Gould, MD, President
San Francisco Bay Physicians for Social Responsibility