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Senate Bill X1-2 Transportation Fuels Transition Plan Community Meeting



Agenda

- Introductions
- Meeting Agreements
- History of Decarbonization in California
- Why we are holding this meeting: SB X1-2
- Discussion

Meeting Agreements

- Be respectful
- Allow time for others
- Actively listen, seek to understand, and stay on topic

The Road to Zero Emissions

CARB has put a roadmap in place to drastically reduce our dependence on petroleum in the transportation sector by 2045.

AB 32



Requires we cut GHGs. To reach goals, fuel use must be cut by 94%.

How cuts happen?
Zero emission cars, trucks and fuels.

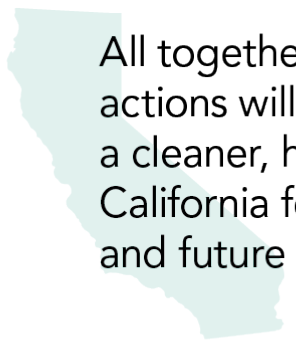


CLEAN VEHICLE PROGRAMS

CARB rules advance zero-emission vehicle deployment:

- 100% light-duty sales requirements by 2035
- Requirements to increase sales of zero-emission trucks
- Incentives and other programs to help fleets adopt cleaner technology

LCFS



All together, these actions will help us build a cleaner, healthier California for current and future generations.

Governor Newsom creates new oversight committee to monitor oil companies

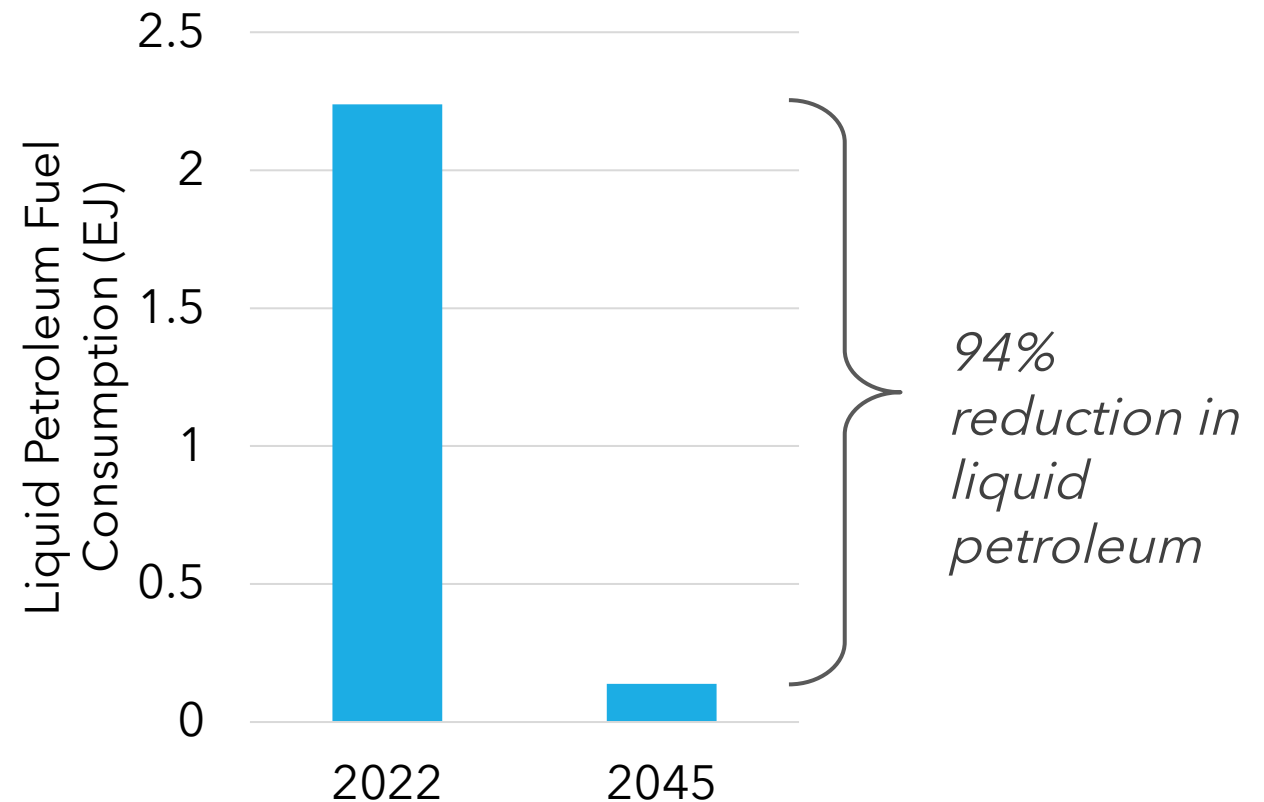


Makes fuel less polluting and encourages production of cleaner alternatives



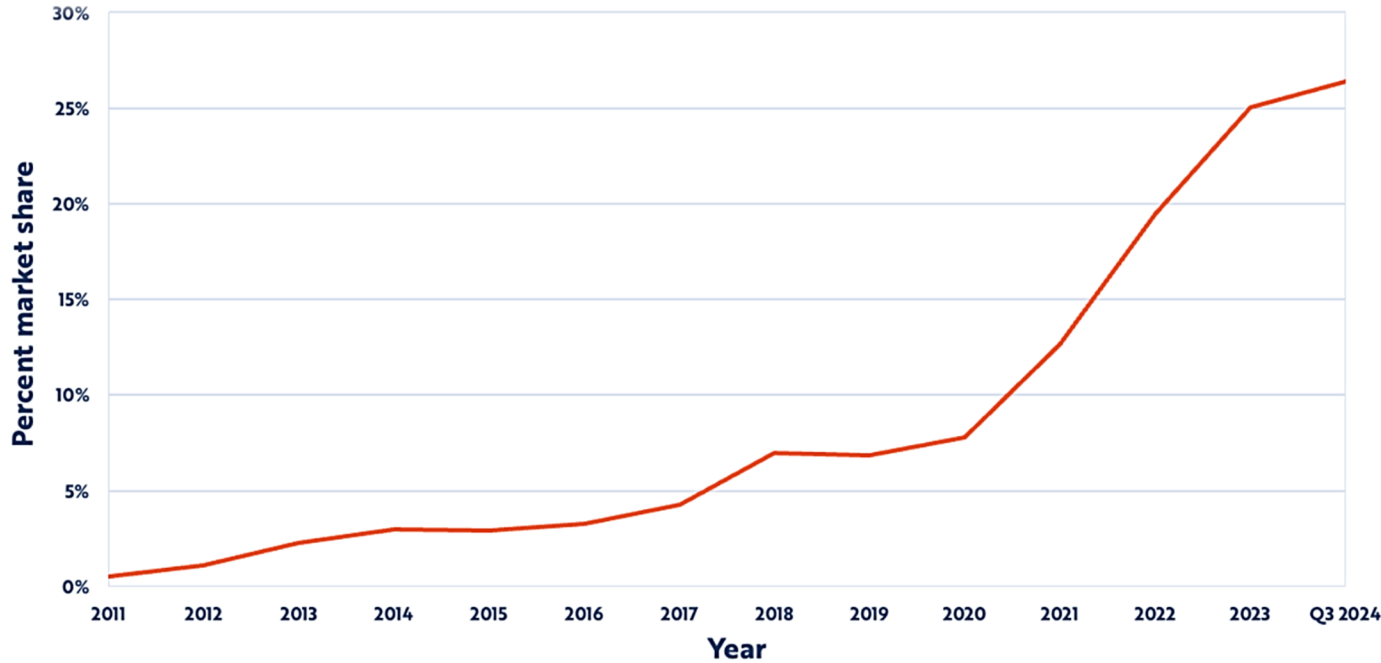
California's Climate Plan: Key Outcomes for Transportation Sector









- 2022 Scoping Plan update identifies key outcomes to achieve carbon neutrality by 2045, including:
 - Over 30x as many zero emission vehicles (ZEVs) on the road in 2045 relative to 2022
 - Significant increase in hydrogen supply
 - Continued role for liquid biofuels for aviation, marine
 - Decreasing role for biomethane as a primary fuel



Demand for Zero Emission Vehicles is Increasing in California

Electric Vehicle Market Share in California



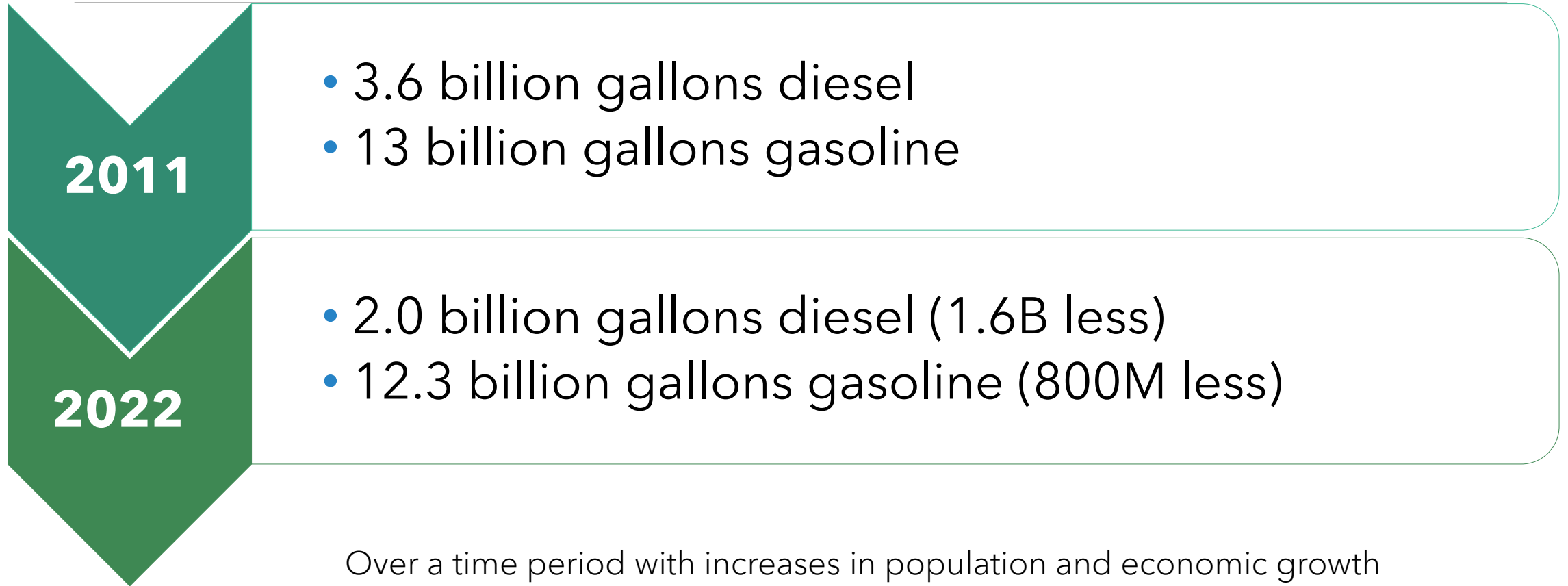
 5,466,139 U.S. EV Sales	 2,113,135 CA EV Sales	 152,356 CA EV Chargers	 68 CA Hydrogen Stations
 129 CA Light-Duty Models Available	 853 CA Medium/Heavy-Duty EV Trucks	 2,062 CA EV Buses	 869 CA EV Delivery Vans

Data source: California Energy Commission California Light-Duty ZEV Sales Data (October 2024). Quarterly data is tentative and subject to updates.

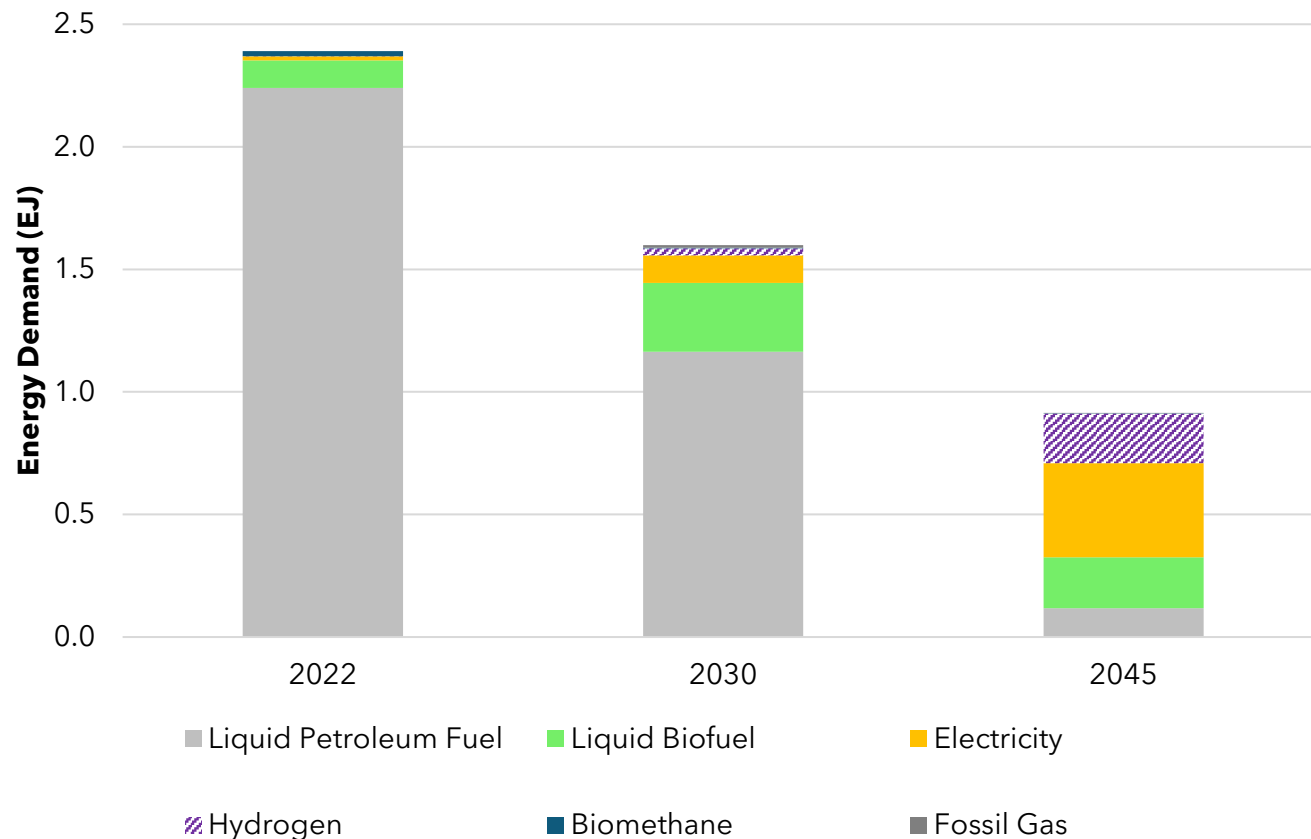
Q3 2024 data update.

Graphics from <https://www.veloz.org/ev-market-report/>

Then vs Now - Fossil Fuels Used in CA



Transportation Fuel Mix, 2022 Scoping Plan

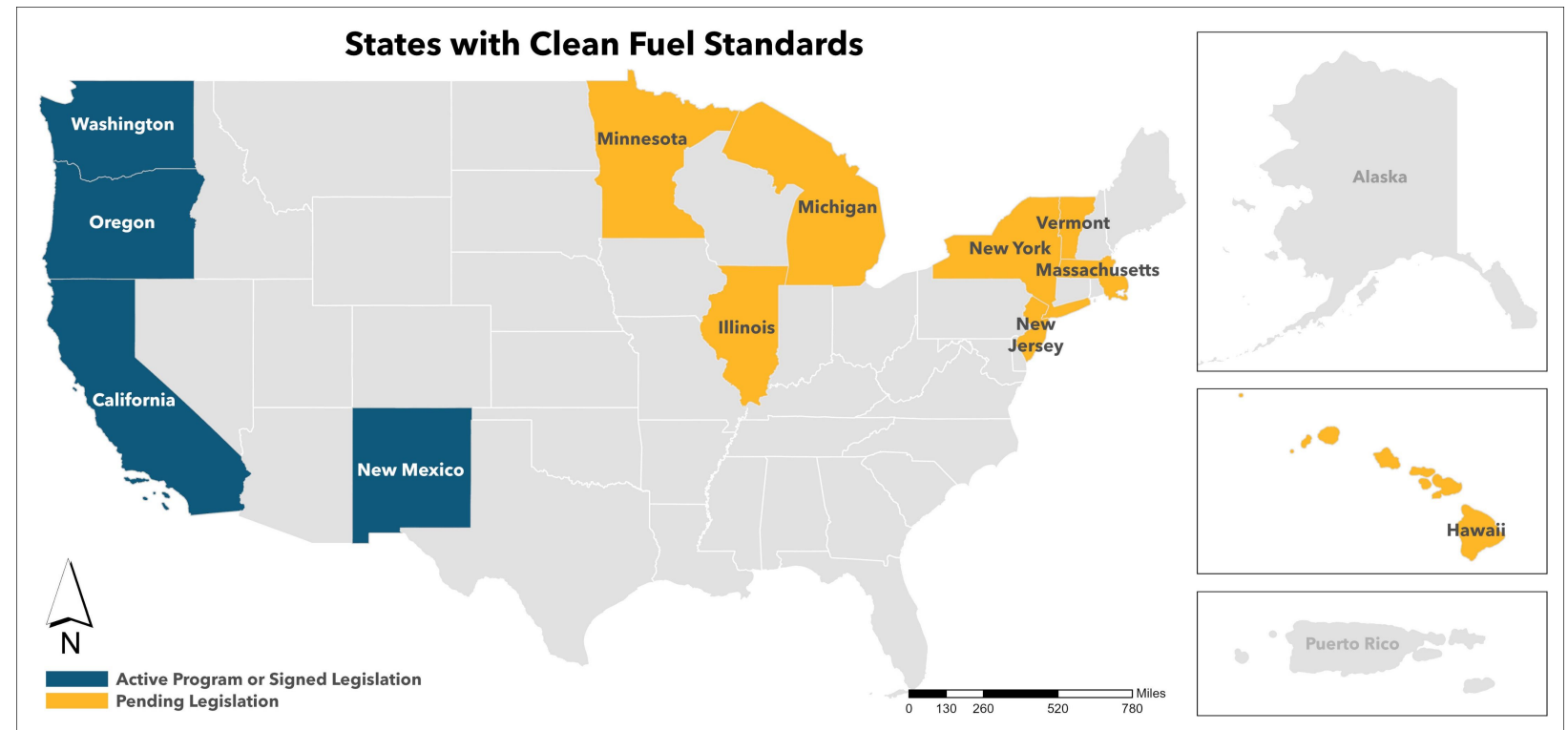


- Fuels transition in 2022 Scoping Plan mirrors the combustion vehicle phaseout in ZEV regulations
- Major transition to electricity and hydrogen, with smaller but persistent role for liquid alternative fuels

On-road transportation fuel mix, 2022 Scoping Plan

Increasing Number of Clean Fuels Programs

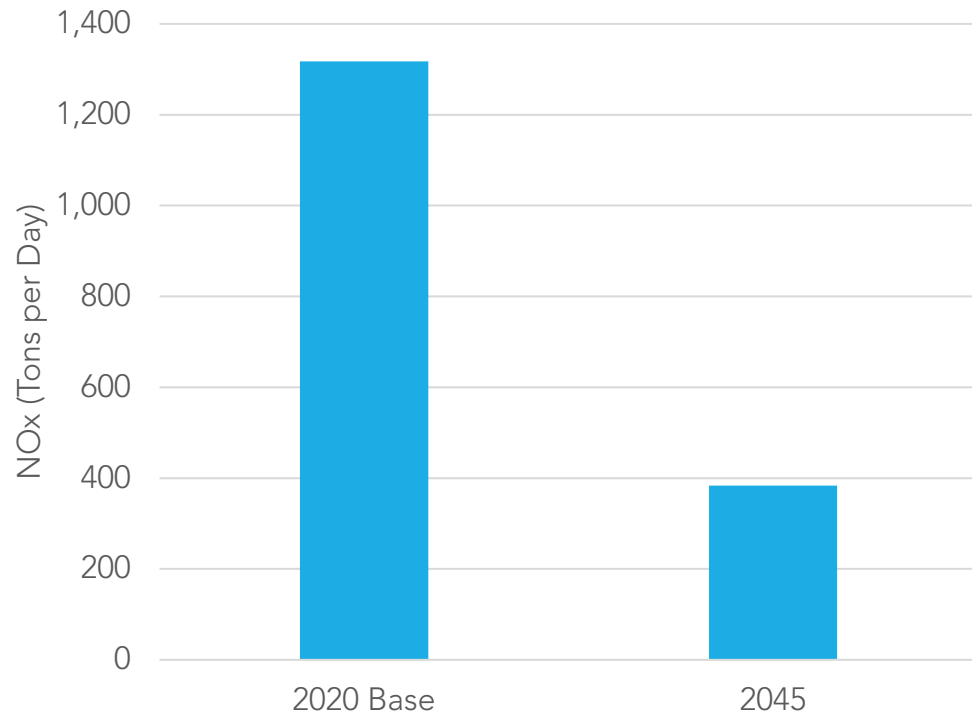
- Growing incentives and pricing support for alternatives to fossil fuel is a successful and important tool for the transition



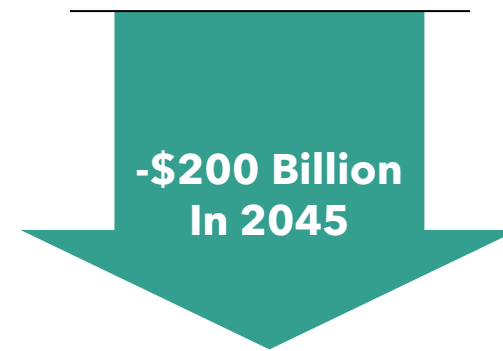
McCullough et al., "Revving Up: Eight States in Gear with Low-Carbon Fuel Standard Legislation," *Pillsbury Law*, 2024. <https://www.pillsburylaw.com/en/news-and-insights/eight-states-low-carbon-fuel-standard-legislation.html>

Fossil Fuel Combustion Reduction Will Bring Air Quality Benefits

71% reduction in air pollution



\$200 Billion in health cost savings from decreased fuel combustion



Source: 2022 Scoping Plan Update

Other Considerations for Transition

Even with cuts in on-road fossil gasoline and diesel demand, other demand may persist:



Aviation Fuel



Exports to Other Markets



Ocean-Going Vessel Fuel



Hydrogen



Offroad Fuel

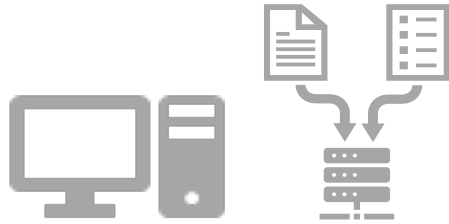


Other Refining Co-products

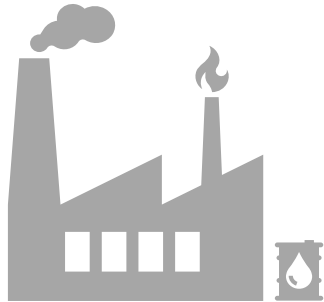


Crude production and imports may also change with declining demand

SB X1-2 Transportation Fuels Transition Plan (TFTP)



Data Collection & Monitoring (started on June 26, 2024)



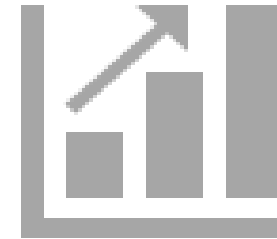
Refinery Maintenance Monitoring (started on June 26, 2024)



Market Manipulation Analysis (developed under new division)



Refining Margin Establishment and Penalty Determination (in progress)



Transportation Fuels Assessment

Today's Topic



Transportation Fuels Transition Plan (TFTP)

Transportation Fuels Transition Plan

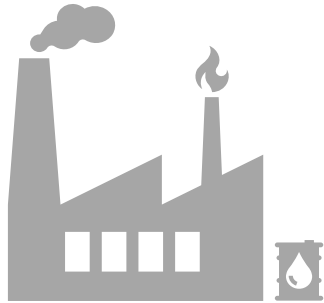
- Called for in Senate Bill X1-2*
- Joint effort of California Energy Commission (CEC) and California Air Resources Board (CARB)
- Will discuss how to ensure that the supply of transportation fuels is **affordable, reliable, equitable, and adequate to meet the demand** described in the State's 2022 Scoping Plan
- Prepared in consultation with a multi-party workgroup and community meetings (including this one)

*Codified at [section 25371.3 of the Public Resources Code](#)

Senate Bill (SB) X1-2 Implementation Activities



Data Collection & Monitoring (started on June 26, 2024)



Refinery Maintenance Monitoring (started on June 26, 2024)



Market Manipulation Analysis (developed under new division)



Refining Margin Establishment and Penalty Determination (in progress)



Transportation Fuels Assessment



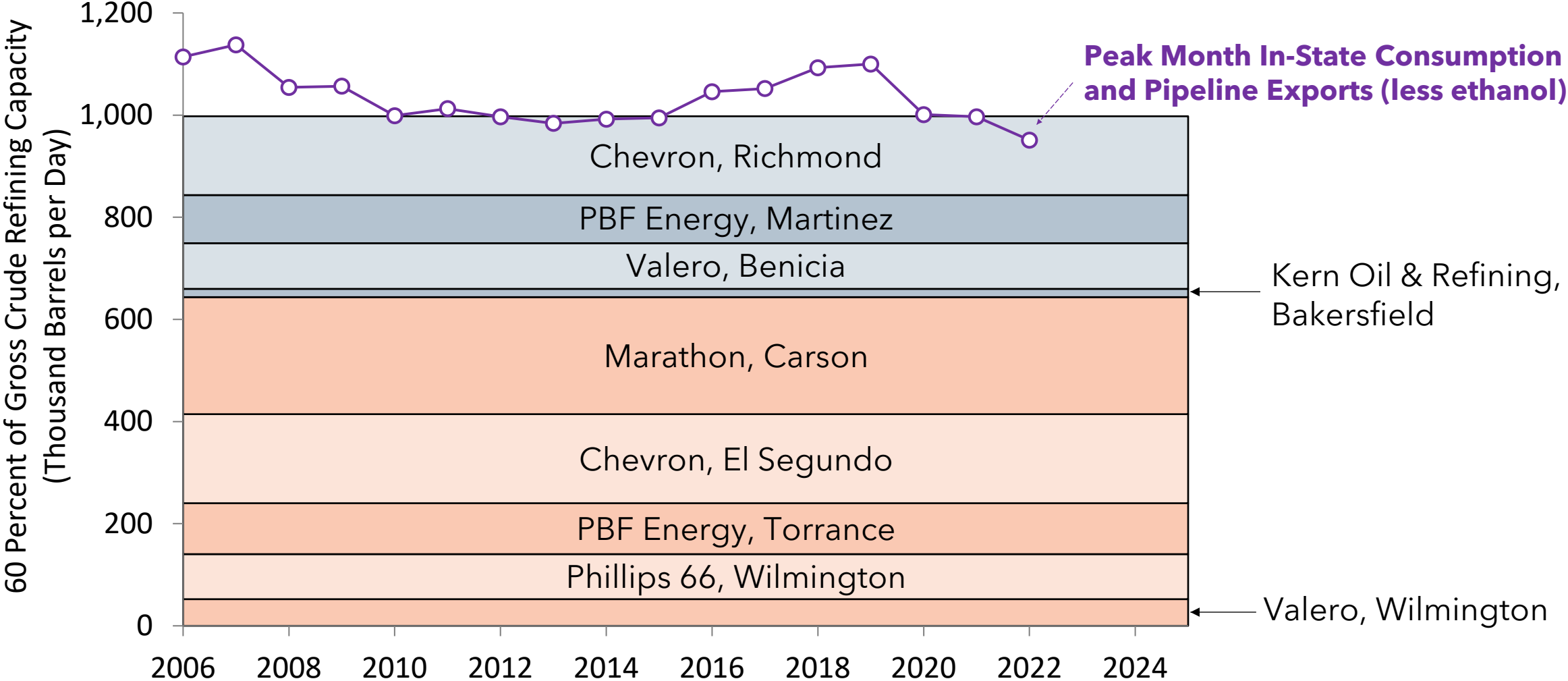
Transportation Fuels Transition Plan (TFTP)

Transportation Fuels Assessment

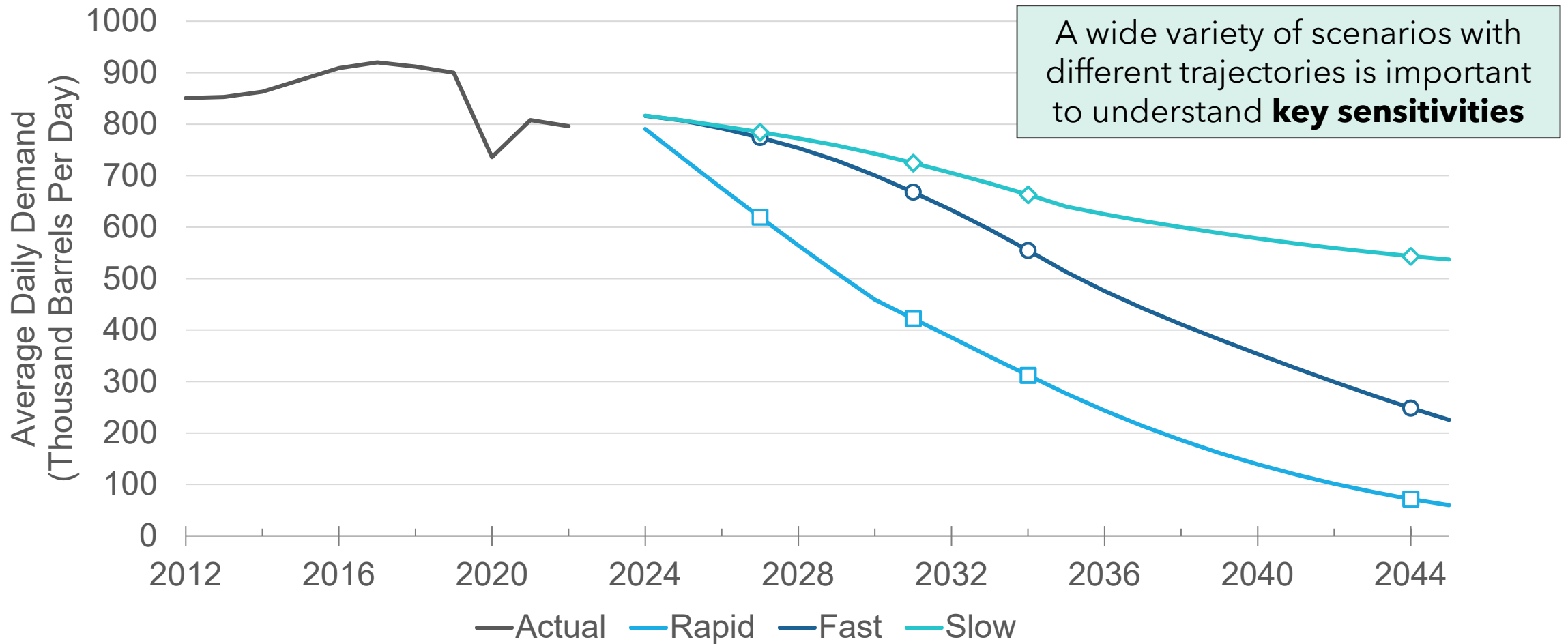
"Identifies methods to ensure a reliable supply of affordable and safe transportation fuels in California."



Estimated Gasoline Refinery Capacity



Gasoline Demand Scenarios used in the Assessment



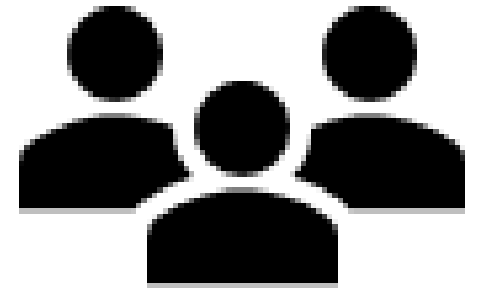
Discussion Questions

We want to hear your comments and experiences on any topics related to the TFTP

What have been your experiences living near oil and gas production, including refineries?

What are your concerns regarding refinery transitions or closures?

What are some air quality and/or public health concerns you have as refineries transition to producing alternative fuels or potentially close?



Discussion Questions

We want to hear your comments and experiences on any topics related to the TFTP

What strategies should we include in the TFTP to best support an equitable workforce transition?

What are your economic concerns regarding the fuel transition that we should highlight in the TFTP?

Are there any other recommendations or stories you would like to share?



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