

Date of Hearing: April 13, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 1849 (Papan) – As Amended April 6, 2026

SUBJECT: Decarbonized gaseous fuels

SUMMARY: Requires the Air Resources Board (ARB) to assess the amount of “decarbonized gaseous fuels” that will be needed to decarbonize hard-to-electrify sectors and maintain reliability in the electricity sector.

EXISTING LAW:

- 1) Requires, pursuant to the California Global Warming Solutions Act [AB 32 (Núñez), Chapter 488, Statutes of 2006], ARB to adopt a statewide greenhouse gas (GHG) emissions limit and to adopt rules and regulations to achieve maximum technologically feasible and cost-effective GHG emission reductions. (Health and Safety Code (HSC) 38500 *et seq.*)
- 2) Declares the policy of the state to achieve net zero GHG emissions as soon as possible, but no later than 2045, and to achieve and maintain net negative GHG emissions thereafter. (HSC 38562.2)
- 3) Requires ARB to prepare and approve a scoping plan at least once every five years for achieving the maximum technologically feasible and cost-effective reductions in GHG emissions from sources or categories of sources of GHGs. (HSC 38561)
- 4) Requires ARB to evaluate, consider, and report on various issues related the potential role of hydrogen in meeting state “decarbonization” goals by June 1, 2024. (HSC 38561.8)
- 5) Pursuant to Executive Order S-01-07, established a statewide goal to reduce the carbon intensity (CI) of California’s transportation fuels and directed ARB to consider adopting a low carbon fuel standard (LCFS) to implement this goal. In 2009, ARB adopted the LCFS as a regulation. The LCFS attributes CI values to a variety of fuels based on direct and indirect GHG emissions. The LCFS permits producers of certain low CI fuels to opt in to LCFS regulation for the purpose of generating credits, which can be banked and used for compliance, sold to regulated parties, and purchased and retired by regulated parties. In addition, LCFS credits can be exported to other GHG emission reduction programs. (17 CCR 95840 *et seq.*)
- 6) Establishes a policy requiring renewable energy resources and zero-carbon electric generating facilities to supply 100% of electricity procured to serve California customers by 2045, and directs the Public Utilities Commission, California Energy Commission, and ARB to incorporate this policy into all relevant planning and programs. (PUC 454.53)

THIS BILL:

- 1) Requires ARB to assess the amount of “decarbonized gaseous fuels” that will be needed to decarbonize hard-to-electrify sectors and maintain reliability in the electricity sector.

- 2) Requires this assessment to include:
 - a) Need for, and economic viability of, decarbonized gaseous fuels in each hard-to-electrify sector.
 - b) Need for, and cost associated with, decarbonized gaseous fuels for electricity reliability and resilience.
 - c) Policies and incentives to accelerate the production and use of decarbonized gaseous fuels.
 - d) Opportunities for, and economic viability of, using agricultural and forest residues to help decarbonize hard-to-electrify sectors.
- 3) Requires ARB to consider:
 - a) Whether the policies are consistent with the carbon reductions in the 2022 and 2027 scoping plans identified as necessary to decarbonize hard-to-electrify end uses and to maintain electrical reliability.
 - b) Recognize the compliance obligations of entities that are regulated pursuant to the Cap-and-Invest Program.
 - c) How to incentivize the increased production and use of decarbonized gas in state.
 - d) How to maximize the benefits of decarbonized gas production and use, including, but not limited to, opportunities to mitigate wildfire, reduce pile burning of forest and agricultural residues, reduce landfill waste, use renewable energy that may otherwise be curtailed, and create jobs and economic development in the state.
 - e) Policies to ensure that decarbonized gases are displacing fossil fuel use.
 - f) The cost implications and economic impacts of using alternatives to fossil gas for both impacted businesses and end-use consumers.
- 4) Defines “hard-to-electrify sectors” as those sectors that cannot technically, economically, or practically convert to electricity due to their need for high heat, high energy density, or other operational factors, not including sectors that are regulated pursuant to the LCFS.
- 5) Requires ARB to post the assessment on its internet website.
- 6) Makes related findings.

FISCAL EFFECT: Unknown

COMMENTS:

1) **Author’s statement:**

AB 1849 directs ARB to conduct an assessment of the need for decarbonized gaseous fuels and provide recommendations to help the state meet its climate targets for hard-to-

electrify sectors and electricity reliability. Hard-to-electrify industries, such as cement, glass, and steel manufacturing, along with the use of peaker plants for grid reliability, account for more than one-third of California's GHG emissions. Consistent with the 2022 Climate Change Scoping Plan, which recognized the need for decarbonized fuels in a carbon-free future, this bill advances that goal by determining how much decarbonized fuel each hard-to-electrify sector will require and by evaluating the policies and incentives needed to speed up deployment.

- 2) **Double referral.** This bill is double-referred to the Assembly Utilities and Energy Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Bioenergy Association of California (co-sponsor)
 California Hydrogen Business Council (co-sponsor)
 Anaergia
 Bio-Tronic Energy-CA
 Calgren
 California Association of Sanitation Agencies
 California Hydrogen Coalition
 Clean Water SoCal
 CR&R
 Darling H2O Consulting
 Earth Foundries
 Golden State Natural Gas Systems
 H-Cycle
 Los Angeles County Sanitation Districts
 Mainspring Energy
 Mote
 Northeast-Western Energy Systems
 Resource Recovery Coalition of California
 Sierra Energy
 SoCalGas
 Supply Chains for Good Enrolled Member, Standing Rock
 TSS Consultants
 USA Water and Power
 Vespene Energy
 Yosemite Clean Energy

Opposition

1000 Grandmothers for Future Generations
 350 Bay Area Action
 California Environmental Justice Coalition
 California Nurses for Environmental Health & Justice
 Californians Against Waste (unless amended)
 Center for Biological Diversity
 Center for Community Action and Environmental Justice

Center on Race, Poverty & the Environment
Climate Action California
Climate Communications Coalition
Earthjustice
Food & Water Watch
Forests Forever
Fossil Free California
Leadership Council for Justice and Accountability
Los Padres Forestwatch
Mount Shasta Bioregional Ecology Center
San Diego 350
San Francisco Bay Physicians for Social Responsibility
Santa Cruz Climate Action Network
Sequoia Forestkeeper
Sierra Club California
Sonoma County Climate Activist Network
Sunflower Alliance
Valley Improvement Project

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