
THIRD READING

Bill No: AB 30
Author: Alvarez (D) and Flora (R), et al.
Amended: 3/26/25 in Assembly
Vote: 27 - Urgency

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 8-0, 7/2/25
AYES: Blakespear, Valladares, Dahle, Gonzalez, Hurtado, Menjivar, Padilla,
Pérez

SENATE TRANSPORTATION COMMITTEE: 15-0, 7/8/25
AYES: Cortese, Strickland, Archuleta, Arreguín, Blakespear, Cervantes, Dahle,
Gonzalez, Grayson, Limón, Menjivar, Richardson, Seyarto, Umberg, Valladares

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/29/25
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 77-0, 6/4/25 - See last page for vote

SUBJECT: State Air Resources Board: gasoline specifications: ethanol blends

SOURCE: Author

DIGEST: This bill would allow for the sale of blends of gasoline containing 10.5% to 15% ethanol by volume (E15) in the state for use as a transportation fuel until the California Environmental Policy Council (CEPC) and the Air Resources Board (CARB) take specified actions.

ANALYSIS:

This bill immediately allows gasoline with up to 15% ethanol by volume (E15) to be sold in California, unless certain conditions are met by the California Environmental Policy Council (CEPC) and the California Air Resources Board (CARB). Completes the multimedia evaluation and the California Air Resources Board either adopts a regulation for E15 or finds that it is not possible to use E15 in California without an adverse impact.

ANALYSIS:

Existing law:

- 1) Establishes CARB as the air pollution control agency in California and requires CARB, among other things, to control emissions from a wide array of mobile sources and implement the Federal Clean Air Act (FCAA). (Health and Safety Code (HSC) 39500 et seq.)
- 2) Requires CARB to adopt and implement technologically feasible emission standards for new motor vehicles to, among other things, ensure compliance with state air quality laws and the FCAA, and prohibit vehicles that do not comply with those emissions standards from being certified for use in the state. (HSC 43100 et seq.)
- 3) Requires CARB to adopt motor vehicle fuel specification requirements for the control of air contaminants and air pollution where it is necessary, cost effective, and technologically feasible to do so. (HSC 43013).
- 4) Creates the California Environmental Policy Council (CEPC), consisting of the leaders of seven specified state entities: the Environmental Protection Agency, the Department of Pesticide Regulation, the Department of Toxic Substances Control, CARB, the State Water Resources Control Board, the Office of Environmental Health Hazard Assessment, and the Integrated Waste Management Board. (Public Resources Code 71017).
- 5) Prevents CARB from adopting any regulations setting specifications for motor vehicle fuels unless that regulation, and a multimedia evaluation of any significant adverse impacts on public health or the environment, have been reviewed by the CEPC, as specified. (HSC 43830.8).

This bill:

- 1) Immediately allows the sale of E15 in California.
- 2) Allows CARB to supplant the immediate sale of E15 with a full E15 regulation.

- 3) Allows CARB to prohibit the sale of E15 in California by posting an assessment on its website demonstrating it is not possible to do E15 in California without an adverse impact.
- 4) States that this does not limit CARB's authority to adopt and enforce certain transportation fuel specifications.

Background

Ethanol in gasoline. Gasoline is a fuel made from crude oil and other petroleum liquids. Gasoline is mainly used in vehicle engines. Petroleum refineries and blending facilities produce finished motor gasoline for retail sale at gasoline fueling stations.

Petroleum refineries mostly produce gasoline blending components called gasoline blendstocks, which require blending with other liquids to make finished motor gasoline. In California, the blendstock used is called California Reformulated Gasoline Blendstock for Oxygenate Blending (CARBOB). Until CARBOB has oxygenates (including but not limited to ethanol) and other components added, it is not finished gasoline which can be used in a vehicle.

Most of the finished motor gasoline now sold in the United States contains about 10% fuel ethanol by volume (E10). Ethanol is added to gasoline mainly to meet the requirements of the Renewable Fuel Standard, which is intended to reduce greenhouse gas emissions and the amount of oil that the United States imports from other countries.

Ethanol has a lower energy density than gasoline, so adding it to CARBOB results in a finished gasoline that can provide slightly less energy to a vehicle (i.e. that vehicle will likely not be able to drive as many miles on a full tank of E15 versus E10). However, ethanol is also less expensive than CARBOB, so adding it can lower the cost of that tank. There are other considerations (such as the impact on other air pollutants from evaporation or combustion, or more system-wide impacts on CARBOB and ethanol supply and demand) that must be made to determine the overall pros and cons of using E15 in California.

Allowing E15 in California. Existing law requires CARB to undertake specific actions prior to adopting motor fuel specifications. For example, ARB must conduct certain analyses, including an evaluation of the environmental impacts of the proposed policy change known as a "multimedia evaluation." ARB reports that a multimedia evaluation includes three main steps (referred to as tiers) that

generally involve the following activities: (1) Tier I: summarizing existing research and identifying knowledge gaps, (2) Tier II: conducting experiments to fill the identified knowledge gaps, and (3) Tier III: preparing a final report summarizing the existing and new research and providing findings and conclusions. According to ARB, completing a multimedia evaluation typically takes two to five years. Statute further requires that the multimedia evaluation be approved by the CEPC.

CARB indicates that it initiated a multimedia evaluation for E15 in 2018 and finalized the Tier I analysis in 2020 and the Tier II analysis in 2022. Tier III has not been completed. Once complete, CARB will use the multimedia evaluation process to determine whether to move forward with developing a regulation to authorize the use of E15 in California.

In October 2024, Governor Newsom sent a letter directing CARB to expedite its actions related to E15. In that letter, the Governor also indicated that the administration “welcomes a partnership” with the Legislature in 2025 to consider necessary statutory changes and funding that would further expedite CARB’s consideration of authorizing the use of E15 in California. In response to the Governor’s directive, CARB indicates a goal of completing its work, and required peer review, and delivering the multimedia evaluation to the CEPC by mid-2025. The Administration has proposed a budget change proposal (BCP) to support CARB’s expedited work on E15 (\$2.3 million for 10 staff). CARB estimates CEPC approval and completion of the multimedia evaluation process sometime in 2026, assuming it gets the additional staff requested.

Considering E15 in California. As part of a suite of solutions considered to address fuel prices and supply in the state as California shifts away from fossil fuels, the California Energy Commission (CEC) evaluated switching from E10 to E15 as part of the Transportation Fuels Assessment. The Assessment stated that switching to E15 had the upsides of likely lowering the price of California fuel; having fewer environmental harms than E10 with a 1% loss of fuel economy; the fact that E15 is already sold in 31 states; and that the U.S. currently exports more ethanol than California would be able to use in switching to E15. The report’s cons were that refineries might rebalance production and cause E15 to be less cost-saving over time, the potential for an increase in ethanol prices concomitant with increased demand, and notably that additional analysis is necessary to understand the pollution impacts of E15 and that adopting E15 fuel specifications through proper regulatory processes could take years.

Comments

Purpose of Bill. According to the author, “As our state continues its transition toward a cleaner, more sustainable energy future, we must embrace practical solutions that reduce emissions and lower fuel costs for California drivers. Approving access to E15 gasoline – a blend of 15% ethanol and 85% gasoline—is a step in that direction. E15 is a proven, cleaner-burning fuel that has been used safely across the country for over a decade. As of January 1, 2025, California is currently the only state in the nation that has not yet approved the sale of E15.

ARB began studying E15 in 2018 and has completed multimedia studies that demonstrate the fuel blend’s benefits for public health and the environment. ARB’s draft E15 report is complete and has been held internally since June 2022. Despite multiple legislative and executive branch signals to propel E15, ARB has not yet taken formal steps to circulate its study findings and draft report or initiate an E15 regulation. AB 30 resolves bureaucratic inaction by requiring ARB to complete an E15 regulation by July 1, 2025 – a deadline identified through consensus discussions during last year’s special session committee hearings on E15.

A study by UC Berkeley and the U.S. Naval Academy estimates that adopting E15 could lower gasoline prices by 20 cents per gallon, saving California drivers \$2.7 billion annually. Approving E15 for sale in our state would provide immediate financial relief to consumers while ensuring California keeps pace with the rest of the country in offering more affordable and cleaner fuel options. The Governor’s January state budget proposal includes \$2.3 million for E15 rule adoption and implementation, and AB 30 includes an urgency clause so it can take effect immediately upon the Governor’s signature.”

Who’s picking up the tab? Changing California’s finished gasoline blend from E10 to E15 has minor impacts in some regards (e.g. a reduction of 1-3% fuel economy, per the Transportation Fuels Assessment, for a slightly cheaper fuel in greater supply), uncertain impacts in others (e.g. long-term market and air pollution impacts), and significant in some (e.g. a marked increase in demand for ethanol in California).

Increasing demand for ethanol in California would have uncertain but notable impacts across agriculture and beyond. According to 2023 U.S. Department of Agriculture data, roughly 40% of all the corn grown in the United States is used to produce ethanol or fuel.¹ Increasing the demand for ethanol in the largest state

¹ Global Demand for Fuel Ethanol Through 2030 <https://www.ers.usda.gov/publications/pub-details?pubid=105761>

from 10% to 15% would be expected to increase that number further. It is unclear what second-order impacts to land use, agricultural operations, or competing products would result from moving to E15 in California. To the extent that the Legislature wishes to use all options available to address high fuel prices at the gasoline pump, switching from E10 to E15 is expected to make modest reductions to drivers' overall spending on gasoline (although the number varies by source). However, to the extent that the Legislature wishes to consider the indirect impacts of using an even greater share of the nation's food supply and agricultural land for ethanol production, the switch to E15 should not be considered a silver bullet without any downside.

Given the clear direction from the Governor, CARB's request for staffing and resources to promulgate E15 regulations, and the broad support this bill has received to date, it seems the state's current priorities are more in line with pursuing every option to reduce fuel prices. By immediately allowing the sale of E15 in California, AB 30 would advance those priorities promptly, without waiting for CARB to fully understand the pollution impacts of doing so.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No
According to the Senate Appropriations Committee:

- CARB estimates ongoing costs of \$2.3 million annually (Air Pollution Control Fund [APCF]) and 10 positions to complete formal rulemaking, implement ongoing E15 and Low-Carbon Fuel Standard programs, and perform evaporative emission tests and other technical and administrative support workload.
- The California Department of Food and Agriculture (CDFA) Division of Measurement Standards estimates one-time \$845,000 Department of Food and Agriculture Fund in 2025-26 and \$60,000 in 2026-27 and annually thereafter to purchase new equipment to sample and test E15 and cover ongoing overhead, supplies, and equipment maintenance costs. To support the estimated ongoing costs, CDFA notes that it would likely need to increase the Motor Oil Fee, the revenues from which are deposited in the Department of Food and Agriculture Fund. The Motor Oil Fee is set in statute at five cents per gallon of motor oil produced or imported into California; this fee does not apply to motor oil exported for sale outside of California. In 2023-24, CDFA collected \$4.3 million in fee revenues from motor oil sales.

SUPPORT: (Verified 8/29/2025)

Association of the U.S. Army - Southern California
Biotechnology Innovation Organization
California Association of County Veteran Services Officers
California Chamber of Commerce
California Delivery Association
California Enlisted Association of the National Guard of the United States
California Farm Bureau Federation
California Fuels and Convenience Alliance
California League of United Latin American Citizens
Calpace
Department of California Marine Corps League
Greater Sacramento Urban League
Growth Energy
Meals on Wheels Marin
Military Officers Association of America, California Council of Chapters
Multicultural Business Alliance
National Federation of Independent Business
Poet
Renewable Fuels Association
San Diego Regional Chamber of Commerce

OPPOSITION: (Verified 8/29/2025)

Motorcycle Industry Council
Recreational Boaters of California

ASSEMBLY FLOOR: 77-0, 6/4/25

AYES: Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Addis, Pellerin

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