

Office of Spill Prevention and Response

Assembly Bill 148 - Renewable Fuel Frequently Asked Questions

1. What was Assembly Bill 148?

- [Assembly Bill 148](#) was the 2021 public resources budget bill and covered multiple topics including renewable fuels and oil spill preparedness and response. AB 148 expanded the existing provisions of the *Lempert-Keene-Seastrand Oil Spill Prevention & Response Act* (“LKS Act”) to further apply to renewable fuels. See bill Sections 11-13, 65, and 83-96. The California Department of Fish and Wildlife’s Office of Spill Prevention and Response (OSPR) is the state’s lead agency for oil spill preparedness, prevention and response.
- These statutory changes were made in response to the evolving replacement of traditional petroleum fuels with renewable fuels. The growth of renewable fuel imports and production is desirable for many reasons but planning and preparedness for renewable fuel spills is critical for protecting the environment during such incidents.
- Facilities and vessels that handle renewable fuels and pose a risk to state waters are now covered by the LKS Act and are within OSPR’s jurisdiction. Two new categories of facilities are added to the program: Renewable Fuel Production Facility and Renewable Fuel Receiving Facility.

2. What are renewable fuels for the purposes of oil spill planning, preparedness, and response?

- Per AB 148, renewable fuels are defined as “any liquid produced from nonpetroleum renewable resources that is used or useable as a fuel, or such liquid that may be blended with other types of fuels. Renewable fuel also includes fuels that may contain up to 5 percent petroleum products.”
- Renewable fuels that contain more than 5 percent petroleum products will be considered a “petroleum product”.
- Renewable fuels include, but are not limited to, biodiesel (fatty acid methyl ester), renewable diesel, renewable gasoline, sustainable aviation fuel, and denatured ethanol.
- Feedstocks used for producing renewable fuels, such as vegetable oils and animal fats, are not included under the definition of renewable fuels.

3. What impacts do renewable fuels have on natural resources?

- When spilled, most renewable fuels have similar types of impacts as their petroleum counterparts, including damage to the structure and insulating capacity of fur and feathers of wildlife, toxicity, and physical coating and smothering of plants and animals. Denatured ethanol, which is highly soluble in water, is associated with different environmental concerns compared to petroleum, such as oxygen depletion.
- Renewable fuels typically biodegrade more rapidly than petroleum fuels, so their persistence in the environment, when spilled, is generally shorter.

- Cleanup of spilled renewable fuels employs strategies similar to those for petroleum fuels (except for denatured ethanol, which uses different strategies) and requires the same urgent emergency response to control the release and minimize injuries to natural resources.

4. What are new OSPR requirements for the renewable fuel industry as a result of AB 148?

- **Fees:** The existing per-barrel fee on crude oil and petroleum products increases from 6.5 cents to 8.5 cents and is expanded to include renewable fuels (see question 6 below).
- **Oil Spill Contingency Plans:** Owners of facilities and vessels with existing contingency plans may need to update their plans to account for possible renewable fuel spills and response. Owners of facilities and vessels that do not currently have a contingency plan will need to submit one for review and approval.
- **Drills and Exercises:** Owners of facilities and vessels that handle renewable fuels will need to participate in OSPR's drills and exercises program. Owners of facilities and vessels that currently handle crude oil and petroleum products are already familiar with this and may see little or no change.
- **Financial Responsibility:** Owners of facilities and vessels that handle renewable fuels will need to demonstrate their ability to pay for cleanup and damages from a renewable fuel spill. Owners of facilities and vessels that currently handle petroleum products are already familiar with this requirement.
- **Response:** OSPR now has authority and funding to respond to renewable fuel spills.

5. When do new requirements for contingency plans, certificates of financial responsibility, and drills and exercises begin?

- OSPR will develop regulations regarding contingency plans, drills and exercises and financial responsibility before associated requirements take effect. The rulemaking process provides for public input and may include informal workshops. It is anticipated that these regulations will not be in place before mid-2022.
- The existing program applicability criteria and exemptions will be maintained with respect to renewable fuels. For example, inland facilities must be within ¼ mile of state surface waters for program applicability.
- OSPR will notify, in writing, those entities it initially believes may fall under the provisions of AB 148.
- For more information on Contingency Plan requirements, please email facilitycplans@wildlife.ca.gov.

6. When do the petroleum and renewable fuel fee increases begin?

- Beginning October 1, 2021, the fee rate increases from 6.5 cents to 8.5 cents per barrel of crude oil and petroleum products.
- Beginning January 1, 2022, the Oil Spill Prevention and Administration Fee Program will expand to include renewable fuels. The fee will be 8.5 cents per barrel.

- If warranted, OSPR may adjust the fee annually based on changes to the California Consumer Price Index starting July 1, 2023.
- The California Department of Tax and Fee Administration (CDFTA) is responsible for administering the fee and implementing new registration requirements for renewable fuel production facilities and renewable fuel receiving facilities. Facilities that are not currently registered with CDFTA will need to register before January 2022. For more information on fee payment and how to register, please visit the CDFTA site, [CDFTA OSPAF fee](#).

7. What new requirements under the State Lands Commission (SLC) did AB 148 create?

AB 148 makes renewable fuel transfers at marine terminals now covered by the SLC's Marine Oil Terminal Engineering & Maintenance Standards (MOTEMS) and transfer requirements.

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