



## Assembly Bill 148 - Renewable Fuel Frequently Asked Questions

Assembly Bill 148 (AB 148) was enacted in 2021 and oversees aspects of renewable fuels and oil spill preparedness and response. AB 148 made the existing provisions of the Lempert-Keene-Seastrand Oil Spill Prevention & Response Act applicable to renewable fuels.

The updates 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, which pose a risk to state waters are now covered by the Lempert-Keene-Seastrand Act and are now within OSPR's jurisdiction. Two new categories of facilities are added to the program: Renewable Fuel Production Facility and Renewable Fuel Receiving Facility.

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

Renewable fuels are defined as “any liquid produced from nonpetroleum renewable resources that are 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 five percent petroleum products.”

Renewable fuels that contain more than five 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.

### **What impacts do renewable fuels have on natural resources?**

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 to, and physical coating and smothering of plants and animals. One notable exception among renewable fuels is denatured ethanol, which is highly soluble in water and 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.

### **What are new 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 8.5 cents to 9.1 cents and is expanded to include renewable fuels.

**Oil Spill Contingency Plans:** Facilities with existing contingency plans may need to update their plans to account for possible renewable fuel spills and response. Facilities and vessels that do not currently have a contingency plan will need to submit one for review and approval.

**Drills and Exercises:** Facilities and vessels that handle renewable fuels will need to participate in OSPR's drills and exercises program. 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:** Facilities and vessels that handle renewable fuels will need to demonstrate their ability to pay for cleanup and damages from a renewable fuel spill. 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.