

AB 148 IMPLEMENTATION

Fee Increase, Renewable Fuels Regulation

Office of Spill Prevention and Response
Technical Advisory Committee Meeting
September 28, 2021

AB 148 Summary

- **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. Annual adjustment based on CPI.
- **Oil Spill Contingency Plans:** Owners of facilities and vessels that handle renewable fuels will need to submit one for review and approval (unless already existing).
- **Drills and Exercises:** Owners of facilities and vessels that handle renewable fuels will need to participate in OSPR's drills and exercises program.
- **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.
- **Response:** OSPR now has authority and funding (Response Trust Fund) to respond to renewable fuel spills.

Renewable Fuels

- Oil definition amended to include renewable fuels: “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 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.
- Facilities definition now includes: Renewable Fuel Receiving and Production Facilities

FEES*

- October 1, 2021 - fee increases from 6.5 cents to 8.5 cents per barrel of crude oil and petroleum products.
- January 1, 2022 - Oil Spill Prevention and Administration Fee Program will be expanded to include renewable fuels. The fee will be 8.5 cents per barrel.
- July 1, 2023 – annual fee adjustment based on the California Consumer Price Index
- Minor regulation change needed to change fee rate

*The California Department of Tax and Fee Administration (CDFTA) administers fee collection and will implement new registration for renewable fuel production facilities and renewable fuel receiving facilities.

SPILL PREPAREDNESS

Renewable fuel receiving and production facilities requirements:

- **Contingency Plans**
- **Drills and Exercises**
- **Certificates of Financial Responsibility**

Education and Outreach

- **Identify new planholders**
- **Workshops/Training**
- **New facility risks?**

Regulatory changes to definitions of oil and facilities

SPILL RESPONSE

- Safety protocols and training (esp. denatured ethanol)
- Cleanup methods and technology (bioremediation and aeration)
- Wildlife Response/treatment (less toxic, less persistent, coating, oxygen depletion)
- Fisheries closures (less risk?)

OTHER

- Minimal impacts to OSPR marine safety program/practices
- Research (Renewable Diesel)
 - Literature, Other agency information
 - Aquatic Toxicity
 - Biological Oxygen Demand
 - Fur and Feather Impacts
 - Analytical Chemistry
- Outreach – website, FAQ, educational webinars (TAC?)
See <https://oilspilltaskforce.org/task-force-events/webinars/>
- Workload tracking – staff time for renewables-related work
- Assess resource needs – new staff and funding needs for renewables transition