

**Introduced by Senator Caballero
(Coauthor: Senator Arreguín)**

February 10, 2025

An act to add Section 39633 to the Health and Safety Code, relating to air resources.

LEGISLATIVE COUNSEL'S DIGEST

SB 298, as introduced, Caballero. State Energy Resources Conservation and Development Commission: seaports: plan: alternative fuels.

Existing law requires the State Air Resources Board to adopt rules and regulations that will achieve ambient air quality standards required by the federal Clean Air Act, as specified. Existing law requires the state board, following a noticed public hearing, to adopt airborne toxic control measures to reduce emissions of toxic air contaminants from nonvehicular sources. Pursuant to this authority, the state board has adopted the Airborne Toxic Control Measure for Fuel Sulfur and Other Operational Requirements for Ocean-Going Vessels within California Waters and 24 Nautical Miles of the California Baseline regulation to require the use of low-sulfur marine distillate fuels in order to reduce emissions of particulate matter, diesel particulate matter, nitrogen oxides, and sulfur oxides from the use of auxiliary diesel and diesel-electric engines, main propulsion diesel engines, and auxiliary boilers on ocean-going vessels.

This bill would require the State Energy Resources Conservation and Development Commission (Energy Commission), in coordination with the Transportation Agency and the state board, to develop a plan on or before December 31, 2030, for the use and deployment of alternative fuels at California's public seaports, as provided. The bill would require

the Energy Commission to convene a working group to advise the Energy Commission on the development of information required by the plan, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Assembly Bill 14 (Chapter 223 of the Statutes of 2013)
- 4 required the Transportation Agency to develop a state freight plan
- 5 that provides for governance of the immediate and long-range
- 6 planning activities and capital investments of the state with respect
- 7 to the movement of freight.
- 8 (b) No plan exists that provides for the provision of alternative
- 9 fuels for ocean-going vessels at California's seaports.
- 10 (c) The International Maritime Organization (IMO) regulations
- 11 aim for an 11-percent carbon intensity reduction in 2026, a
- 12 40-percent reduction in 2030, and a 70-percent reduction in 2050.
- 13 (d) The 2023 IMO greenhouse gas (GHG) strategy includes the
- 14 uptake of zero or near-zero GHG emission technologies, fuels, or
- 15 energy sources to represent at least 5 percent, striving for 10
- 16 percent, of the energy used by international shipping by 2030.
- 17 (e) Improving the efficiency of California's freight transport
- 18 system is vital to the state's economy.
- 19 (f) Traditional routes of moving freight face increasing global
- 20 competition, and California's system should anticipate and stay
- 21 ahead of these changes.
- 22 (g) California is the nation's largest gateway for international
- 23 trade and domestic commerce, with an interconnected system of
- 24 ports, railroads, highways, and roads that allow freight from around
- 25 the world to move throughout the state and nation.
- 26 (h) Despite this, California's freight transport system is under
- 27 pressure to serve our growing population and satisfy dynamic
- 28 market demands, while other locations in the United States and
- 29 across the world are fiercely competing for this economic activity.
- 30 (i) Maintaining the state's cargo competitiveness is not just an
- 31 imperative for the economic health of California, but is necessary
- 32 to preserve reductions in GHG emissions.

1 (j) Studies have demonstrated that when California loses market
2 share and volumes of imports to other ports and gateways on the
3 Gulf and Atlantic coasts, GHG emissions associated with this
4 diversion are on average 19 percent higher when cargo that
5 originates in Asia is diverted from West Coast ports in favor of
6 East Coast and Gulf coast ports.

7 SEC. 2. Section 39633 is added to the Health and Safety Code,
8 immediately following Section 39632, to read:

9 39633. (a) On or before December 31, 2030, the State Energy
10 Resources Conservation and Development Commission, in
11 coordination with the Transportation Agency and the state board,
12 shall develop a plan for the use and deployment of alternative fuels
13 at California’s public seaports.

14 (b) The plan developed pursuant to this section shall do all of
15 the following:

16 (1) Identify significant alternative fuel infrastructure and
17 equipment trends, needs, and issues.

18 (2) Describe how the state will facilitate permitting and
19 construction of infrastructure to support alternative fuels.

20 (3) (A) Describe which locations are available and feasible for
21 the development or redevelopment of infrastructure and operations
22 to support the deployment of alternative fuels to ocean-going
23 vessels and related support purposes.

24 (B) The description required pursuant to subparagraph (A) shall
25 specifically address all lifecycle manufacturing and distribution,
26 including where alternative fuels will be created, procured,
27 transported, stored, distributed, and delivered to oceangoing vessels
28 calling at California seaports.

29 (4) Describe a reasonable timeline for all tasks described in this
30 subdivision.

31 (5) Estimate and account for the costs of the development of all
32 alternative fuels infrastructure and operations described in this
33 subdivision, including public or private financing opportunities.

34 (c) (1) In developing the information described in subdivision
35 (b), the State Energy Resources Conservation and Development
36 Commission shall convene a working group to advise the
37 commission on the development of this information.

38 (2) The working group shall consist of representatives of
39 seaports, marine terminal operators, ocean carriers, waterfront
40 labor, cargo owners, environmental and community advocacy

- 1 groups, the Transportation Agency, the state board, the Public
- 2 Utilities Commission, and air quality management and air pollution
- 3 control districts.

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