

Senate Bill No. 298

Passed the Senate September 11, 2025

Secretary of the Senate

Passed the Assembly September 9, 2025

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2025, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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

LEGISLATIVE COUNSEL'S DIGEST

SB 298, 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 oceangoing vessels.

This bill would require the State Energy Resources Conservation and Development Commission (Energy Commission), in coordination with the State Lands Commission, the Transportation Agency, and the state board, to develop a plan on or before December 31, 2030, for the alternative fuel needs of oceangoing vessels that call at California's public seaports and that enables the seaports to meet their emission reduction goals. The bill would require that the plan do specified things, including, among other things, identify barriers to permitting alternative fuel facilities at seaports and opportunities to address those barriers. The bill would require the Energy Commission to convene a working group to advise the Energy Commission on the development of the information required to be included in the plan, as specified. The bill would require the state board to provide the Energy Commission with information regarding fuels for oceangoing

vessels that comply with the state board’s regulations for those vessels.

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

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) Assembly Bill 14 (Chapter 223 of the Statutes of 2013) required the Transportation Agency to develop a state freight plan that provides for governance of the immediate and long-range planning activities and capital investments of the state with respect to the movement of freight.

(2) No plan exists that provides for the provision of alternative fuels for oceangoing vessels at California’s seaports.

(3) The International Maritime Organization (IMO) regulations aim for an 11-percent carbon intensity reduction in 2026, a 40-percent reduction in 2030, and a 70-percent reduction in 2050.

(4) The 2023 IMO greenhouse gas (GHG) strategy includes the uptake of zero or near-zero GHG emission technologies, fuels, or energy sources to represent at least 5 percent, striving for 10 percent, of the energy used by international shipping by 2030.

(5) Improving the efficiency of California’s freight transport system is vital to the state’s economy.

(6) Traditional routes of moving freight face increasing global competition, and California’s system should anticipate and stay ahead of these changes.

(7) California is the nation’s largest gateway for international trade and domestic commerce, with an interconnected system of ports, railroads, highways, and roads that allow freight from around the world to move throughout the state and nation.

(8) Despite this, California’s freight transport system is under pressure to serve our growing population and satisfy dynamic market demands, while other locations in the United States and across the world are fiercely competing for this economic activity.

(9) Maintaining the state’s cargo competitiveness is not just an imperative for the economic health of California, but is necessary to preserve reductions in GHG emissions.

(10) Studies have demonstrated that when California loses market share and volumes of imports to other ports and gateways on the Gulf and Atlantic coasts, GHG emissions associated with

this diversion are on average 19 percent higher when cargo that originates in Asia is diverted from West Coast ports in favor of East Coast and Gulf coast ports.

(b) (1) It is the intent of the Legislature that the plan developed pursuant to Section 39633 of the Health and Safety Code, as added by this act, support the development and deployment of alternative fuels for maritime vessels at California's seaports.

(2) It is the intent of the Legislature that the plan developed pursuant to Section 39633 of the Health and Safety Code, as added by this act, not promote or direct the development, implementation, or expansion of fully automated cargo handling equipment or of infrastructure that is intended to support fully automated cargo handling equipment.

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

39633. (a) On or before December 31, 2030, the State Energy Resources Conservation and Development Commission, in coordination with the State Lands Commission, the Transportation Agency, and the state board, shall develop a plan for the alternative fuel needs of oceangoing vessels that call at California's public seaports and that enables the public seaports to meet their emissions reduction goals.

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

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

(2) Identify barriers to permitting alternative fuel facilities at seaports and opportunities to address those barriers.

(3) Describe seaport facilities that are available and feasible for the development or redevelopment of infrastructure and operations to support the deployment of alternative fuels to oceangoing vessels and related support purposes.

(4) Provide a forecast of the estimated demand and supply of alternative fuels needed to transition oceangoing vessels to lower emission fuels and, to the extent feasible, provide estimated costs and timelines for this transition.

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

(2) The working group shall consist of representatives of, but not be limited to, seaports, marine terminal operators, ocean carriers, waterfront labor, cargo owners, environmental and community advocacy groups, fuel providers, fuel suppliers, fuel producers, barge operators, storage terminal operators, the Transportation Agency, the state board, the Public Utilities Commission, the State Lands Commission, and air quality management and air pollution control districts.

(d) The state board shall provide the State Energy Resources Conservation and Development Commission with information regarding fuels for oceangoing vessels that comply with the state board's regulations for those vessels.

(e) The plan developed pursuant to this section shall be limited exclusively to alternative fuels for oceangoing vessels and shall not consider, evaluate, plan, opine on, address, nor, in any other manner, include any reference to any cargo handling or usage of any cargo handling equipment at any port.

Approved _____, 2025

Governor