



Assemblymember Robert Rivas, 30th Assembly District

AB 1322 – Sustainable Fuels in the Aviation Sector

SUMMARY

Assembly Bill 1322 will establish a framework for the aviation industry to reduce its carbon footprint by creating a plan to incentivize the use of sustainable aviation fuel (SAF) and other alternatives to traditional jet fuel if feasible. Specifically, this bill will require the California Air Resources Board (CARB) to develop a plan to expand SAF production capacity by identifying tools for increasing SAF infrastructure and usage while exploring electric and hydrogen technologies.

BACKGROUND

Commercial aviation currently contributes approximately 2% of global greenhouse gas emissions. With the climate crisis worsening, leading commercial aviation groups have established internal goals to reach net zero carbon emissions by 2050.

SAF can be produced using a variety of waste stream feedstocks available in large quantities in California, including agricultural residues, municipal solid waste, fats, oils and greases, and woody biomass. Producing SAF with these feedstocks often advances other state policy objectives in addition to reducing GHG emissions. For example, removing woody biomass and forest residues could help reduce the threat of wildfire, and use of solid municipal waste as a feedstock helps to achieve the state's waste diversion goals.

SAF is the most efficient and cost-effective way to reduce greenhouse gas emissions from aircraft because it is a drop-in renewable fuel, meaning it can be mixed in with traditional jet fuel. It also means that airlines don't have to create brand new aircraft and engines to reduce emissions. They can use SAF with their existing fleet as, unlike other sustainable fuels, it is able to be used in existing engines and planes without any need for retrofits or new equipment.

Both the International Air Transport Association and Airlines for America, the two leading industry trade groups, have determined that the most effective path to reaching industry-wide emissions reductions goals will be through the use of SAF. SAF can reduce greenhouse gas emissions by up to 80%, as well as sulfur oxides by nearly 100%, and particulate matter by about 50%. Individual airlines have invested tens of millions of dollars to help develop and

expand SAF production. For example, Southwest Airlines recently purchased \$200 million worth of SAF in partnership with producers, and United Airlines holds 70% of all publicly announced SAF purchase agreements.

PROBLEM

Despite the benefits of SAF, it is severely underutilized for several reasons. In addition to electrification, ground fuel producers have stronger incentives to produce renewable diesel due to its similar environmental benefits to SAF. While some incentives to produce SAF exist, they remain insufficient to promote greater production and are insufficient compared to incentives to reduce the carbon intensity of on-road fuel. As a result, production of on-road fuels has grown while SAF production has lagged behind. Removing these barriers is critical to producing sufficient SAF to meet the aviation sector's ambitious climate goals.

SOLUTION

AB 1322 will require CARB to develop a plan, consistent with federal law, to incentivize the production of sustainable fuels. In doing so, this bill will set a sustainable fuels usage target in the aviation sector of at least 20 percent by 2030. This bill will also require, contingent on an appropriation, CARB to begin implementing the plan by July 2024. Reaching this goal will significantly reduce greenhouse gas emissions and other air pollutants from aircraft in the state.

The plan will evaluate and create incentives to increase the use of SAF and to the extent feasible, other sustainable fuels. In creating the plan, CARB will quantify greenhouse gas emission reductions associated with SAF, identify barriers to achieving the SAF production target, set milestones for achieving the target, ensure that SAF incentives are at least comparable to other renewable fuel incentives, and identify tools for increasing SAF supply and demand, including buildout of relevant infrastructure.

In addition to dramatically reducing emissions from aviation in the state, AB 1322 will help to significantly expand the SAF industry, which will contribute to the green economy, create green jobs, and solidify California's status as a world leader in sustainable fuels and on climate issues more broadly.



Assemblymember Robert Rivas, 30th Assembly District

AB 1322 – Sustainable Fuels in the Aviation Sector

SUPPORT

- Airlines for America
- Alaska Airlines
- Amazon
- The Boeing Company
- Burbank-Glendale-Pasadena Airport Authority
- California Airports Council
- City of Long Beach
- City of Los Angeles
- City of San Jose
- Coalition for Clean Air
- Coalition for Renewable Natural Gas
- 350 Humboldt: Grass Roots Climate Action
- LanzaJet
- Long Beach Area Chamber of Commerce
- Los Angeles Area Chamber of Commerce
- Los Angeles County Business Federation, BIZFED
- Los Angeles World Airports
- Move LA
- The Nature Conservancy
- Neste US
- Paramount Chamber of Commerce
- San Diego County Regional Airport Authority
- San Francisco International Airport
- San Mateo County Economic Development Association
- Southwest Airlines
- SAF Producer Group:
 - Alder Fuels
 - Fulcrum BioEnergy
 - Gevo
 - LanzaJet
 - Red Rock Biofuels
 - Velocys
 - World Energy
- United Airlines
- Universal Hydrogen Coalition
- United Parcel Service (UPS)
- Valley Industry Commerce Association (VICA)

FOR MORE INFORMATION

Julio Mendez Vargas
Office of Assemblymember Robert Rivas
Email: Julio.MendezVargas@asm.ca.gov
Phone: 760 848-8224 (Cell)