



The Draft Transportation Fuels Transition Plan

Quentin Gee, Ph.D.

Energy Assessments Division

July 23, 2026



Senate Bill X1-2 (2023) Activities



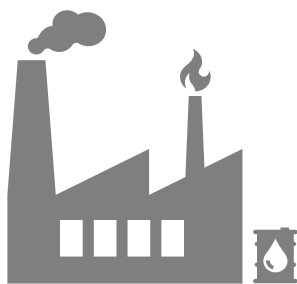
Data Collection &
Monitoring
(started on June 26, 2024)



Market Manipulation
Analysis (Division of
Petroleum Market Oversight)



Transportation Fuels
Assessment



Refinery Maintenance
Monitoring
(started on June 26, 2024)



Refining Margin
Establishment and Penalty
Determination (in progress)

Today's Topic



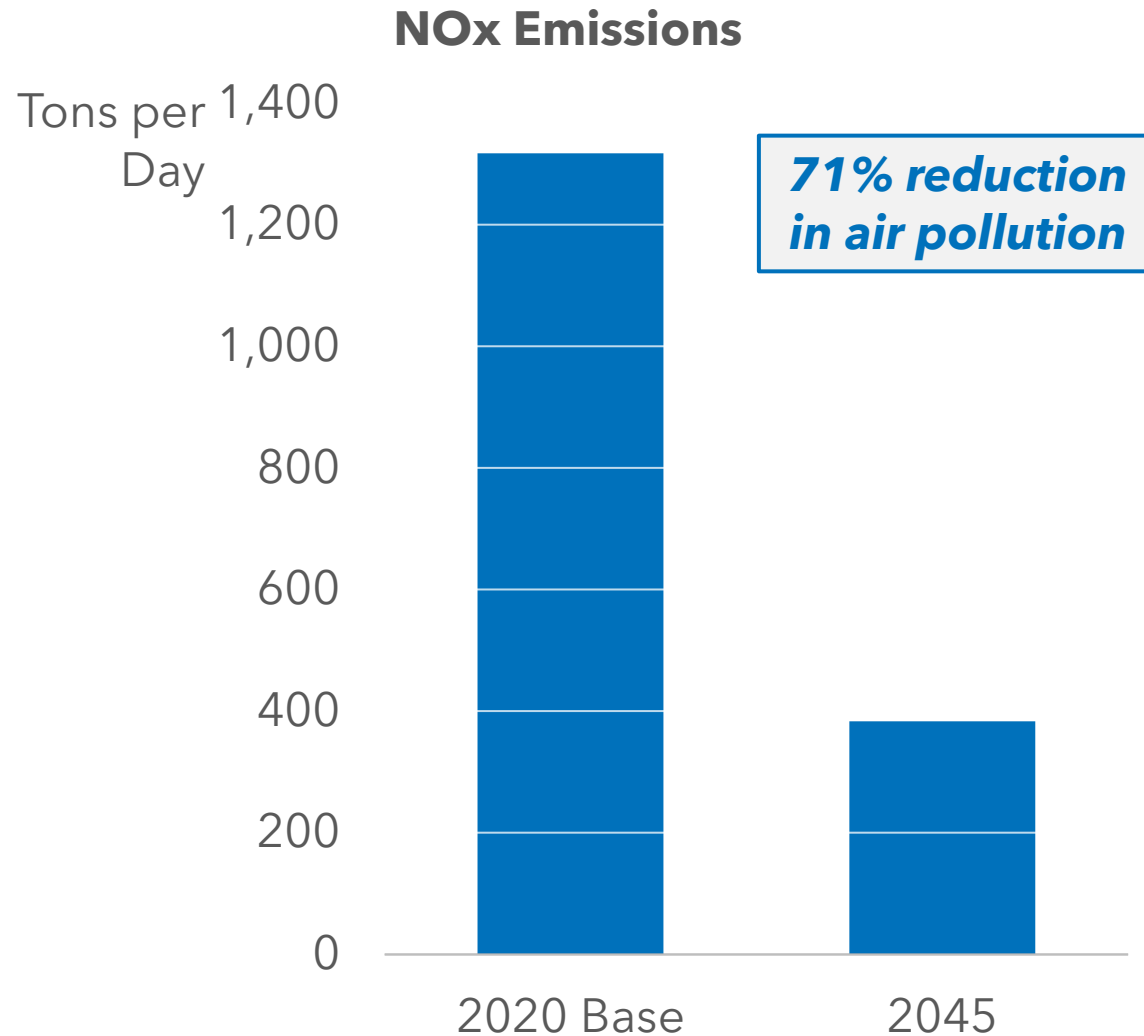
Transportation Fuels
Transition Plan
(TFTP)

The Transportation Fuels Transition Plan

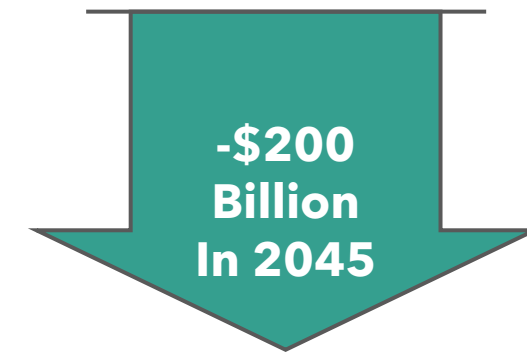
- Called for in Senate Bill X1-2
- Joint effort of California Energy Commission (CEC) and California Air Resources Board (CARB)
- Discusses how to ensure that the supply of transportation fuels is **affordable, reliable, equitable, and adequate** to meet the demand described in the [State's 2022 Scoping Plan](#)
- Prepared in consultation with a multi-party workgroup and community meetings



Fossil Fuel Combustion Reduction Will Bring Air Quality Benefits



\$200 Billion in Health Cost Savings from Decreased Fuel Combustion

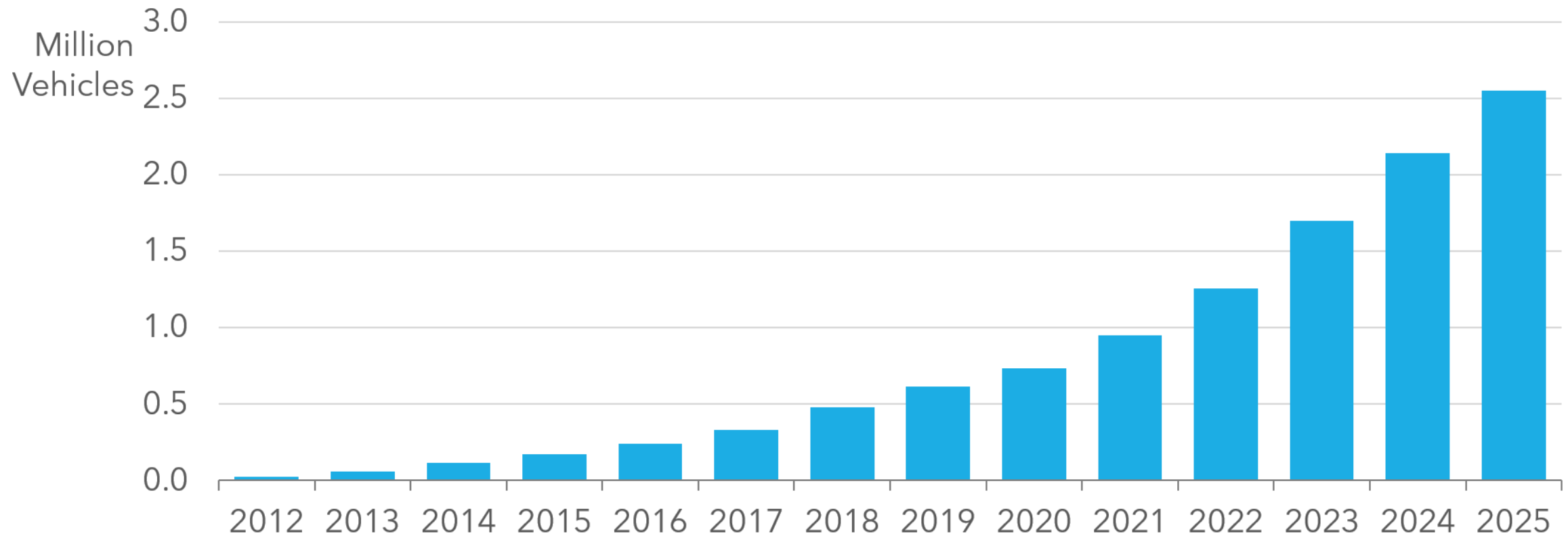


Source: 2022 Scoping Plan Update

Demand for Zero Emission Vehicles and Fuels Is Increasing in California

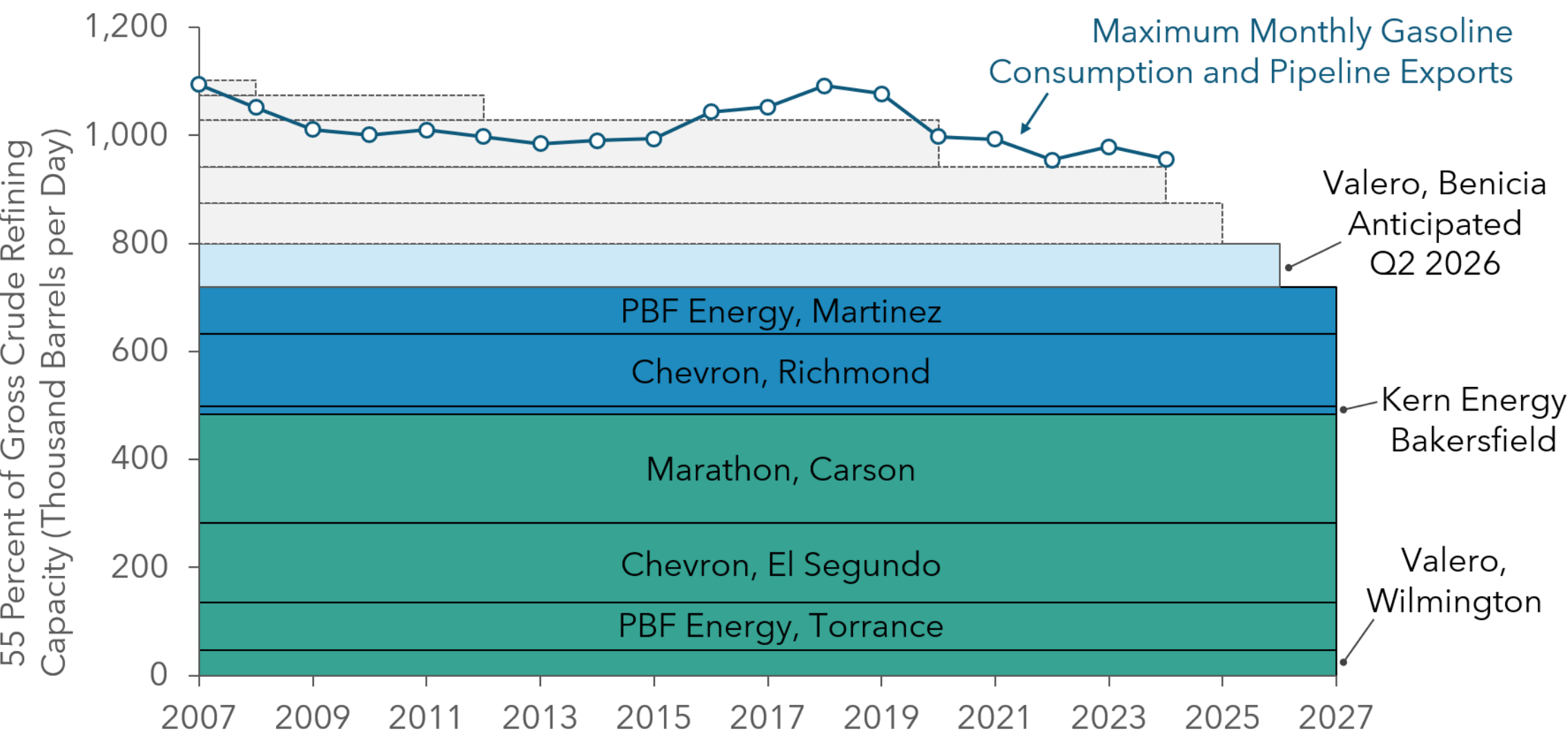


Cumulative Sales of New Light-Duty Zero-Emission Vehicles



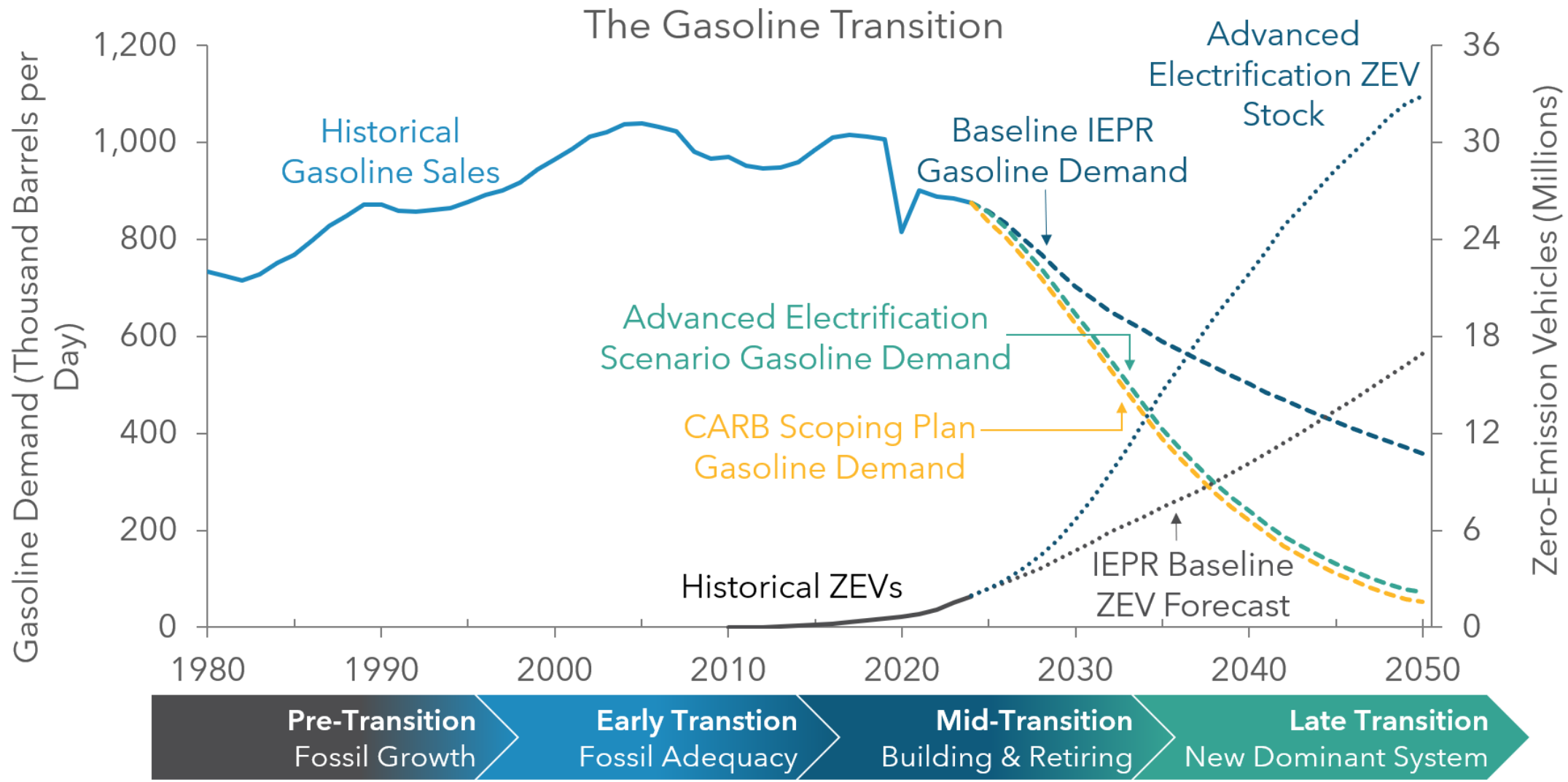


In-State Liquid Fuel Production Is Declining





Phases of California's Fuels Transition





How do we maintain a reliable and affordable fuel supply that prioritizes California's health, community, and environmental needs?

Regional and Local-Based Strategies



Topic	Mid-Transition	Late-Transition
Regional and local-based strategies	Workforce safety & transition plans	
	Pilot fund for local tax base	
	Liability transparency	
	Economic development	
	Displaced oil & gas worker fund	

Fossil Demand Reduction Strategies



Topic	Mid-Transition	Late-Transition
Fossil demand reduction strategies	Zero-emission vehicle growth	
	Alternative jet fuel	
	Jet fuel demand reduction	
	Ethanol	

Supply Stabilization Strategies



Topic	Mid-Transition	Late-Transition
Supply stabilization strategies	Resupply and minimum inventories	
	Fuel specification harmonization	
	Non-CARBOB* fee option	
	Crude oil production stabilization	
	Marine terminal capacity	
		State-operated infrastructure
		Further state intervention

* California Reformulated Gasoline Blendstock for Oxygenate Blending



Thank You!

Questions?

Quentin Gee, Ph.D.
Energy Assessments Division
quentin.gee@energy.ca.gov