



OFFICE OF THE GOVERNOR

October 25, 2024

Liane Randolph
Chair, California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Chair Randolph,

Thank you for your leadership and dedication to addressing California's climate crisis, our persistent air quality challenges, and our affordability concerns. California is on the frontlines of the climate crisis – and too many Californians continue to breathe dirty air. Together we have taken bold steps to advance clean transportation options, including a world-leading clean fuels and zero-emission vehicle agenda, on our path to achieve economy-wide carbon neutrality by 2045 and to meet federal air quality mandates.

At the same time, California families have also experienced significant gasoline price spikes – particularly during Fall 2022 and Fall 2023 – costing Californians upwards of \$2.2 billion. As we continue to shift away from fossil fuels, it's imperative that the state maintain a reliable and affordable supply of transportation fuels.

In furtherance of our work to address gasoline price spikes, the Energy Commission partnered with California regulatory agencies, including California Air Resources Board (CARB), and stakeholders to publish the Transportation Fuels Assessment. One production enhancement strategy that the Energy Commission considered is to “allow increased blending of ethanol with CARBOB from 10 percent (E10) to 15 percent (E15), effectively augmenting the existing CARBOB supply.” According to a University of California, Berkeley and United States Naval Academy study, allowing E15 fuel could result in a \$0.20 per gallon price decrease, saving Californians up to \$2.7 billion per year. Additionally, an initial analysis commissioned by the state suggests that allowing this fuel blend would result in no additional environmental harm.

Under Senate Bill 529 (Bowen, 1999), any regulatory change to change California's gasoline blend requires a Multimedia Evaluation and approval by the Environmental Policy Council – an intensive process unique to California, which the federal government and the many other states that have already allowed use of E15 fuel have not been required to undertake.

Given the potential for allowing E15 gasoline to increase fuel supply and reduce gasoline prices, with little to no environmental harm, it is prudent for CARB to prioritize resources that would allow for the expeditious completion of this process. Therefore, I am directing CARB to accelerate its action on this critical issue. Further, I welcome partnership with the Legislature next year to consider necessary statutory changes and funding that would further expedite CARB's consideration of authorizing E15.

I look forward to working with you and the Legislature to continue to tackle these challenges in the years to come.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Gavin Newsom', with a long horizontal line extending to the right.

Gavin Newsom
Governor of California