Date of Hearing: April 6, 2026

ASSEMBLY COMMITTEE ON TRANSPORTATION
Lori D. Wilson, Chair
AB 2046 (Ransom) – As Introduced February 17, 2026

SUBJECT: Vehicles: pollution control devices

SUMMARY: Deems fuel retrofit systems for gasoline to E85 for light- or medium-duty gasoline-fueled vehicles certified by the United States Environmental Protection Agency (USEPA) as compliant with state requirements. Specifically, **this bill**:

1) Exempts an alternative fuel retrofit system for a light-duty or medium-duty gasoline-fueled vehicle that converts the vehicle to a dual-fueled vehicle that can utilize gasoline or E85 fuel if the alternative fuel retrofit system has been certified by the USEPA from various air pollution-related requirements.

2) Requires that the California Air Resources Board (CARB) shall not require state certification, executive order approval, or any additional testing or demonstration for an alternative fuel retrofit device as described above.

3) States that a person who installs an alternative fuel retrofit device, as described above, shall not be deemed to have installed an unlawful emissions-related device solely on the basis that it has not been approved by CARB.

4) States that notwithstanding any other law, a person or entity that sells, dispenses, transports, or offers for sale E85 fuel shall not be subject to civil, administrative, or criminal liability for supplying E85 fuel to a vehicle equipped with an alternative retrofit device, as described above.

EXISTING LAW:

Federal Law:

1) Authorizes the USEPA to establish regulations that set standards for motor vehicle emissions (42 U.S. Code 7521).

2) Prohibits tampering with emissions controls on motor vehicles (42 U.S. Code 7522).

State Law:

1) Establishes CARB as the air pollution control agency in California and requires CARB, among other things, to control emissions from a wide array of mobile sources and coordinate with local air districts to control emission from stationary sources in order to implement the Federal Clean Air Act (Health and Safety Code (HSC) 39602; HSC 39602.5).

2) Prohibits the operation of a motor vehicle on a highway unless the motor vehicle is equipped with the required motor vehicle pollution control device that is correctly installed and in operating condition (Vehicle Code (VEH) 27156).

3) Prohibits a person from disconnecting, modifying, or altering a motor vehicle pollution control device (VEH 27156).

4) Prohibits a person from installing, selling, offering for sale, or advertising any device, apparatus, or mechanism that alters or modifies the original design or performance of a motor vehicle pollution control device or system (VEH 27156).

FISCAL EFFECT: Unknown

COMMENTS: *Greenhouse gas emissions goals.* The Legislature has set several goals to reduce greenhouse gas (GHG) emissions and address climate change. The Global Warming Solutions Act of 2006, AB 32 (Nuñez), Chapter 488, Statutes of 2006 and subsequent companion legislation SB 32 (Pavley), Chapter 249, Statutes of 2016, requires California to reduce statewide GHG emissions to 40% below the 1990 level by 2030. AB 1279 (Muratsuchi), Chapter 337, Statutes of 2022 establishes the policy of the state to achieve carbon neutrality as soon as possible, but no later than 2045. CARB is responsible for developing a Scoping Plan to detail how the state will achieve its GHG emissions reduction targets mandated by law.

Why regulate mobile source emissions? Mobile sources of air pollution are vehicles or equipment that can be moved from place to place and emit pollutants as they operate. These sources include on-road vehicles like cars, trucks, and buses, as well as non-road vehicles such as aircraft, construction equipment, and marine vessels. Mobile sources and the fossil fuels that power them are the largest contributors to the formation of ozone, GHG emissions, fine particulate matter ($PM_{2.5}$), and toxic diesel particulate matter (DPM). Statewide, more than 21 million out of over 39 million Californians live in areas that exceed the federal ozone standards; within these areas, there are many low-income and disadvantaged communities that are exposed to not only ozone, but also particulate and toxic, pollutant levels significantly higher than the federal standards which have immediate and detrimental health effects.

In California, mobile sources are responsible for approximately 80% of smog-forming nitrogen oxide (NO_x) emissions. They also represent about 50% of GHG emissions when including emissions from fuel production, and more than 95% of toxic DPM emissions.

The National Ambient Air Quality Standard (NAAQS). The Clean Air Act of 1970 instructs the U.S. Environmental Protection Agency (US EPA) to set primary NAAQS to protect public health, and secondary NAAQS to protect plants, forests, crops and materials from damage due to exposure to six criteria air pollutants. These pollutants include: particulate matter, ozone, nitrogen oxides, sulfur oxides, carbon monoxide, and lead.

Federal law (42 United States Code 7409 and 7410) requires that all states attain the NAAQS and develop State Implementation Plans (SIP) for nonattainment areas to attain the NAAQS, and attainment areas to maintain attainment. Failure of a state to reach attainment of the NAAQS by the target date can trigger penalties, including withholding of federal highway funds.

State law (HSC 39602), requires CARB to develop SIP emission reduction strategies for cars, trucks, and other mobile sources to meet the requirements in the Clean Air Act. Local air districts are primarily responsible for controlling emissions from stationary sources such as factories and power plants. CARB coordinates closely with local air districts (such as SCAQMD) in the development of attainment plans which are then incorporated into the SIP.

California's authority under the current federal administration. Under the Clean Air Act, California has unique authority to set stricter than federal regulations for mobile source emissions after receiving a waiver from the USEPA. In January 2025, the Biden administration granted waivers to CARB for Advanced Clean Cars II (ACCII), Heavy-Duty Omnibus Low NO_x (Heavy-Duty Omnibus), Small Off-Road Engines, and In-Use Off-Road Diesel Fueled Fleets regulations. Additionally, partial waivers were granted for Commercial Harbor Craft, and Transportation Refrigeration Unit regulations. CARB strategically withdrew waiver requests for Advanced Clean Fleets and In-Use Locomotive regulations prior to the Trump administration assuming office.

In April 2025, the House introduced three joint resolutions (H.J. Res.87, H.J.Res.88, H.J.Res.89) to disapprove of numerous previously approved waivers, under the Congressional Review Act. On June 12, 2025, all three joint resolutions were signed into law. California immediately filed a lawsuit against the federal government to challenge the waiver revocations (State of California, et al. v. United States, et al. (United States District Court, Northern District of California, Case No. 4:25-cv-04966)). The lawsuit is ongoing, creating uncertainty around many of California's clean vehicle regulations.

What is E85? E85 is a nominal blend of 85% ethanol and 15% gasoline alternative fuel for automobiles. E85 is often less expensive than regular; however, it is 20-30% less energy dense than gasoline which means vehicles will get fewer miles per gallon on E85 and need to fill up their tanks more frequently. As a result, choosing E85 may not always reduce the cost to consumers when fueling their vehicle.

E85 conversion kits. An E85 conversion kit allows a gasoline-powered vehicle to run on fuel containing up to 85% ethanol. There are different categories of kits currently on the market that require different levels of alteration to the vehicle. The more basic kits include ethanol sensors and utilize the vehicle's engine control unit, cost approximately $800 and can be installed at home. If the consumer does not have the expertise to install their own kit, they must pay an installer for labor, which may range from $200-$450.

E85 conversion kit certification. There are currently two government agencies that certify E85 kits: the USEPA and CARB. The USEPA updated its rule governing vehicle fuel conversion kits in April 2011. CARB approved revisions to California's Alternative Fuel Conversion regulation in September 2013. The CARB revisions provided for streamlining of the conversion approval process for 2004 model year vehicles while the certification procedures for pre-2004 vehicles remained unchanged.

The agencies' processes differ in the technicalities of their certification process. In CARB's rulemaking, they considered adopting the USEPA process and ultimately rejected it as insufficient. Proponents of this bill argue that CARB's certification process is overly rigorous. CARB has only ever received a few applications and there are currently no CARB approved E85 conversion kits. There are currently only a small number of E85 conversion kits certified by the USEPA.

Committee comments. The proponents of this bill argue that E85 conversion kits will save consumers money at the pump. However, this is unclear. As E85 is less energy dense than gasoline, a vehicle will get fewer miles per gallon from a gallon of E85 and will therefore have to fill up more often than when driving on gasoline. The cost differential between a gallon of

gasoline and a gallon of E85 must be great enough to overcome the differential between the energy density of the two fuels. This committee should consider whether this is a calculation an average consumer can be expected to make every time they fill up their tank.

There are clear benefits of E85. Burning ethanol emits less greenhouse gases than burning gasoline. Additionally, the process of making ethanol does not rely on refining processes and the feedstocks are primarily domestically grown. Therefore, ethanol is not as sensitive to imports and global market volatility.

While this bill would transfer certification authority for E85 conversion kits from CARB to the USEPA, it does not do so for other alternative fuel conversion kits, such as compressed natural gas retrofit systems. This would create an uneven playing field for the different types of fuel conversion kits.

This bill transfers authority from CARB to the USEPA for the certification of E85 kits that may be sold in the state of California. At a time when the federal government is removing expert staff and science from regulatory decisions, this committee should consider if the state should cede authority over an inherently scientific process and set a precedent for transferring approval authority to the federal government.

According to the author, "Californians consistently pay more at the pump than drivers in other states, and uncertainty about future price spikes is rising due to international conflicts and in-state refinery closures. E85 is a cheaper and cleaner fuel alternative, but not all cars can take this type of fuel. Currently, California remains the only state that prohibits the use of E85 conversion kits, which is a proven technology that allows cars to switch from gas to E85. AB 2046 would allow E85 conversion kits to operate in California, which would give consumers more choices when looking for ways to access more affordable fuel."

According to Flex Fuel Energy Development, supporters of this bill, "We are writing on behalf of Flex Fuel Energy Development (FFED), a leading French company specializing in bioethanol E85 conversion kits and engine optimization solutions. Since our founding, we have successfully provided French drivers with safe, reliable E85 conversion kits for over a decade, equipping approximately 150,000 vehicles to date. This has enabled these vehicles to operate on affordable, low-carbon E85 fuel. As pioneers in this field, we spearheaded efforts to legalize and standardize these kits in France, collaborating closely with government authorities to establish the 2017 bylaw that approved E85 conversion systems nationwide. This legislation has facilitated widespread, safe and consumer rights-focused adoption, resulting in reduced fuel costs for end users, significant environmental benefits through decreased reliance on fossil fuels, and a proven track record of emissions compliance and vehicle durability.

"We strongly support Assembly Bill 2046, which would exempt EPA-approved E85 conversion kits from California Air Resources Board (CARB) requirements, finally allowing California drivers access to this technology. California remains the only U.S. state prohibiting these kits, denying residents the opportunity to save close to $3 per gallon on fuel while advancing state climate goals by increasing the use of low-carbon alternatives."

Previous and related legislation. SB 301 (Portantino and Newman) of 2023 would have required CARB to establish the Zero-Emission Aftermarket Conversion Project which would have

provided a rebate of up to $4,000 per vehicle for qualifying vehicle conversions. The bill was vetoed by the Governor.

SB 660 (Newman) of 2017 would have created the Aftermarket Parts Account for the purpose of hiring additional staff for approving aftermarket parts. The bill died in the Assembly Transportation Committee.

AB 558 (Quirk-Silva) of 2017 would have allowed the Joint Legislative Committee on Climate Change Policies to recommend that CARB provide education and support to local governments on ensuring the use of E85 flexible fuel vehicles, among other subjects. The bill would also have required CARB to develop a summary on the distribution of E85 and flexible fuel vehicle registrations and develop policy recommendations to maximize the use of E85 in flexible fuel vehicles. The bill was vetoed by the governor.

REGISTERED SUPPORT / OPPOSITION:

Support

California Lulac State Organization
Flex Fuel Energy Development
Hondata
Pearson Fuels
Specialty Equipment Market Association
Stepone Tech

Opposition

None on file

Analysis Prepared by: Aaron Kurz / TRANS. / (916) 319-2093