



# **2012 Progress Report for Reducing or Displacing the Consumption of Petroleum Products by the State Fleet**

**State of California**

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Assembly Bill AB 236 (Lieu, Chapter 593, Statutes of 2007) added Public Resources Code Section 25722.8 (a) establishing the goal of reducing or displacing the consumption of petroleum products by the State fleet when compared to the 2003 consumption levels based on the following schedule:

1. By January 1, 2012, a 10-percent reduction or displacement.
2. By January 1, 2020, a 20-percent reduction or displacement.

To date, the State fleet has reduced its petroleum consumption by 13 percent and is on its way to meeting the 2020 goal of a 20 percent overall reduction.

Key to the success of this public policy was the development and implementation of a plan that improved the State fleet's overall use of alternative fuels, the reduction of unneeded fleet vehicles, and reducing unnecessary vehicle miles traveled. The California Action Plan for Reducing or Displacing the Consumption of Petroleum Products by the State Fleet (Plan) was submitted to the Legislature and the Governor in 2010 as a crucial step to reduce petroleum consumption by the State fleet. The Plan and all follow up progress reports are available to the public on the Department of General Services (DGS) Office of Fleet and Asset Management (OFAM) web site

To develop the Plan, the State and Consumer Services Agency created a task force known as the State Fleet Petroleum Reduction Advisory Committee (Committee) to advise the Administration on cost effective methods to meet the target petroleum reduction goals. Fleet experts from across ten State agencies developed a project charter and held public meetings over a six-month period to gather and share information, research best practices from across the country, and hear public comments. The Committee established its own web page to maintain a transparent process and keep the public informed of the Committee's progress. The Committee sought cost-effective solutions to reduce or displace the consumption of petroleum and looked for best practices throughout the nation's fleet community. The Plan provides guidance so that State agencies can better manage their respective fleets and reduce their petroleum consumption. Mindful of the State budget shortfall, the Committee set out to identify as many low-cost actions that State agencies could take in the near term to reduce their petroleum consumption. Many of these actions have been taken along with other administrative actions that have resulted in petroleum reductions, for example:

- In 2009, the State eliminated 3,397 of the State's oldest and most fuel inefficient passenger vehicles. It is estimated that this action has increased the State fleet's corporate fuel economy average by approximately 15 percent overall.
- In 2009, the State fleet began reducing vehicle miles traveled (VMT) with the elimination of 2,121 vehicle home storage permits. It is estimated that this action will save the State 141,400 to 517,524 gallons of petroleum and approximately \$424,200 to \$1.55 million per year, simply by eliminating non-mission critical VMT.

- In 2009, DGS began requiring State agencies to utilize the Fleet Asset Management System (FAMS) that DGS developed to collect vital fleet metrics. This data warehouse is available online for State agencies to import their vehicle inventories, utilization and fuel usage for trend analysis and required State and federal reports.
- In 2010, DGS restructured the lease rate of its rental fleet by separately billing State agencies for their fuel. This affords the State a better opportunity to manage fuel consumption and control costs. Each State agency leasing vehicles from DGS is now able to see how much fuel their leased vehicles are using because it is unbundled from their monthly rate, thereby enabling them to reduce costs by actively managing their fuel usage internally.
- In 2010, DGS partnered with Propel Fuels on a State and Federal grant opportunity to build 75 E85 alternative fuel stations throughout California. To date, sixteen publicly accessible E85 stations have opened.
- In 2011, DGS partnered with Coulomb Technologies on their State and federal grants to install 24 Level 2 electric charging stations at five DGS parking facilities in the Sacramento area. As of March 2012, all 24 electric charging stations have been installed and are in service.

### **2003/2010 Fuel Usage Comparison**

The table below illustrates the fuel usage by the State fleet in 2003 and 2010 as reported by the Executive Branch agencies. The only alternative fuel used in 2003 was compressed natural gas and propane which are combined for reporting purposes. Gasoline and diesel fuel dominated the State's fuel usage in 2003. By 2007, bio-fuels had begun to emerge on California's fuel landscape and by 2010 they had begun to significantly displace petroleum use in the State fleet. With the advent of bio-fuels, the State fleet increased its use of alternative fuels by 2,382 percent between 2003 and 2010. Consequently, the State fleet has reduced its use of petroleum fuel by 13-percent overall (see table below).

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<b>Fuel Type</b>	<b>2003 Alt Fuel</b>	<b>2003 Petroleum</b>	<b>2010 Alt Fuel</b>	<b>2010 Petroleum</b>
Gasoline		30,017,477		28,198,296
Diesel		8,542,238		5,310,884
Compressed Natural Gas and Propane*	159,304		281,619	
E85 Ethanol			216,723	
Electricity*			42,014	
Biodiesel			3,253,548	
Total Gallons	159,304	38,559,715	3,793,904	33,509,180
Percentage of Alternative Fuel Increase from 2003 Level			2382%	
Percentage of Petroleum Reduction from 2003 Level				13%

\*Gas Gallon Equivalent

Source: Voyager and State agencies' bulk fuel as reported to OFAM. 2011 fuel data currently being collected by OFAM.

**Conclusion**

Several factors have contributed to the State's success in meeting the 10 percent petroleum reduction/displacement target of AB 236. The implementation of the DGS FAMS database, and the requirement that State agencies regularly report into FAMS, has given the State far greater capabilities to track and analyze its fleet and petroleum consumption. Additionally, the State's recent budgetary crises have required State agencies to focus on cutting fleet expenses and rightsizing their vehicle fleets. This effort has led to immediate reductions in petroleum use through the retirement of the State's oldest and most fuel inefficient vehicles. Combined with the increased use of alternative fuels between 2003 and 2010, the State fleet has decreased its consumption of petroleum by 13 percent. As State agencies continue to reduce/displace petroleum at their current rate, the State fleet is on a trajectory to meet or exceed the 20 percent petroleum reduction goal by 2020. However, the need for additional alternative fueling infrastructure will continue to play a significant role in reducing the State's petroleum consumption going forward, as will driver education. Further efforts such as Executive Order B-16-12 will also build on this momentum and accelerate petroleum reduction as electric vehicles become a major segment of the State fleet's portfolio in future years.