



# Clean Transportation Policy Update

November 21, 2019 – January 15, 2020

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## Key State Activities

### ADMINISTRATION ACTIVITIES

## CLIMATE AND TRANSPORTATION HIGHLIGHTS FROM GOVERNOR'S DRAFT 2020-21 STATE BUDGET

Governor Newsom released his proposed FY 2020-21 state budget on January 10. In previous budgets, funding for climate activities had been focused on mitigation; this year's climate budget focuses on adaptation and resilience, investing \$12.5 billion over five years in key components such as a Climate Resilience Bond, a cap-and-trade expenditure plan funded through the Greenhouse Gas Reduction Fund, a Climate Catalyst Fund, as well as other investments and expenditures.

The Governor will work with the Legislature to get the proposed \$4.75 billion Climate Resilience Bond on the November 2020 ballot. The bond will be structured around climate risks, with approximately 80% of the funding allocated to address immediate near-term risks, such as wildfire, drought and floods. The remaining funds will address long-term climate risks, such as sea level rise and extreme heat.

The cap-and-trade expenditure plan allocates \$965 million to the following categories:

- Air toxics and criteria air pollutants (California Air Resources Board [CARB]) - \$235 million
- Low carbon transportation (CARB) - \$400 million
- Healthy forests (CAL FIRE) - \$208 million
- Climate smart agriculture (Department of Food and Agriculture [DFA]) - \$18 million
- Short-lived climate pollutants (CalRecycle and DFA) - \$35 million

- Integrated climate action: mitigation and resilience (Coastal Commission, SF Bay Conservation and Development Commission, California Conservation Corps) - \$11 million
- Climate change research, technical assistance and capacity building (Natural Resources Agency, California Energy Commission [CEC], Office of Planning and Research, Strategic Growth Council [SGC]) - \$25 million
- Workforce training for a carbon neutral economy (Workforce Development Board) - \$33 million

The budget also includes a one-time \$51 million allocation to the CEC's Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP) to accelerate the deployment of EV charging infrastructure.

Although the cap-and-trade expenditure plan allocation is less than in last year's budget, including a cut in CARB's clean transportation programs (from \$485 million last year to \$350 million this year), the budget includes a Climate Catalyst Fund, which the administration said is designed to help fill any funding gaps. The Climate Catalyst Fund is a revolving loan fund that will provide low-interest loans for climate-related projects, prioritized in areas that will meet the state's climate and equity goals, and to help spur needed technology and infrastructure deployment. The \$1 billion fund (\$250 million is funded in 2020-21, with additional funding in later years) will be administered by the state's Infrastructure Economic Development Bank in consultation with the SGC and the Workforce Development Agency.

The budget also outlines a \$53 billion five-year infrastructure plan, with more than 76% dedicated to the state's transportation system. It includes approximately \$5 billion in public transit and rail infrastructure and \$1.1 billion for active transportation projects. The plan also continues investment in high-speed rail, which is continuously appropriated from cap-and-trade auction proceeds. Other transportation-related components of the five-year infrastructure plan include:

- \$22 billion for the State Highway Operations and Protection Program (SHOPP) for new state highway repair and rehabilitation projects
- \$3.3 billion for the State Transportation Improvement Program for multi-modal transportation improvements throughout the state, including the implementation of regional Sustainable Community Strategies
- \$1 billion for partnerships with local transportation agencies

The proposed budget is available at <http://ebudget.ca.gov/>

## REGULATORY ACTIVITIES

### UPCOMING WORKSHOP ON HEAVY-DUTY VEHICLE INSPECTION AND MAINTENANCE PROGRAM

On January 29, CARB will host a workshop to discuss draft concepts for developing a comprehensive heavy-duty vehicle inspection and maintenance program (HD I/M). The program would help ensure that applicable heavy-duty vehicles operating in California have properly functioning emissions control systems and that emissions-related malfunctions are repaired in a timely manner. The HD I/M program must be adopted and implemented within two years of completing a pilot program.

Workshop information can be found at

<https://ww2.arb.ca.gov/our-work/programs/inspection-and-maintenance-program/Meetings-and-Workshops>

### CLEAN TRANSPORTATION ACCESS OUTREACH ROADMAP

In December, CARB released a draft of the “Equitable Access to Clean Transportation & Mobility Options: SB 350 Education, Outreach & Engagement Strategic Roadmap,” a document recommended in the 2018 SB 350 Low-Income Barriers Study to increase access to clean transportation for low-income residents. The roadmap is intended to improve state and local coordination and content development, better tailor and deliver information, as well as provide strategies that will increase awareness of clean transportation and mobility options through improved education and information access for low-income residents across the state. It includes actions intended to strengthen collaboration and partnerships; reach out to low-income residents in urban, rural, disadvantaged and tribal communities based on community identified needs; and increase the ability to participate in CARB or related incentive programs. Public input is due by January 27.

For more information, please visit

<https://ww2.arb.ca.gov/our-work/programs/accessible-clean-transportation-options-sb-350/sb-350-outreach-strategic-roadmap>

### REPORT ASSESSING CARB’S ZEV PROGRAMS

On December 17, CARB released a draft of the report, “Assessment of CARB’s Zero-Emission Vehicle (ZEV) Programs per Senate Bill 498,” which outlines opportunities to grow California’s ZEV market. It identifies eight policy areas to increase ZEV adoption and use, which support Executive Order N-19-19 to reduce GHGs by state agencies, and which would either require or benefit from legislative action. These policy areas include:

- Incentives and pricing strategies
- ZEV refueling infrastructure
- Fleet adoption
- Workforce development
- Lowering fuel costs
- Local policies
- Outreach and education
- Program flexibility

Staff will present this report to the Board at its January meeting when it will consider public comments on the policy recommendations before the report is submitted to the Legislature.

The report can be found at

<https://ww2.arb.ca.gov/sites/default/files/2019-12/SB%20498%20Report%20Draft%20121719.pdf>

## **FREIGHT HANDBOOK CONCEPT PAPER**

On December 12, CARB released a concept paper for the Freight Handbook, which the agency is developing as an informational resource for community advocates, local decision makers, and freight facilities. The handbook would be aimed at addressing community air pollution impacts from the siting, design, construction and operation of freight facilities. The concept paper supports the relevant freight-related actions proposed by communities that are developing Community Emissions Reduction Plans through the AB 617 Community Air Protection Program, ideas submitted to CARB from local communities, and recommendations CARB has included in CEQA comment letters on proposed freight facilities, and other existing resources. Public comments are due by February 28.

Additional information can be found at

<https://ww2.arb.ca.gov/our-work/programs/freight-handbook>

## **CARB SUSPENDS ENFORCEMENT OF PHASE 2 GHG TRAILER REQUIREMENTS**

On December 3, CARB announced that it is suspending enforcement of the Phase 2 GHG trailer standards for at least 2020 and 2021, affecting MY 2020 and 2021 trailers manufactured before January 1, 2022. The regulation for box-type trailers and certain non-box trailers hauled by heavy-duty tractors was supposed to go into effect on January 1, 2020. However, in light of a current federal court case that precludes U.S. EPA from enforcing the federal Phase 2 GHG standards and other pending litigation, CARB issued this notice. The Phase 2 GHG regulation establishes requirements for 2020 and later model year new trailers sold in California that are largely identical to the federal GHG emission standards for trailers.

For more information, please visit

<https://ww3.arb.ca.gov/enf/adv/adv295.pdf>

## **INNOVATIVE CLEAN TRANSIT RULE GUIDANCE DOCUMENT**

CARB has published a guidance package containing tools and resources to help transit agencies better understand the implementation and requirements of the Innovative Clean Transit (ICT) Rule. The guidance package contains: a fact sheet on the rule; an implementation guidance document; a rollout plan guidance document; and a statewide data collection template.

The guidance package can be found at

<https://ww2.arb.ca.gov/our-work/programs/innovative-clean-transit/ict-guidance-package>

## CARB APPROVES SOUTH COAST 8-HOUR OZONE SIP

At its December 12 meeting, CARB adopted the South Coast Air Quality Management District's attainment plan for the 1997 80 ppb 8-hour ozone standard in the South Coast Air Basin (2019 Update). The 2019 Update includes newly identified emissions reduction strategies and innovative new measures, identifies additional incentive funding to transition to the cleanest available technologies, and describes federal action and funding to achieve the required reductions from sources under federal jurisdiction. CARB will submit the 2019 Update to U.S. EPA as a revision to the California State Implementation Plan.

For more information, please visit

<https://ww3.arb.ca.gov/planning/sip/sip.htm>

## ADVANCED CLEAN TRUCKS RULE HEARING

At its December meeting, CARB held the first of two hearings on the Advanced Clean Trucks (ACT) rule. The regulation "is focused on requiring large truck manufacturers to sell zero-emission trucks in California to broaden the market and to send a clear signal that medium- and heavy-duty zero-emission vehicles will be a major part of the state's overall strategy to reduce criteria emissions, climate impacts and petroleum use." It includes two primary elements. First, it requires manufacturers to make a percentage of truck and bus sales zero-emission starting in 2024. Second, it requires large entities, including retailers, manufacturers, and government agencies, to report on any contracted truck and shuttle services they use in addition to their medium- and heavy-duty vehicle fleet. This one-time reporting requirement will help the agency develop future regulations. In February, CARB will hold the first ZEV Fleet Rule workshop, which will be developed to set actual vehicle target numbers for fleets. The second hearing on the ACT rule is slated for May.

Additional information is available at

<https://ww2.arb.ca.gov/rulemaking/2019/advancedcleantrucks>

## MULTI-STATE COMMITMENT TO ACCELERATE DEPLOYMENT OF ZERO-EMISSION BUSES AND TRUCKS

In conjunction with CARB's hearing on the ACT rule in December, California and seven states announced a Multi-State Medium- and Heavy-Duty Zero Emission Vehicle Initiative Statement of Intent to develop an action plan to accelerate the deployment of zero-emission medium- and heavy-duty trucks and buses. Partnering states include Connecticut, Maine, Massachusetts, New Jersey, Oregon, Rhode Island and Vermont, as well as the District of Columbia. These states will be providing incentives for zero-emission freight trucks, transit buses and school buses; introducing electric shuttle and urban buses into transit fleets; allocating Volkswagen settlement funds toward medium- and heavy-duty vehicle electrification; and piloting innovative approaches such as vehicle-to-grid electric school buses. This effort will be implemented through the ZEV Task Force and facilitated by

NESCAUM (Northeast States for Coordinated Air Use Management). The signatories intend to present a memorandum of understanding to their governors for consideration this summer.

For more information, please visit

[https://ww2.arb.ca.gov/sites/default/files/2019-12/Statement%20of%20Intent\\_ZEVI.pdf](https://ww2.arb.ca.gov/sites/default/files/2019-12/Statement%20of%20Intent_ZEVI.pdf)

## FUNDING ACTIVITIES

### CA CLIMATE INVESTMENTS ACTIVITIES

Following are the current activities with respect to each CCI-funded program related to transportation:

#### **Low Carbon Transportation Program (CARB)**

Recent workgroup meetings for projects funded under the Low Carbon Transportation Program have included:

- January 15 – Sustainable Transportation Equity Project (STEP) program design meeting #4
- December 17 – Clean Transportation Equity Projects
- December 10 – STEP program design meeting #3

More information is available at

<https://ww2.arb.ca.gov/our-work/programs/low-carbon-transportation-investments-and-air-quality-improvement-program>

#### **Transit and Intercity Rail Capital Program (CalSTA)**

Project applications for the Transit and Intercity Rail Capital Program (TIRCP) are due January 16. CalSTA will announce the awards by April 1.

More information can be found at

<https://calsta.ca.gov/subject-areas/transit-intercity-rail-capital-prog>

#### **Low Carbon Transit Operations Program (Caltrans)**

In late January, the State Controller's Office (SCO) is slated to release appropriation amounts and the eligibility list for the FY 2019-20 Low Carbon Transit Operations Program (LCTOP). An open call for allocation requests will be released at that time. The remaining schedule is expected to be as follows:

- Mid- to late-March – Allocation requests due
- June 30 – SCO announces allocation awards

For more information, please visit

<http://www.caclimateinvestments.ca.gov/lctop>

## **Affordable Housing and Sustainable Communities Program (Strategic Growth Council)**

Applications for the Round 5 FY 2018-19 Affordable Housing and Sustainable Communities (AHSC) Program are due on February 11. Awards will be approved in June.

More information is available at

<http://sgc.ca.gov/programs/ahsc/>

## **HYDROGEN INFRASTRUCTURE GRANTS AVAILABLE**

On December 26, the California Energy Commission (CEC) released a competitive grant solicitation for hydrogen refueling infrastructure projects that will expand California's early commercial light-duty hydrogen refueling and fuel cell electric vehicle (FCEV) markets and to accommodate the projected FCEV rollout in 2021-2024. The solicitation has \$45.7 million currently available and, subject to future appropriations and funding allocations, up to \$115.7 million could be available. Applications must be submitted by April 30.

The solicitation can be found at

<https://www.energy.ca.gov/solicitations/2019-12/gfo-19-602-hydrogen-refueling-infrastructure>

## **ANNUAL REPORT ON HYDROGEN STATIONS IN CA**

In December, CARB and the CEC published its annual joint agency staff report on the assessment of time and cost needed to attain 100 hydrogen refueling stations in California. As of December 27, 2019, 43 open retail hydrogen refueling stations had the capacity to dispense more than 11,800 kilograms of hydrogen each day, enough to support nearly 17,000 light-duty FCEVs with typical use of 0.7 kilograms per day per vehicle. Another 20 retail stations are in development and expected to open soon. Once all 63 stations are open, the network fueling capacity will be nearly 24,500 kilograms per day, enough to support about 35,000 FCEVs. The network will meet nearly two-thirds of the AB 8 (2013) goal of at least 100 publicly available hydrogen refueling stations by 2024.

To read the report, please visit

<https://ww2.energy.ca.gov/2019publications/CEC-600-2019-039/CEC-600-2019-039.pdf>

## **VW SETTLEMENT FUNDS AVAILABLE FOR FREIGHT AND MARINE PROJECTS**

On December 6, the solicitation opened for the \$60 million Combustion Freight and Marine Projects Category under the Volkswagen Environmental Mitigation Trust. Administered by the South Coast Air Quality Management District, the solicitation is open to eligible owners of in-use freight trucks, switcher locomotives, ferries, tugboats and towboats throughout California for projects that will repower or replace older internal combustion vehicles, equipment and engines with the cleanest commercially available internal combustion or hybrid technologies certified by CARB. The solicitation for the first installment of \$30 million closes on March 4,

and the selection of projects will be determined based on cost effectiveness for NOx emissions that will be reduced by the project.

More information can be found at

<http://www.aqmd.gov/vw/>

## **FUNDING FOR CLEAN OFF-ROAD EQUIPMENT COMING IN FEBRUARY**

CARB's Clean Off-Road Equipment Voucher Incentive (CORE) Project is anticipated to open for voucher requests on February 3. This program offers more than \$40 million to accelerate the purchase and use of zero-emission off-road freight technologies. Vouchers will be available for buyers to receive funding to offset the higher costs of clean, zero-emission equipment including terminal tractors, transport refrigeration units, cargo-handling equipment and more. Voucher amounts are based on the incremental cost of the piece of zero-emission off-road equipment being purchased. Additional funding is available for equipment deployed in disadvantaged communities and for charging infrastructure. CORE targets commercialized zero-emission products that have not yet made a significant entry into the market.

For more information, please visit

<http://californiacore.org/>

## **RESEARCH ACTIVITIES**

### **STUDY ASSESSING ELECTRIC TRUCK AND BUS ADVANTAGES**

A new study titled, "Comparison of Medium- and Heavy-Duty Technologies in California," examines the environmental benefits and economics of various medium- and heavy-duty transportation technologies. The study's overall conclusions include:

- Battery electric trucks and buses will have the lowest cost of ownership by 2030 or earlier even without incentives
- Battery electric trucks are the cleanest overall in terms of climate change, smog-forming and particulate matter pollution
- Among the scenarios analyzed, electrification yields the largest job gains and economic growth due to the increased investments in electric truck and bus production and charging infrastructure, together with large fuel savings for fleet owners, among other factors.

The study can be found at

<https://caletc.com/comparison-of-medium-and-heavy-duty-technologies-in-california/>

## OTHER NEWS

### COMMENT PERIOD OPEN FOR SCAG'S CONNECT SO CAL PLAN

The Southern California Association of Governments (SCAG) is accepting comments on its Draft Connect SoCal Plan, also known as the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (or RTP/SCS). This long-range planning document includes more than 4,000 transportation projects, including highway improvements, railroad grade separations, bike lanes, new transit hubs and replacement bridges. These projects are designed to reduce traffic congestion, improve the efficiency of the region's transportation network and expand mobility options. Comments are due by January 24.

The plan can be found at

<https://www.connectsocial.org/Pages/Connect-SoCal-Draft-Plan.aspx>

### PORTS RELEASE ANALYSIS ON CLEAN TRUCK FUND RATE

In late December, the Ports of Los Angeles and Long Beach released the draft "Economic Study for the Clean Truck Fund (CTF) Rate," which is a key component of the updated Clean Trucks Program. Beginning in 2020, loaded heavy-duty container trucks will pay a fee to enter or exit the port's terminals. The ports would impose a CTF rate of between \$5 and \$70 per loaded twenty-foot equivalent units (TEU) for containers that travel in or out of the ports. The fee will help fund rebates for trucks that have CARB-certified low-NOx engines or better. Public comments are due by January 31.

The report is available at

<https://cleanairactionplan.org/documents/draft-economic-study-for-the-clean-truck-fund-rate.pdf/>

## CALIFORNIA LEGISLATIVE ACTIVITIES

### UPCOMING HEARINGS IN THE SENATE AND ASSEMBLY

**Assembly** – None scheduled to date on relevant bills or topics.

**Senate** – None scheduled to date on relevant bills or topics.

### CLEAN FUEL VEHICLES POLICY & INCENTIVES

#### AB 126 (Cooper)

##### Summary

This bill relates to the CVRP and would require lower income eligibility income limits for the purchase of plug-in or electric vehicles and institute new income limits for the purchase of a fuel cell vehicle. Specifically, this bill would:

- Establish CVRP income limits for the purchase of an eligible vehicle as follows: \$125,000 for single filers; \$175,000 for head-of-household filers; and \$250,000 for joint filers. Eligible vehicles include fuel cell, battery electric and plug-in hybrid electric vehicles.
- Require CARB to increase individual rebate amounts by \$500 for applicants with household incomes less than or equal to 300% of the federal poverty level.
- Require CARB to offer CVRP rebates for only those plug-in hybrids that have an electric range of at least 40 miles.
- Sunset on January 1, 2022.

This is a two-year bill.

##### Complete Bill Information

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201920200AB126](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB126)

#### AB 1046 (Ting)

##### Summary

This bill would set as an additional goal of the Charge Ahead California Initiative the placement in service of at least 5 million near-zero and zero-emission vehicles by December 30, 2030. It also would require the forecast for the CVRP to include, among other things, the total state rebate investment necessary to facilitate reaching the 2030 goal and recommended changes to the project structure and rebate levels. Finally, the bill would require CARB to adopt criteria and other requirements to ensure that rebate levels can be phased down in increments based on cumulative sales levels.

This is a two-year bill.

##### Complete Bill Information

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201920200AB1046](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB1046)

## **AB 1406 (O'Donnell)**

### **Summary**

For the ARFVTP, this bill would require the CEC to allocate no less than 10% of the program funding for alternative fuel and advanced technology vehicles until January 1, 2024.

This is a two-year bill.

### **Complete Bill Information**

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201920200AB1406](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB1406)

## **AB 1424 (Berman)**

### **Summary**

Under the Electric Vehicle Charging Stations Open Access Act, the provider of an electric vehicle (EV) charging station would be required to offer as form of payment a toll-free telephone number to process a credit card and at least two other specified options of payment. It would prohibit any state agency from requiring a credit card payment to be done through a physical credit card or magnetic stripe reader on EV service equipment.

This is a two-year bill.

### **Complete Bill Information**

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201920200AB1424](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB1424)

## **AB 1594 (Bauer-Kahan)**

### **Summary**

This bill would require CARB to ensure that at least two EV charging stations for heavy-duty vehicles are installed at each of the Ports of Long Beach, Los Angeles, and Oakland by January 1, 2030.

### **Complete Bill Information**

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201920200AB1594](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB1594)

## **SB 59 (Allen)**

### **Summary**

This bill would establish certain guiding principles relating to autonomous vehicles in order to ensure that these vehicles support the state's efforts to, among other things, reduce GHG emissions and encourage efficient land use. The bill directs the Chair of the California Transportation Commission to create an advisory committee, called the California Council on the Future of Transportation, to provide the Governor and Legislature with recommendations for changes in state policy to ensure California's leadership in autonomous, driverless and connected vehicle technology.

This is a two-year bill.

### **Complete Bill Information**

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201920200SB59](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB59)

## **SB 216 (Galgiani)**

### **Summary**

This bill would add as an eligible project under the Carl Moyer Memorial Air Quality Standards Attainment Program a used heavy-duty truck exchange, until January 1, 2023.

This bill is a two-year bill.

### **Complete Bill Information**

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201920200SB216](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB216)

## **TRANSPORTATION PLANNING, OPERATIONS & FUNDING**

## **AB 213 (Reyes)**

### **Summary**

This bill would restore Vehicle Licensing Fee revenue to cities (approximately 140 cities statewide) that have expanded or incorporated additional areas. This is an effort to reverse a 2011 budget trailer bill which aimed to fix the state budget deficit by reallocating millions of dollars annually that would have normally gone to cities that had recently expanded or annexed new territory.

This is a two-year bill.

### **Complete Bill Information**

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201920200AB213](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB213)

## **SB 732 (Allen)**

### **Summary**

This bill would authorize the South Coast AQMD Board to approve a measure to be placed on the ballot to impose, increase, or extend a transactions and use tax in increments of .25%, up to a total of 1%, that exceeds the 2% cap. This bill would enable voters in South Coast's four-county district to consider, and approve by a 2/3 vote, a potential sales tax increase sufficient in size to pay for its Air Quality Management Plan and supplement existing revenues.

This is a two-year bill.

### **Complete Bill Information**

[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=201920200SB732](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB732)

## **Key Federal Activities**

### **FEDERAL ADMINISTRATION ACTIVITIES**

#### **UPDATE ON FEDERAL VEHICLE STANDARD ROLLBACK ACTIVITIES**

At the beginning of January, U.S. EPA Administrator Andrew Wheeler said he expects the administration's SAFE (Safer, Affordable Fuel Efficient vehicles) regulation to be final, "within the next month or so." On January 14, NHTSA and EPA submitted their proposed revisions to the White House Office of Management and Budget for final review. Last November, California and 23 other states sued EPA challenging its attempt to revoke California's Clean Air Act Waiver and seeking a protective petition from the court to review the National Highway Traffic Safety Administration's (NHTSA) effort to preempt California's right to set its own tailpipe emission standards.

For more information, please visit

<https://www.epa.gov/regulations-emissions-vehicles-and-engines/safer-affordable-fuel-efficient-safe-vehicles-proposed>

#### **PRESIDENT SIGNS LAW EXTENDING ALT FUEL TAX CREDITS**

On December 20, the President signed H.R. 1865, which extends the Alternative Fuels Tax Credit of \$0.50 per gallon fuel credit/payment for the use of natural gas as a transportation fuel, and the Alternative Fuel Vehicle Refueling Property Credit of 30%/\$30,000 investment tax credit for refueling infrastructure through 2020. It also enables the application of the credits retroactively for calendar years 2018 and 2019, since the credits expired at the end of 2017.

For more information, please visit

<https://www.congress.gov/bill/116th-congress/house-bill/1865>

### **FEDERAL ADMINISTRATIVE ACTIVITIES**

#### **U.S. EPA RULE ON HEAVY-DUTY TRUCKS MOVES FORWARD**

On January 6, U.S. EPA released an Advanced Notice of Proposed Rule soliciting pre-proposal comments on the Clean Trucks Initiative (CTI). The rule will establish new emissions standards for NOx and other pollutants for highway heavy-duty engines. It also will provide opportunities to streamline and improve certification procedures to reduce costs for engine manufacturers. EPA is seeking public input to inform the development of a subsequent notice of proposed rulemaking. Public comments will be due 30 days after the notice is formally published in the Federal Register. The final rule is not expected to be complete until 2021.

More information is available at

<https://www.epa.gov/regulations-emissions-vehicles-and-engines/advance-notice-proposed-rule-control-air-pollution-new>

## FEDERAL LEGISLATIVE ACTIVITIES

### BILL TO SUPPORT MORE EVs

On January 8, Representative Debbie Dingell (D-MI) introduced the USA Electrify Forward Act (H.R. 5558) to support and advance the development and production of EVs and infrastructure in the United States. The bill would:

- Accelerate domestic manufacturing of batteries, power electronics, and other technologies for plug-in vehicles to make EVs more efficient and match consumer expectations
- Update residential and commercial building codes to encourage the installation of EV charging infrastructure so consumers can charge EVs at home and work
- Modify and reauthorize the Advanced Technology Vehicles Manufacturing Incentive Program, a grant and loan program at the Department of energy, beginning in FY 2021 through 2030
- Require states to consider new measures to encourage deployment of EV charging stations

The bill is available at

<https://www.congress.gov/bill/116th-congress/house-bill/5558>

## FEDERAL FUNDING ACTIVITIES

### DERA FUNDING NOW AVAILABLE

In early December, U.S. EPA announced that approximately \$44 million in Diesel Emission Reduction Act (DERA) program funding is available aimed at reducing the nation's fleet of older diesel engines. Eligible applicants include regional, state, local or tribal agencies, or port authorities, with jurisdiction over transportation or air quality. Nonprofit organizations may apply if they provide pollution reduction or educational services to diesel fleet owners or have, as their principal purpose, the promotion of transportation or air quality. Between 40 and 60 awards are anticipated to be made to eligible applicants. The deadline to apply is February 26.

Program information is available at

<https://www.epa.gov/cleandiesel/clean-diesel-national-grants>

## FEDERAL RESEARCH ACTIVITIES

### REPORT HIGHLIGHTS BENEFITS OF HEAVY-DUTY ELECTRIC VEHICLES

The Union of Concerned Scientists has released a new report titled, "Ready for Work – Now Is the Time for Heavy-Duty Electric Vehicles," which documents the benefits and lists the vehicles currently available or planned for production within the next two years. Key takeaways from the report include:

- Electric trucks and buses of all types are better for the climate on all grids in the US. Depending on the average speed, an electric heavy-duty vehicle offers 44% to 79% lower GHGs than diesel on the average grid mix in the US (the greatest benefits are at low average speeds).
- There are many electric trucks and buses available in the US today or planned for production within the next two years: 70 models from 27 different manufacturers. However, while there are many vehicles becoming available, most are still being produced in small quantities.
- The analysis indicates that electric trucks will save fleets money. Some electric truck applications are cost competitive with diesel today even without incentives, and within the next 10 years, electric options are expected to be cheaper for nearly every truck and bus application. California's incentives make all types of electric trucks less expensive today.

The report is available at

<https://www.ucsusa.org/resources/ready-work#ucs-report-downloads>

## REPORT EXPLORES WAYS TO REDUCE EV INFRASTRUCTURE COSTS

At the end of December, the Rocky Mountain Institute released, "Reducing EV Charging Infrastructure Costs," which found that there are significant "soft costs" that make up a large share of the total costs of installing EV chargers. For example, the costs of permitting delays, utility interconnection requests, compliance with a balkanized framework of regulations, and the reengineering of projects because they were based on incorrect information, among others, were frequently cited as more significant cost drivers than the charging station hardware in the United States. The report concludes that ensuring that recharging an EV at a public charger is no more expensive than refueling a conventional vehicle if transportation electrification is going to proceed at a pace needed to meet our climate goals. In order to archive this, the cost of every element involved in charging infrastructure must be evaluated and reduced wherever possible.

To read the report, please visit

<https://rmi.org/insight/reducing-ev-charging-infrastructure-costs>

## ZERO-EMISSION BUS FLEETS ARE GROWING IN THE U.S.

CALSTART recently released, "Zeroing in on ZEBs: The Advanced Technology Transit Bus Index 2019," which tracks all zero-emission bus (ZEB) deployments for every state, categorized by battery electric and hydrogen fuel cell buses. Nationally, ZEBs have grown by 36% to more than 2,250 buses, either on the road or on order. California is home to the highest number of ZEBs with more than 1,000. There are 202 transit agencies nationwide that have ZEBs in use or on order, 56 of which are in California.

More information is available at

[https://calstart.org/wp-content/uploads/2019/10/Zeroing\\_In\\_on\\_ZEBs\\_Final\\_10182018-10.21.19.pdf](https://calstart.org/wp-content/uploads/2019/10/Zeroing_In_on_ZEBs_Final_10182018-10.21.19.pdf)

## STUDY EXAMINES LAST-MILE TRANSPORTATION

The World Economic Forum has released, “The Future of the Last-Mile Ecosystem,” which examines the rise of e-commerce and delivery systems in cities such as Los Angeles, London and Singapore. To address the increase in delivery vehicles, congestion and corresponding air pollution, the report provides 24 recommendations, including:

- Mandating that delivery vehicles are electric
- Replacing delivery vehicles with drones
- Requiring parcel deliveries to occur at night and before or after working hours
- Having different brands use the same parcel lockers and boxes
- Preventing delivery vehicles from double-parking and blocking lanes

To read the report, please visit

<https://www.weforum.org/reports/the-future-of-the-last-mile-ecosystem>

## STUDY SHOWS ON-DEMAND MICROTRANSIT CAN REDUCE CONGESTION AND POLLUTION

A new study by Boston Consulting Group, “On-Demand Transit Can Unlock Urban Mobility,” found that on-demand microtransit services can help reduce traffic by 15% to 30% in cities, reduce air pollution, increase economic mobility and get people out of private vehicles. The report studied services in four cities – Arlington, Texas; Seattle; West Sacramento; and Berlin – that provided public transportation options to complement existing infrastructure by filling in gaps in the mass transit system or to offer first mile/last mile coverage to nearby transit stops. In addition to offering an effective way for cities to maximize the value and ridership of existing transit, microtransit can be an effective tool to reduce CO2 emissions because these services aggregate passengers into shared vehicles, eliminating solo passenger vehicle trips for these people. For example, even though gas-powered vans were used for microtransit in West Sacramento and Arlington, these services saved an estimated 60 and 150 tons of CO2 emissions each year, respectively.

The study is available at

<https://www.bcg.com/en-us/publications/2019/on-demand-transit-can-unlock-urban-mobility.aspx>