



Clean Transportation Policy Update

November 20, 2024 – January 14, 2025

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CLIMATE AND TRANSPORTATION HIGHLIGHTS FROM GOVERNOR'S PROPOSED 2025-26 STATE BUDGET

On January 10, Governor Newsom released a summary of his proposed \$322 billion FY 2025-26 state budget. The budget has a modest surplus of \$363 million and reflects revenues of \$16.4 billion above the 2024 Budget Act.

With respect to climate investments for zero-emission vehicles and infrastructure, the budget proposal does not provide details on these allocations. However, briefings by Administration officials have made it clear that baseline investments across the whole budget would be maintained and any new investments would be limited.

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The Legislature will hold budget hearings over the coming months, and the Governor will issue a revised budget in May.

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

REGULATORY ACTIVITIES

ADVANCED CLEAN TRUCKS REGULATION UPDATE

On December 9, the California Air Resources Board (CARB) held a workshop to discuss proposed amendments on pooling credits for the Advanced Clean Trucks (ACT) regulation. The amendments would fulfill commitments in the Clean Truck Partnership agreement for CARB staff to develop a proposal with manufacturers and Section 177 States regarding a credit pooling concept for credits and deficits generated in states that have adopted the ACT regulation under Section 177 of the federal Clean Air Act. A public workshop to discuss draft regulatory text will be held early in the year, with a Board hearing anticipated in the summer or fall. The rulemaking is expected to be completed by the end of 2025.

On December 6, CARB published a myth busting fact sheet on the ACT regulation. The "Myth vs. Fact" document provides accurate and up-to-date information on the impact of the regulation.

Information on the workshop is available at <https://ww2.arb.ca.gov/our-work/programs/advanced-clean-trucks/act-meetings-workshops>

The fact sheet can be found at <https://ww2.arb.ca.gov/resources/fact-sheets/myth-vs-fact-advanced-clean-trucks>

ADVANCED CLEAN FLEETS MEETINGS

On February 10, the Infrastructure Truck Regulation Implementation Group (TRIG) will hold its sixth virtual meeting to discuss on-site electricity generation and microgrids, specifically how on-site generation is being used as a bridging solution at charging infrastructure sites while awaiting utility interconnection and energization.

On January 30, the Outreach TRIG will hold its ninth virtual meeting to discuss issues related to outreach to fleets.

Meeting information is available at <https://ww2.arb.ca.gov/our-work/programs/advanced-clean-fleets/advanced-clean-fleets-meetings-events>

ANNUAL REPORT ON HYDROGEN VEHICLES AND STATIONS IN CA

On December 27, CARB issued its report, “2024 Annual Evaluation of Fuel Cell Electric Vehicle Deployment and Hydrogen Fuel Station Network Development.” Based on an analysis of progress over the last year and projections for development through 2030, the report finds:

- As of July 15, 2024, California’s publicly accessible hydrogen fueling network has declined to 62 stations (4 fewer than 2024) and is facing supply and reliability challenges
- Hydrogen station development timelines remain a significant barrier, resulting in delayed growth of the network through 2026
- Auto manufacturers’ projections reflect significantly slower growth in planned fuel cell electric vehicle sales
- Projected total statewide network capacity will outpace hydrogen fueling demand through the end of the decade
- With minor shifts in locations in the past year, network coverage in and near disadvantaged communities has remained high
- Several priority regions across the state lack access to hydrogen infrastructure
- California’s 200th hydrogen fueling station is not expected to occur within current projections. Current projections show a maximum of 129 stations by 2030.

To read the report, please visit <https://ww2.arb.ca.gov/resources/documents/annual-hydrogen-evaluation>

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)

On December 5, CARB staff held a public work group meeting for the Clean Mobility Options Voucher Pilot Program. At the meeting, staff and the Program Administrator provided an overview of key project updates and proposed program changes, as well as received stakeholder feedback on program improvements. The program provides vouchers to fund eligible community transportation needs assessments and zero-emission mobility projects such as carsharing, bikesharing, vanpooling, ride-on-demand services, and innovative transit services to benefit underserved communities including tribes.

Additional information is available at <https://ww2.arb.ca.gov/our-work/programs/low-carbon-transportation-investments-and-air-quality-improvement-program/low-0>

Low Carbon Transit Operations Program (Caltrans)

In December, Caltrans published the program guidelines for the FY 24-25 Low Carbon Transit Operations Program (LCTOP). The expected timeline is as follows:

- LCTOP release of the updated allocation request package – January
- LCTOP allocation request workshops – February
- State Controller’s Office (SCO) releases apportionment announcement/LCTOP Call for Projects opens – March
- LCTOP allocation requests due to Caltrans – May
- Caltrans and CARB approve the list of projects and submit to SCO – September
- SCO releases approved amounts to recipients – December

For more information, please visit <https://dot.ca.gov/programs/rail/low-carbon-transit-operations-program-lctop>

Transit and Intercity Rail Capital Program & Zero-Emission Transit Capital Program (CalSTA)

Regional Transportation Planning Agencies, transit operators, and other public agencies seeking their second year of Transit and Intercity Rail Capital Program and/or Zero-Emission Transit Capital Program funding for previously approved projects for transit operations or capital improvements must submit their funding request by February 28. CalSTA will allocate the requested funding by April 30.

Additional information can be found at <https://calsta.ca.gov/subject-areas/sb125-transit-program>

MOYER ZERO-EMISSION OFF-ROAD EQUIPMENT DEADLINE EXTENDED

The deadline to apply for funding for Zero-Emission Off-Road projects under the Carl Moyer Program has been extended from October 15, 2024, to January 31, 2025. Eligible off-road heavy-duty equipment/engines include: construction equipment, cargo handling equipment, agricultural tractors, shore power, and locomotive equipment.

Additional information is available at [https://www.aqmd.gov/home/programs/business/carl-moyer-memorial-air-quality-standards-attainment-\(carl-moyer\)-program](https://www.aqmd.gov/home/programs/business/carl-moyer-memorial-air-quality-standards-attainment-(carl-moyer)-program)

CEC FUNDING OPPORTUNITIES

The California Energy Commission (CEC) has several funding opportunities for zero-emission infrastructure. These include:

- FAST 2.0 (Fast and Available Charging for All Californians) – This competitive grant program has up to \$10 million in funding available for projects that will deploy EV fast charging infrastructure for the public. The submission deadline is March 31.
- California’s National Electric Vehicle Infrastructure Formula Program (Solicitation 2) – This competitive grant program has up to \$107 million in available funding for projects that will strategically deploy publicly accessible, high-powered, direct current (DC) fast charger infrastructure to support electric vehicle (EV) travel along major corridors of the state highway system. The application deadline is March 17.
- Technical Assistance for ZEV Infrastructure Funding – This competitive grant program has up to \$4 million available for one or more third-party implementers to provide technical assistance for communities eligible to seek federal and state funding for ZEV infrastructure. The deadline to apply is February 28.

- Communities in Charge Funding (Wave 3) – This program has up to \$30 million available and provides up to \$6,500 in funding incentives per eligible port for Level 2 EV charging stations. Additional funding incentives are available for multi-family housing project sites and projects serving Tribal communities. The application deadline is January 31.
- California’s EV Charger Reliability and Accessibility Accelerator (EVC RAA) Program – This competitive grant program has up to \$59.48 million in funding available for projects that will improve the reliability of existing non-operational publicly accessible EV charging infrastructure across California. The purpose of this solicitation is to repair, replace, and install at least 1,302 charging ports across the State. The deadline to apply is January 23.

For more information, please visit <https://www.energy.ca.gov/funding-opportunities/solicitations>

SOUTH COAST AQMD AWARDS MILLIONS FOR ZERO-EMISSION INFRASTRUCTURE IN UNDERSERVED COMMUNITIES

On December 6, the South Coast Air Quality Management District (South Coast AQMD) Governing Board approved more than \$109 million to accelerate the development of zero-emission charging and hydrogen refueling infrastructure. This funding will deliver heavy-duty electric chargers and hydrogen stations along major trade corridors, including the San Pedro Bay Ports and major freeways, with a strong focus on frontline communities. Thirty funded projects will deploy 21 EV charging stations equipped with more than 800 connectors and fast chargers for heavy-duty trucks and seven hydrogen refueling stations.

For more information, please visit <https://www.aqmd.gov/docs/default-source/Agendas/Governing-Board/2024/2024-dec6-004.pdf?sfvrsn=2>

CTC AWARDS MILLIONS FOR ACTIVE TRANSPORTATION

On December 5, the California Transportation Commission (CTC) awarded \$168 million in total funding for a four-year cycle of the state’s 2025 Active Transportation Program, which runs through 2029. The South Coast region received three awards, including:

- San Gabriel Valley Council of Governments - \$20.16 million for the Safe Paths Pomona: At-Grade Pedestrian and Bike Safety project
- City of Inglewood - \$7.66 million for the Westchester/Veterans Station Multimodal Connection Project
- County of Los Angeles - \$7.99 million for the West Rancho Dominguez Walks: Providing Safer Access to Schools/Parks project

Additional award details are available at <https://catc.ca.gov/-/media/ctc-media/documents/programs/atp/2024/adoption-12-17-24.pdf>

The Legislature reconvened on January 6.

Senate President pro Tem McGuire appointed the Senate Committee Chairs for the 2025-26 legislative session. Relevant Chair appointments include:

- Appropriations – Anna Caballero (D-14)
- Budget and Fiscal Review – Scott Wiener (D-11)
 - Budget Subcommittee No. 2 on Resources, Environmental Protection and Energy – Ben Allen (D-24) (replaces Josh Becker)
 - Budget Subcommittee No. 5 on Corrections, Public Safety, Judiciary, Labor, and Transportation – Laura Richardson (D-37) (replaces Aisha Wahab)
- Transportation – Dave Cortese (D-15)
- Energy, Utilities and Communications – Josh Becker (D-35) (replaces Steven Bradford)

Assembly Speaker Rivas appointed the Assembly Committee Chairs. Relevant Chair appointments remain the same as last year and include:

- Appropriations – Buffy Wicks (D-14)
- Budget – Jesse Gabriel (D-46)
 - Budget Subcommittee No. 4 on Climate Crisis, Resources, Energy, and Transportation – Steve Bennett (D-38)
- Transportation – Lori Wilson (D-11)
- Utilities and Energy – Cottie Petrie-Norris (D-73)

UPCOMING HEARINGS IN THE SENATE AND ASSEMBLY

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

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

LEGISLATION

TRANSPORTATION PLANNING, OPERATIONS, AND FUNDING

AB 12 (Wallis)

Summary

This bill would void specified amendments to the Low Carbon Fuel Standard adopted by CARB on November 8, 2024. This currently is a spot bill.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB12

AB 34 (Patterson)

Summary

This bill would prohibit CARB from adopting any standard, regulation, or rule until the Legislative Analyst has analyzed the cost to consumers and submitted its analysis to the Legislature.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB34

SB 34 (Richardson)

Summary

This bill would require CARB to establish an intermodal goods movement stakeholder group consisting of, among others, a member from each specified ports district. The bill would require the group to develop a plan that specifies short-term thresholds of yellow, orange, and red for port emissions and specifies actions to be taken to reduce port and port-related emissions when the thresholds are reached. The group would be required to submit a report to the Legislature, on or before January 31, 2027, with its findings, recommendations, and the plan.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB34

Key Federal Activities

REGULATORY ACTIVITIES

UPDATE ON CA's VEHICLE EMISSIONS WAIVERS

On December 18, the U.S. Environmental Protection Agency (EPA) approved California's waivers for the Advanced Clean Cars II (ACC II) regulation and the Heavy-Duty Omnibus Low NOx rule. In early January, the agency also approved waivers for Small Off-Road Engines (SORE) and Transport Refrigeration Units (TRUs). Relatedly, on December 13, the U.S. Supreme Court denied a petition to review California's legal authority to set its own air pollution standards under the Clean Air Act; however, the Court will hear arguments on the issue of whether business and industry groups have standing to make a legal claim that California's Clean Air Act waiver allows the state to set rules that reduce demand for their products, i.e., internal combustion vehicles. Legal experts have expressed concern that this will open the door for the Court to issue a stay on the ACC II waiver. For on-road vehicles, California's only outstanding waiver request was for the Advanced Clean Fleets rule. CARB withdrew its waiver request for ACF on January 13 because it was not expected to be granted before the Biden Administration's term ends on January 20.

For more information on the waivers, please visit <https://www.epa.gov/state-and-local-transportation/vehicle-emissions-california-waivers-and-authorizations>

U.S. DOT RELEASES RESOURCE TO REDUCE TRANSPORTATION GHG EMISSIONS

On November 26, the U.S. Department of Transportation (DOT) released the “Climate Strategies that Work Playbook,” a resource guide for cities, regions, industry leaders, and transportation professionals to implement the most effective strategies for reducing transportation sector GHG emissions. Strategies include infrastructure investments, technology applications, and policy strategies, and address active transportation, electric vehicles, and freight operational efficiencies for use by rural and urban communities.

The Playbook is available at <https://www.transportation.gov/climate-strategies>

U.S. DOE and EPA ACTION PLAN FOR MEDIUM AND HEAVY-DUTY VEHICLES

In December, the U.S. Department of Energy (DOE) and U.S. EPA released, “A Report on Actions for Medium- and Heavy-Duty Vehicle Energy and Emissions Innovation,” which outlines strategies and actions to substantially reduce emissions in the U.S. commercial on-road medium- and heavy-duty vehicle (MHDV) sector. This builds on the U.S. National Blueprint for Transportation Decarbonization released in 2023 that provides the roadmap for innovative transportation fueling and vehicle technologies across various mode of transportation. Near-term actions to achieve meaningful emissions reductions in this sector by 2050 include:

- Deploy fueling infrastructure
 - Invest in the strategic deployment of the National Zero-Emission Freight Corridor Strategy, including a phased and coordinated deployment of high-speed charging/zero-emission refueling infrastructure within key freight hubs and along corridors
 - Scale production of hydrogen as a transportation fuel through the U.S. Department of Energy Regional Clean Hydrogen Hubs Program and the National Clean Hydrogen Strategy
- Conduct stakeholder engagement and build partnerships
 - Host net-zero-emission MHDV charging and refueling infrastructure stakeholder workshop(s) to coordinate local, state, regional, and federal actions to streamline charging and refueling infrastructure deployment process
- Support research, development, demonstration, and deployment
 - Continue to expand these activities for net-zero-emission vehicles and component technologies to enable lowered costs, improved performance, and expanded zero-emission model offerings
 - Designate a National Multimodal Freight Network

The MHDV action plan is available at <https://www.energy.gov/eere/us-national-blueprint-energy-and-emissions-innovation-transportation>

FUNDING ACTIVITIES

U.S. EPA's CLEAN HEAVY-DUTY VEHICLES GRANTS AWARDED

On December 11, U.S. EPA announced 70 funding awards totaling \$735 million through the Clean Heavy-Duty Vehicles Grant Program, funded via the Inflation Reduction Act. The program awards funding for Class 6 and 7 school buses and vocational vehicles, infrastructure, and workforce development. In the South Coast, the following awards were made:

- South Coast AQMD - \$33.9 million to replace 126 heavy-duty vocational vehicles and \$24.84 million to replace 74 fossil fuel buses with zero-emission electric buses and install 74 chargers
- Los Angeles Unified School District - \$20.37 million to replace 50 buses with zero-emission electric buses and install supporting infrastructure
- City of Pasadena - \$4.62 million to replace 17 Class 6 and 7 fossil fuel vehicles with electric vehicles and install supporting infrastructure
- City of Pico Rivera - \$762,750 to replace three diesel vehicles with zero-emission vehicles
- City of Santa Monica - \$1.3 million to replace four fossil fuel street sweepers with electric models

For more information, please visit <https://www.epa.gov/clean-heavy-duty-vehicles-program/clean-heavy-duty-vehicles-grant-program-tentative-selections>

RESEARCH ACTIVITIES

EQUITABLE EV ACTION FRAMEWORK AVAILABLE

In December, UC Berkeley Law's Center for Law, Energy & Environment released the "Equitable EV Action Plan Framework," to assist local governments, communities, and stakeholders in developing EV and electrified mobility action plans to achieve transportation decarbonization through local tailored, equity-focused strategies. The Framework includes nationwide examples of best practices, policies, and innovative pilots across public and multifamily EV charging, shared and micromobility, funding and implementation, agency coordination, and community engagement.

The Framework can be found at <https://www.law.berkeley.edu/research/cee/ev-equity/action-plan/>