



Clean Transportation Policy Update

April 21 – June 15, 2022

Key State Activities

ADMINISTRATION ACTIVITIES

FY 2022-23 BUDGET UPDATE

On May 13, Governor Newsom issued the May Budget Revise for FY 2022-23, which includes an additional \$9.5 billion in spending for climate programs. Thanks to a \$97.5 billion surplus, the budget includes additional funding for clean transportation, building upon the \$9.1 billion transportation package in the January budget. It includes an additional \$500 million for the Active Transportation Program and an additional \$750 million in incentive grants to transit and rail agencies to provide free transit for Californians for three months. It also proposes to accelerate \$1.75 billion for zero-emission vehicles (ZEVs) and infrastructure.

On June 1, the Legislature announced it had reached a budget agreement. The agreement proposes appropriating \$21 billion in General Fund money for a Legislative Climate-Energy Budget Plan, with details to be worked out at a later date. The plan would include funding for ZEVs, but an amount was not specified. Negotiations with the Governor's office are ongoing. The budget must be approved by June 15.

For more information, please visit

<https://sbud.senate.ca.gov/sites/sbud.senate.ca.gov/files/Legislative%20Version%20Summary%20Final.pdf>

IN THIS ISSUE:

Key State Activities

ADMINISTRATION ACTIVITIES

FY 2022-23 Budget Update

REGULATORY ACTIVITIES

Advanced Clean Cars II Hearing
Meeting to Discuss Moyer Program
CA EV Infrastructure Deployment
Plan Workshop
May Cap-and-Trade Auction Results

FUNDING ACTIVITIES

CA Climate Investments Activities

OTHER NEWS

AQMP Released

CA LEGISLATIVE ACTIVITIES

Upcoming Hearings in the Senate
and Assembly

LEGISLATION

Clean Fuel Vehicles Policy and
Incentives
Transportation Planning,
Operations, and Funding

Key Federal Activities

ADMINISTRATIVE ACTIVITIES

FUNDING ACTIVITIES

RESEARCH ACTIVITIES

REGULATORY ACTIVITIES

ADVANCED CLEAN CARS II HEARING

On June 9, the California Air Resources Board (CARB) held its first of two hearings on the Advanced Clean Cars II regulation. The regulation proposes 35 percent of new vehicle sales in California be zero-emission by 2026, 68 percent by 2030, and 100 percent by 2035. After much public comment and a lengthy Board discussion, the Board adopted a resolution directing staff to return with a final proposed regulation for adoption. The final Board hearing will be held in August.

For more information, please visit

<https://ww2.arb.ca.gov/rulemaking/2022/advanced-clean-cars-ii>

MEETING TO DISCUSS UPDATES TO MOYER PROGRAM

On June 30, CARB will host a second public meeting of the Incentives Program Advisory Group to consider updates to the Carl Moyer Program as vehicle electrification increases in many sectors. Staff will discuss providing greater support and access for small fleets and small businesses, improving access and increasing program usage in environmental justice communities, and accelerating zero-emission truck funding while better connecting vehicle adoption with vehicle expansion.

For more information, please visit

https://ww2.arb.ca.gov/our-work/programs/ipag-meetings?utm_medium=email&utm_source=govdelivery

CA EV INFRASTRUCTURE DEPLOYMENT PLAN WORKSHOP

On June 14, the California Energy Commission (CEC) and the California Department of Transportation (Caltrans) held a joint workshop to introduce and discuss preliminary elements of the California State Electric Vehicle Infrastructure Deployment Plan, as required by the National Electric Vehicle Infrastructure Formula Funding Program (NEVI). The goal of NEVI is to create a nationwide network of 500,000 high-powered DC fast chargers along the Federal Interstate and National Highway systems. California's share will be \$384 million over five years.

Additional information can be found at

https://www.energy.ca.gov/event/workshop/2022-06/joint-workshop-california-department-transportation-california-state?utm_medium=email&utm_source=govdelivery

MAY CAP-AND-TRADE AUCTION RESULTS

On May 18, the 31st joint California-Quebec cap-and-trade auction was held. All the current 58,331,300 allowances were sold, clearing at the settlement price of \$30.85. Of the advance auction vintage allowances, 7,942,750 were sold at a settlement price of \$28.13. The May auction generated nearly \$1.1 billion for the California Climate Investments Program. The next auction is August 17.

For more information, please visit

https://ww2.arb.ca.gov/sites/default/files/2022-05/nc-may_2022_summary_results_report.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)

On June 9, a third public work group meeting was held to discuss clean mobility investment projects and the Fiscal Year 2022-23 Update to the Three-Year Plan for Clean Transportation Equity Investments. Staff recapped the previous public work group meetings and held additional discussions with stakeholders on long-term plan development. Staff also provided more information on a proposal to implement mobility funding based on the Governor's May Budget Revise and funding projections. The Board hearing on the plan is slated for late fall.

On June 22, a third public workshop on the FY 2022-23 Update to the Three-Year Plan for Light-Duty Vehicles and Clean Transportation Equity Investments will be held. At this workshop, staff will discuss the definition of a sustainable ZEV market, provide updates on identified metrics to track progress toward a sustainable ZEV market, and discuss additional metrics to include in the analysis. Staff will also discuss and seek input on methods to ensure an equitable transition to EVs and how CARB's light-duty vehicle purchase incentives can help to overcome longstanding inequities. These vehicle purchase incentives include the Clean Vehicle Rebate Project; Clean Cars 4 All; and Financing Assistance Programs, including the Clean Vehicle Assistance Program and the Drive Clean Assistance Program.

More 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)

Caltrans and CARB will approve a list of the approved projects for the FY 2021-22 Low Carbon Transit Operations Program by mid-June. The State Controller's Office will release approved project amounts to recipients by June 30.

For more information, please visit

<https://dot.ca.gov/programs/rail-and-mass-transportation/low-carbon-transit-operations-program-lctop>

Transit and Intercity Rail Capital Program (CalSTA)

CalSTA is scheduled to announce the awards for the 2022 Transit and Intercity Rail Capital Program (TIRCP) sometime in June.

Additional information is available at

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

OTHER NEWS

AQMP RELEASED

On May 12, the South Coast Air Quality Management District released the draft 2022 Air Quality Management Plan (AQMP). The plan includes a variety of strategies that rely on NOx emissions reductions, including regulations, accelerated deployment of available cleaner technologies, best management practices, co-benefits from existing programs, incentives, and other Clean Air Act measures to achieve the 2015 8-Hour Ozone Standard. A series of workshops were held on May 25 (for the entire South Coast AQMD jurisdiction) and May 26 (for the Coachella Valley). Public comments are due by June 21.

The AQMP is available at

<http://www.aqmd.gov/home/air-quality/clean-air-plans/air-quality-mgt-plan>

CALIFORNIA LEGISLATIVE ACTIVITIES

UPCOMING HEARINGS IN THE SENATE AND ASSEMBLY

Senate – None scheduled on relevant bills or topics.

Assembly – The following hearing can be monitored online at:

<https://www.assembly.ca.gov/dailyfile>

- June 30 – The Transportation Committee will hold a hearing on SB 1230 (ZEV incentive programs)

CLEAN FUEL VEHICLES POLICY AND INCENTIVES

AB 1389 (Reyes, Friedman, Rivas)

Summary

This bill relates to the Alternative and Renewable Fuel and Vehicle Technology Program. It would revise the list of projects that the CEC is required to make eligible for funding to include, among others, medium- and heavy-duty research, and pilot, demonstration and deployment projects that reduce emissions and particulate matter from fleets in the goods movement and public transit sectors. At least 50 percent of the money appropriated to the program would be for projects located in and benefitting disadvantaged communities. Along with SB 726, this is one of the ZEV budget policy bills from last year.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1389

AB 2350 (Grayson)

Summary

This bill would require CARB to establish the Zero-Emission Aftermarket Conversion Project (ZACP) by allocating up to \$2 million annually from the Clean Vehicle Rebate Project to provide an applicant with a rebate for the purchase of an eligible vehicle that has been converted into a zero-emission vehicle or for the purchase and installation of emissions-related motor vehicle parts necessary to convert an eligible vehicle into a zero-emission vehicle. The rebate would be limited to one per vehicle and have a value of up to \$2,000.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2350

AB 2554 (O'Donnell)

Summary

This bill relates to CARB's Medium- and Heavy-Duty Zero-Emission Vehicle Purchasing Assistance Program. It would require CARB to provide incentives for drayage trucks through existing programs, or to develop and implement the Zero-Emission Drayage Truck Financial Assistance Program, to assist entities serving the ports of the state by providing financial assistance to offset the cost for the purchase of zero-emission drayage trucks.

Because this bill did not pass out of its House of Origin by the deadline, the bill is dead.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2554

AB 2562 (Bennett)

Summary

This bill relates to the CEC's Clean Transportation Program, and would require the CEC, if it awards funding to hydrogen-fueling station projects under the program, to provide preferences to those projects that are located at a port and are publicly accessible, are co-located at a fueling station for medium- and heavy-duty trucks, or are located along a state highway designated as a freight corridor.

Because this bill did not pass out of its House of Origin by the deadline, the bill is dead.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2562

AB 2731 (Ting)

Summary

Known as the Clean and Healthy School Bus Act, this bill would require, beginning on January 1, 2035, 100 percent of all newly purchased school buses to be zero-emission, where feasible.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2731

AB 2836 (E. Garcia)

Summary

This bill extends the sunset date for the Carl Moyer Program to January 1, 2034.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2836

SB 542 (Limon)

Summary

This bill would enact a state sales-and-use tax exemption for the purchase of qualified new medium- or heavy-duty zero-emission trucks.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB542

SB 1230 (Limon)

Summary

This bill expands the pool of applicants for the Clean Cars 4 All Program to be statewide, regardless of whether the air district in which applicants reside has implemented the program. The bill also applies new, uniform requirements to clean vehicle incentive programs in California.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1230

TRANSPORTATION PLANNING, OPERATIONS, AND FUNDING

AB 1919 (Holden)

Summary

Upon the appropriation of money by the Legislature, this bill would create the Youth Transit Pass Pilot Program, administered by the Department of Transportation, for purposes of awarding grants to transit agencies for the cost of offering free youth transit passes to all persons 25 years of age and under.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1919

AB 2563 (Quirk)

Summary

This bill would require air pollution control and air quality management districts to establish a uniform permit program for mobile fueling on-demand tank vehicle operations.

Because this bill did not pass out of its House of Origin by the deadline, the bill is dead.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2563

AB 2703 (Muratsuchi)

Summary

This bill would require a person who receives state funding under the Clean Transportation Program or other incentives to deploy a publicly available EV charging station to agree, as a condition of receiving the incentive, to operate the station in compliance with reliability standards that would be developed by the CEC. The bill would also require the CEC, upon appropriation by the Legislature, to develop a program to provide financial assistance to low-income and disadvantaged community members to use EV charging stations.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2703

SB 726 (Gonzalez)

Summary

This bill would update the CEC's Clean Transportation Program and would require the CEC and CARB to develop a Sustainable Transportation Strategy to identify plans, actions and required funding needed to meet California's greenhouse gas reduction and criteria pollutant reduction goals in a cost-effective and efficient manner. Along with AB 1389, this is one of the ZEV budget policy bills from last year.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB726

SB 942 (Newman)

Summary

This bill relates to the Low Carbon Transit Operations Program. It would authorize a transit agency that uses program money to fund a free or reduced-fare transit program and that demonstrates compliance with certain requirements in its initial program application to continue to use those moneys to maintain that program on an ongoing basis without demonstrating continued compliance with those requirements.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB942

SB 1010 (Skinner)

Summary

This bill would, beginning December 31, 2024, require at least 50 percent of medium- and heavy-duty vehicles with a gross vehicle weight of 8,501 pounds or more newly purchased by the Department of General Services and other state entities for the state vehicle fleet to be ZEVs. The bill would, beginning December 31, 2027, require 100 percent of newly purchased medium- and heavy-duty vehicles with a gross vehicle weight of 8,501 pounds or more for the state vehicle fleet to be ZEVs. This bill would require the department, beginning no later than the 2026–27 fiscal year, to ensure that 100% of the light-duty vehicles purchased for the state vehicle fleet each fiscal year are ZEVs.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB1010

SB 1251 (Gonzalez)

Summary

This bill would create the Office of the Zero-Emission Vehicle Equity Advocate in the Governor's office to steer the development of a shared, cross-agency definition of equity, and to set an equity agenda for the deployment of light-, medium-, and heavy-duty ZEVs, the supporting infrastructure, and workforce development.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1251

SB 1482 (Allen)

Summary

This bill would require mandatory building standards for the installation of EV charging infrastructure for parking spaces in multifamily dwellings to require that each dwelling unit with access to a parking space have access to a 208/240-volt branch circuit of at least 20 amps.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB1482

Key Federal Activities

ADMINISTRATIVE ACTIVITIES

PROPOSED RULEMAKING FOR EV INFRASTRUCTURE PROGRAM

On June 9, the Federal Highway Administration announced a Notice of Proposed Rulemaking on proposed minimum standards and requirements for projects funded under the National Electric Vehicle Infrastructure (NEVI) Formula Program. The NEVI Formula Program's purpose is to provide funding to states to strategically deploy EV charging infrastructure and to establish an interconnected national network. Currently, there are no national standards for the installation, operation, or maintenance of EV charging stations and there are wide disparities in operations and costs of different charging providers. The minimum standards will ensure a unified network of chargers with similar payment systems, pricing information, charging speeds, and more. Comments will be due 60 days from publication of the notice in the Federal Register.

For more information, please visit

https://www.fhwa.dot.gov/environment/alternative_fuel_corridors/resources/nprm_evcharging_unofficial.pdf

FUNDING ACTIVITIES

A HALF BILLION AVAILABLE FOR CLEANER SCHOOL BUSES

In May, U.S. EPA announced it has \$500 million available through the 2022 Clean School Bus Rebates program for zero-emission and low-emission school buses. Eligible buses include those that have a battery-electric, CNG or propane drivetrain. Online applications are due by August 19.

Additional information can be found at

<https://www.epa.gov/cleanschoolbus/school-bus-rebates-clean-school-bus-program>

FUNDING FOR TRANSIT PLANNING ADDRESSING CLIMATE CHANGE AND EQUITY

On May 26, the U.S. DOT announced \$13 million in competitive grant funds through the Federal Transit Administration's Pilot Program for Transit-Oriented Development Planning. The program is designed to support comprehensive or site-specific planning efforts to reduce transportation and housing costs for American families, combat climate change, and promote equitable delivery of benefits to underserved communities. Special consideration will be given to applications that improve air quality, advance environmental justice and promote housing affordability. Eligible applicants must be an existing FTA recipient. The application period closes on July 25.

For more information, please visit

<https://www.transit.dot.gov/TODPilot>

REPORT SHOWS MOST EVs ARE LESS EXPENSIVE THAN GAS VEHICLES

A report by Energy Innovation titled, “Most Electric Vehicles are Cheaper to Own Off the Lot Than Gas Cars,” finds that in most states, financing and owning an EV is cheaper on a monthly basis than financing and owning an equivalent gas vehicle. The study compares the monthly ownership costs of six EV and gasoline equivalent vehicles, accounting for financing costs, state taxes and fees, state and federal rebates and tax credits, fuel costs, maintenance and insurance costs. Looking at the total cost of ownership, EV owners save on average \$6,000 over the vehicle’s lifetime, contingent on the existing \$7,500 federal EV tax credit.

The report is available at

<https://energyinnovation.org/wp-content/uploads/2022/05/Most-Electric-Vehicles-Are-Cheaper-Off-The-Lot-Than-Gas-Cars.pdf>