



Clean Transportation Policy Update

April 15 – June 16, 2021

Key State Activities

ADMINISTRATION ACTIVITIES

FY 2021-22 STATE BUDGET APPROVED; NEGOTIATIONS ON TRANSPORTATION INVESTMENTS WILL CONTINUE

On June 14, the Legislature approved the state budget; however, many of the details remain to be worked out and negotiations will continue with the Governor's office. For zero-emission vehicle (ZEV) related programs, overall funding levels were set, yet the details are being deferred until the Legislature votes on them later this summer. Between now and the end of the legislative session in September, the Legislature will work on a "Budget Jr." bill which will settle where the money actually goes. The current budget bill allocates approximately \$2.7 billion for a zero-emission vehicles and infrastructure package in 2021-22 (from the General Fund, Greenhouse Gas Reduction Fund, and a special fund), and \$3.9 billion over three years.

Additional information can be found at

https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB128

REGULATORY ACTIVITIES

SCOPING PLAN WORKSHOP ON TRANSPORTATION

On June 10, the California Air Resources Board (CARB) hosted a workshop on the 2022 Scoping Plan, with a focus on the transportation sector. This is part of a three-day public workshop series to kick off the development of the update to the AB 32 Climate Change Scoping Plan, which will provide the roadmap for how California will achieve its carbon neutrality goal by 2045. CARB's Mobile Source Analysis Division presented on its vision for zero-emission transportation and how the Mobile Source Strategy will reduce harmful emissions from the

IN THIS ISSUE:

Key State Activities
ADMINISTRATION ACTIVITIES
FY 2021-22 State Budget Approved;
Negotiations on Transportation
Investments will Continue

REGULATORY ACTIVITIES
Scoping Plan Workshop on
Transportation
Increasing Clean Transportation
Listening Session
Freight Days Held
Transportation Infrastructure
Webinar Held
Clean Miles Standard Approved

FUNDING ACTIVITIES
CA Climate Investment Activities
HVIP Funding Opened and
Oversubscribed
Latest VW ZEV Investment Plan
Available
Zero-Emission Freight and Marine
Projects Funding

CA LEGISLATIVE ACTIVITIES
Upcoming Hearings in the Senate
and Assembly

LEGISLATION
Clean Fuel Vehicles Policy &
Incentives
Transportation Planning,
Operations and Funding
Air Quality
Climate Policy

Key Federal Activities
LEGISLATIVE ACTIVITIES
RESEARCH ACTIVITIES

transportation sector. The California Public Utilities Commission outlined considerations in designing electricity rates for electric vehicle (EV) charging. The California Energy Commission's Advanced Vehicle Infrastructure Office highlighted the performance to date of its infrastructure funding programs and upcoming funding opportunities for infrastructure to serve ridesharing companies, multi-unit dwelling residents, and rural drivers. Caltrans discussed its two key plans to reduce vehicle miles traveled (VMT) – the California Transportation Plan 2050 and the Climate Action Plan for Transportation Infrastructure. The Scoping Plan will be developed over the next 18 months and will go to the Board in late 2022.

For more information, please visit

<https://ww2.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan/scoping-plan-meetings-workshops>

INCREASING CLEAN TRANSPORTATION LISTENING SESSION

On June 29, CARB will host a listening session about what the State is doing to increase equitable access to clean transportation through the Advanced Clean Cars regulation, available incentive programs for cars and charging, and workforce development. The listening session presents the public with the opportunity to share with CARB staff its experiences and suggestions about how communities can gain better access to cleaner transportation options.

For more information, please visit

<https://content.govdelivery.com/accounts/CARB/bulletins/2e3a1bf>

FREIGHT DAYS HELD

On June 8 and 10, CARB hosted Freight Days, where staff from the Transportation and Toxics Division discussed upcoming freight programs and regulations and gathered public input. The first event covered seaports, railyards and border crossing facilities. The second event focused on warehouses and airports, as well as CARB's freight regulatory and CEQA process.

Additional information can be found at

<https://ww2.arb.ca.gov/events/carb-freight-days-0>

INFRASTRUCTURE WEBINAR HELD

On June 2, CARB hosted a multi-agency virtual forum on medium- and heavy-duty zero-emission fueling infrastructure. The three-session forum presented information on state agency efforts to determine, manage, and fund the state's infrastructure needs, as well as the efforts of public and private partners to meet the demand for zero-emission fuels.

More information can be found at

https://events.sreconference.com/sites/3/ev/reachzero2021/reg/?utm_medium=email&utm_source=govdelivery

CLEAN MILES STANDARD APPROVED

On May 20, CARB approved the Clean Miles Standard for transportation network/rideshare companies. Beginning in 2023, rideshare companies must begin electrifying their fleets to meet annual greenhouse gas (GHG) and electrification targets. By 2030, these companies must achieve a level of zero GHG emissions and ensure that 90 percent of their vehicle miles are fully electric.

More information is available at

<https://ww2.arb.ca.gov/our-work/programs/clean-miles-standard>

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 14, a public workgroup meeting was held to discuss funding allocations outlined in the state budget for Clean Transportation Equity Projects. These projects include: Clean Cars 4 All, financing assistance for low-income consumers, clean mobility options projects, and sustainable transportation equity projects.

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)

The State Controller's Office is slated to release the approved project amounts for the FY 2020-21 Low Carbon Transit Operations Program by June 30.

For more information, please visit

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

Affordable Housing and Sustainable Communities Program (Strategic Growth Council)

Applications for the 2019-20 Affordable Housing and Sustainable Communities (AHSC) Program were due by June 8. The SGC is slated to adopt the Round 6 awards on October 28.

More information is available at

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

HVIP FUNDING OPENED AND OVERSUBSCRIBED

On June 8, the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) reopened to new voucher requests, but this first round of funding, \$84 million, was allocated before the close of the first day, demonstrating the need for incentives for new, zero-emission and near-zero emission heavy-duty vehicles. A second round of funding, up to \$83 million,

will be available on August 10. Class 8 trucks performing drayage operations, as well as vehicles purchased by public agencies, will be allowed to apply for funding between the first and second rounds of funding.

Additional information can be found at

<https://californiahvip.org/>

LATEST VW ZEV INVESTMENT PLAN AVAILABLE

On May 4, CARB released, “California ZEV Investment Plan: Cycle 3,” the latest 30-month investment plan funded from Volkswagen’s settlement account. The plan outlines how Electrify America is proposing to spend the third installment of its \$200 million investment in zero-emission vehicles and infrastructure in the state. Investments will be made in three categories:

- Infrastructure – \$127 million
- Education, awareness, access and marketing – \$28 million
- Green cities – a \$25 million investment in Long Beach/Wilmington for ZEV technologies for transit and heavy-duty operations

Staff will present this plan to the Board at its June 24 meeting.

The plan is available at

https://media.electrifyamerica.com/assets/documents/original/685-20210503PublicCaliforniaC3ZEVInvestmentPlanFinalvF.pdf?utm_medium=email&utm_source=govdelivery

ZERO-EMISSION FREIGHT AND MARINE PROJECTS FUNDING

On May 25, the solicitation for Zero-Emission Freight and Marine Projects was released. Funded through the Volkswagen Environmental Mitigation Trust, the solicitation is offering up to \$34 million on a first-come, first-served basis for projects such as scrapping and replacing heavy-lift forklifts, port cargo handling equipment, ferries, and tugboats, as well as shore power installation projects at berths that serve ocean-going vessels. An additional \$35 million is expected to be available by mid-2022.

For more information, please visit

<https://www.californiavwtrust.org/zero-freight-marine/>

CALIFORNIA LEGISLATIVE ACTIVITIES

UPCOMING HEARINGS IN THE SENATE AND ASSEMBLY

Senate – None on the relevant bills or topics.

Assembly – None on the relevant bills or topics.

CLEAN FUEL VEHICLES POLICY & INCENTIVES

AB 96 (O'Donnell)

Summary

This bill relates to the California Clean Truck, Bus and Off-Road Vehicle and Equipment Technology Program, and would extend the requirement that 20 percent of funding be made available to support early commercial development of existing zero- and near-zero-emission heavy-duty truck technology from December 31, 2021, to December 31, 2026.

This bill failed to pass out of its house of origin by the deadline, therefore, it has become a 2-year bill.

Complete Bill Information

http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB96

AB 111 (Boerner Horvath)

Summary

This bill would require the Department of Transportation to implement a Safe and Clean Truck Infrastructure Program to support the construction and operation of zero-emission medium- and heavy-duty vehicle parking and electric vehicle charging and hydrogen refueling infrastructure on public and private properties.

This bill failed to pass out of its house of origin by the deadline, therefore, it has become a 2-year bill.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB111

AB 117 (Boerner Horvath)

Summary

This bill relates to the Clean Vehicle Rebate Project and would allow incentives for purchasing electric bikes to be eligible under the program.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB117

AB 363 (Medina)

Summary

This bill relates to the On-Road Heavy-Duty Voucher Incentive Program (VIP). It would require CARB upon appropriation by the Legislature, to develop project grant criteria and guidelines for a new On-Road Heavy-Duty Vehicle Incentive Program (VIP2) that shall provide additional incentives for projects eligible for program funding that are deployed in

disadvantaged communities. For purposes of the VIP2, the state would be authorized to allow existing engines or existing vehicles, as defined, regardless of model year, and all on-road heavy-duty vehicle types, regardless of vehicle type or application to participate in VIP2.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB363

AB 365 (O'Donnell)

Summary

This bill would exempt the purchase of new and used zero- and near-zero-emission drayage trucks from the state's sales and use tax requirements.

This bill failed to pass out of its house of origin by the deadline, therefore, it has become a 2-year bill.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB365

AB 745 (Gipson)

Summary

As part of the Clean Cars 4 All Program, this bill would require CARB to provide vouchers for the purchase of zero-emission vehicles to low-income consumers living in disadvantaged communities to replace their vehicles that have failed a smog check inspection.

This bill failed to pass out of its house of origin by the deadline, therefore, it has become a 2-year bill.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB745

AB 906 (Carrillo)

Summary

This bill would exempt from the state's sales and use tax requirements the sale, storage, use or other consumption of fuel for the operation of a zero-emission medium- or heavy-duty truck that is leased after July 1, 2022.

This bill failed to pass out of its house of origin by the deadline, therefore, it has become a 2-year bill.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB906

AB 1110 (Rivas)

Summary

This bill would establish the Office of the California Clean Fleet Accelerator and the position of the Clean Vehicles Ombudsperson for the purpose of supporting the Department of General Services in developing and issuing a master or leveraged purchase agreement for use by state and local agencies purchasing zero-emission fleet vehicles.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1110

AB 1218 (McCarty, Berman, Medina)

Summary

This bill would establish the Equitable Access to Zero-Emissions Vehicle Fund. More specifically the bill would:

- After January 1, 2023 require passenger vehicles sold by a manufacturer to meet specified GHG emission standards pursuant to a tiered plan. The tiered plan would require the vehicles in the 2030 calendar year to meet, on average, a GHG emissions standard that is 60 percent and 40 percent below, depending on the class of vehicle, the average GHG emissions level for those classes of vehicles in the 2020 calendar year.
- Require CARB to impose an administrative civil penalty on a manufacturer who violates these requirements, and any revenues to be deposited into the Equitable Access to Zero-Emission Vehicles Fund. The funding would be available for a new vehicle rebate program.

This bill failed to pass out of its house of origin by the deadline, therefore, it has become a 2-year bill.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1218

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, 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.

Complete Bill Information

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

SB 372 (Leyva)

Summary

This bill would require the California Pollution Control Financing Authority to establish a program to make financing tools and nonfinancial support available to the operators of medium- and heavy-duty vehicle fleets to enable those operators to transition their fleets to zero-emission vehicles.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB372

SB 551 (Stern)

Summary

This bill would establish the California Electric Vehicle Authority within the GO-Biz office to coordinate activities among state agencies to advance EVs and zero-emission charging infrastructure deployment, as well as ensure related equity, workforce development, economic development and other needs are addressed.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB551

TRANSPORTATION PLANNING, OPERATIONS AND FUNDING

AB 965 (Levine)

Summary

This bill would require the Department of Housing and Community Development and the Building Standards commission to propose building standards regarding the installation of future electric vehicle charging infrastructure for existing multi-family unit dwellings and non-residential development by July 1, 2024, or the publication of the next interim California Building Code.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB965

SB 671 (Gonzalez)

Summary

This bill would establish the Clean Freight Corridor Efficiency Assessment to be developed by the CTC. The Commission would be required to identify freight corridors throughout the state that would be priority candidates for the deployment of zero-emission medium- and heavy-duty vehicles.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB671

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 GHG 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.

Complete Bill Information

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

AIR QUALITY

AB 426 (Bauer-Kahn)

Summary

Known as the Air Quality Analysis Act, this bill would authorize local air districts to adopt and implement regulations to require air pollution data collection within their districts to enable the calculation of health risks from toxic air contaminants. The data could be collected both from indirect and area wide sources of air pollution and from mobile sources associated with those sources. For example, air districts would be allowed to collect data from indirect sources of pollution, such as warehouses and distribution centers.

This bill failed to pass out of its house of origin by the deadline, therefore, it has become a 2-year bill.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB426

SB 342 (Gonzalez)

Summary

This bill would add two new environmental justice representatives to the South Coast AQMD Governing Board. One member would be appointed by the Senate Rules Committee and one member would be appointed by the Speaker of the Assembly. The members must reside in and work directly with communities in the South Coast air basin that are disproportionately burdened by and vulnerable to high levels of pollution and issues of environmental justice.

This bill failed to pass out of its house of origin by the deadline, therefore, it has become a 2-year bill.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB342

CLIMATE POLICY

SB 45 (Portantino, Allen, Hurtado, Stern)

Summary

This bill would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022, a \$5.5 billion bond measure that would be placed on the November 2022 ballot for voter approval.

This bill failed to pass out of its house of origin by the deadline, therefore, it has become a 2-year bill.

Complete Bill Information

http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB45

Key Federal Activities

FEDERAL LEGISLATIVE ACTIVITIES

SENATE EPW COMMITTEE PASSES SURFACE TRANSPORTATION BILL

On May 26, the Senate Environment and Public Works Committee unanimously passed a bipartisan surface transportation reauthorization bill. The Surface Transportation Reauthorization Act of 2021 provides a historic level of funding – \$303.5 billion – for highway, road and bridge programs. This is a 34 percent increase from the last reauthorization in 2015. Congress' one-year extension of the prior authorization for the surface transportation program will expire on September 30. The bill now heads to the Senate Floor.

A summary of the bill can be found at

https://www.epw.senate.gov/public/_cache/files/a/5/a53f0dff-9ebc-4ab2-a74c-f11698c6a93d/C4B5572EE70DE0D4689DD1B00EFF24C9.section-by-section-clean-final.pdf

HOUSE T&I COMMITTEE PASSES ITS SURFACE TRANSPORTATION BILL

On June 4, the House Transportation and Infrastructure Committee unveiled its own version of a surface transportation bill. The Investing in a New Vision for the Environment and Surface Transportation in America, or INVEST in America Act, is a \$547 billion surface transportation reauthorization that, among other investments, allocates \$4 billion for EV charging infrastructure, \$8.3 billion for efforts to reduce carbon pollution, and \$109 million in funding for transit agencies to help fleets transition to zero-emission vehicles. The bill passed on June 11, and will go to the House Floor during the week of June 28.

More information is available at

<https://transportation.house.gov/imo/media/doc/2021%20INVEST%20in%20America%20Act%20Fact%20Sheet.pdf>

GREEN TRANSPORTATION ACT RELEASED

On May 11, Representatives Lloyd Doggett (D-TX) and Earl Blumenauer (D-OR), along with 20 other lawmakers, introduced the Green Transportation Act, directing cities and states to reduce GHG emissions from the transportation sector. The bill would require the Department of Transportation to work with U.S. EPA to establish national goals and performance measures for GHG emissions reductions. Using these measures as a guide, states and metropolitan planning organizations would then establish their own GHG reduction targets in their long-range public transit and highway planning. States that achieve the most significant reductions would receive additional flexibility in how they can spend carbon pollution reduction apportionment program funding.

For more information, please visit

<https://doggett.house.gov/media-center/press-releases/encouraging-green-local-leadership-doggett-green-transportation-act>

FEDERAL RESEARCH ACTIVITIES

ANALYSIS SHOWS BENEFITS OF FEDERAL INVESTMENTS IN ON-ROAD DECARBONIZATION

A new paper by the Rhodium Group, “Pathways to Build Back Better: Investing in Transportation Decarbonization,” looks at the impacts of potential new, long-term federal investments in on-road decarbonization and how investments might interact with potential new vehicle regulations. The package of investments provided in the federal administration’s Build Back Better proposal in charging infrastructure, trucks, and passenger vehicles (which includes consumer incentives of between \$7,500 and \$11,250) would drive light-duty battery electric vehicle sales from 2 percent today to between 40 and 61 percent of all light-duty vehicles in 2031, depending on incentive generosity, battery prices, and regulatory actions. This would drive on-road vehicle turnover resulting in major emission reductions in the 2030s. Moreover, the investments could make the total cost to own an EV as much as 16 percent less expensive than the average gas vehicle.

For more information, please visit

<https://rhg.com/research/build-back-better-transportation/>