



Clean Transportation Policy Update

April 17 – June 18, 2024

Key State Activities

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FY 2024-25 BUDGET UPDATE

On June 13, the Legislature passed the State budget that reflects the agreement between the Senate and the Assembly and aligns with the bulk of the Governor's budget proposals, but did not include all of the provisions from the Governor's May Revise, which was released on May 10. The Legislature passed the budget to meet the June 15 statutory deadline. The budget that was passed likely will be amended via a "budget bill junior" to reflect subsequent budget bill compromises between the Legislature and the Governor.

For climate and clean transportation-related programs, the budget:

- Adopts a 5-year Greenhouse Gas Reduction Fund (GGRF) spending plan and \$5.2 billion in fund shifts to the GGRF, which is consistent with the Governor's May Revise
- Rejects the provision in the May Revise to cut the Active Transportation Program and shifts \$200 million in funding from the General Fund to the State Highway Account
- Provides \$338 million in General Fund and \$174 million from GGRF for the Competitive Transit and Intercity Rail Capital Program
- Provides \$812 million in General Fund and \$188 million in GGRF to the Formula Transit and Intercity Rail Capital
- Cuts \$150 million in General Funds for the Highways to Boulevards program and shifts \$75 million to GGRF
- Provides \$220 million from GGRF for the Zero Emission Transit Capital Program

- Delays \$100 million from the Ports and Freight Infrastructure Program of the \$1.2 billion total
- Reduces the California Energy Commissions' (CEC) Drayage Trucks and Infrastructure Pilot Project by \$9.3 million of \$25 million total
- From the ZEV package:
 - Cuts \$143.0 million from Fueling Infrastructure Grants, leaving \$726.1 million spread out over multiple years
 - Cuts \$20 million from the Equitable At-Home Charging program
 - Cuts \$80.8 million from Drayage Trucks and Infrastructure, leaving \$419.2 million spread out over multiple years
 - Cuts \$137.8 million from Clean Trucks, Buses, and Off-Road Equipment Infrastructure for EV charging and hydrogen refueling, leaving \$532.2 million spread out over multiple years

Additional information is available at

<https://ebudget.ca.gov/budget/2024-25MR#/Home>

and

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB107

REGULATORY ACTIVITIES

CARB TO CONSIDER 2024 SOUTH COAST PM2.5 PLAN IN LATE JUNE

At its June 27 meeting, the California Air Resources Board (CARB) will consider adopting the South Coast Air Basin Attainment Plan for the 2012 Annual PM2.5 Standard (2024 South Coast PM2.5 Plan) developed by the South Coast Air Quality Management District (South Coast AQMD). The plan incorporates emissions reductions from measure commitments in the 2022 State Implementation Plan (SIP) Strategy that, along with South Coast AQMD measures, demonstrate attainment of the 12 micrograms per cubic meter of air annual PM2.5 standard by December 31, 2030. If adopted, CARB will submit the 2024 South Coast PM2.5 Plan to the U.S. EPA for inclusion in the California SIP.

Additional information is available at

https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2024/scpmnotice2024.pdf?utm_medium=email&utm_source=govdelivery

WORKSHOP ON ACC II SET

On June 26, CARB will hold a workshop on the proposed updates to the Advanced Clean Cars II (ACC II) regulation. Staff will discuss and seek public input on several topics including: a preliminary proposal for regulatory updates to CARB's light-duty vehicle GHG standards; light- and medium-duty vehicle smog-causing criteria air pollutant requirements; zero-emission vehicle (ZEV) assurance measures; and next steps and rulemaking timeline. Following the workshop, public comments can be submitted until July 26.

For more information, please visit

<https://ww2.arb.ca.gov/our-work/programs/advanced-clean-cars-program/meetings-workshops>

ADVANCED CLEAN FLEETS MEETINGS HELD

On June 5, CARB hosted the third meeting of the Rule Provision Truck Regulation Implementation Group (TRIG) to discuss provisions, including ZEV purchase exemptions, a daily usage exemption, and a list of ZEV manufacturers. Additionally on June 5, the third meeting of the Infrastructure TRIG was held to discuss infrastructure funding and financing updates and available fleet resources. On June 20, CARB will hold a Q&A session for high-priority and federal fleets.

More information is available at

<https://ww2.arb.ca.gov/our-work/programs/advanced-clean-fleets/advanced-clean-fleets-meetings-events>

CARB CONSIDERS ADVANCED CLEAN TRUCKS RULE AMENDMENTS

On May 23, CARB considered amendments to the Advanced Clean Trucks (ACT) regulation to implement minor administrative changes. The amendments are designed to honor the commitments that CARB staff made in the Clean Trucks Partnership agreement. The amendments include increasing the deficit makeup period, and clarifying that compliance determination and sales reporting requirements are both defined when vehicles are produced and delivered for sale in California. Additionally, the changes make minor adjustments to address issues that have arisen through implementation and will ensure closer alignment with the regulation's original intent. The Board directed staff to provide some additional information about the status of the market but will likely adopt the amendments at a later date.

For more information, please visit

<https://ww2.arb.ca.gov/our-work/programs/advanced-clean-trucks>

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 13, CARB held a virtual kickoff meeting to discuss the FY 2024-25 Draft Funding Plan for Clean Transportation Incentives. The funding plan is developed annually and outlines how CARB will allocate funding appropriated from the GGRF and the Air Quality Improvement Fund. A subsequent workshop will be held on August 29.

On May 16, the Implementation Work Group for the Driving Clean Assistance Program (DCAP) held a meeting to provide updates on the rollout of the program. The DCAP works in coordination with existing Air District Clean Cars 4 All programs to bring access to clean vehicle purchase incentives to disadvantaged, rural, and underrepresented communities that have not had access to CARB's suite of light-duty incentives.

On May 1, CARB held an introductory webinar on the pilot Zero-Emission Heavy-Duty Vehicle Air Quality Loan Program. The webinar covered how the “loan loss reserve” process operates, lender and fleet requirements, forms necessary to enroll loans, how to submit a claim, and a review of common incentives and stackability of funding.

Also on May 1, the Implementation Work Group for the California E-Bike Incentive Project held a meeting. The work group discussed e-bike eligibility, the proposed increase to the e-bike incentive, and the application window schedule. The initial launch of the project is slated for Q2 of 2024.

Additional information can be found 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 June, Caltrans and CARB will approve the list of projects under the Low Carbon Transit Operations Program and will submit the project list to the State Controller’s Office (SCO). The SCO will release the approved amounts to recipients in July.

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)

On July 23, project applications for the 2024 Cycle 7 Transit and Intercity Rail Capital Program (TIRCP) are due. CalSTA will announce the awards by October 23.

For more information, please visit

[More information is available at https://calsta.ca.gov/subject-areas/transit-intercity-rail-capital-prog](https://calsta.ca.gov/subject-areas/transit-intercity-rail-capital-prog)

MOYER PROGRAM WORKSHOP HELD

On May 7, CARB hosted the second public workshop on proposed updates to the Carl Moyer Program Guidelines. Staff provided an overview of the program and the process for potential updates to the program guidelines. The proposed changes are designed to ensure consistency throughout the source category chapters, reflect current regulations and advances in technology, and streamline program administration. Some of the proposed changes include:

- Pointing to the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Guidelines for off-road agricultural projects;
- Adding flexibility that further supports zero-emission replacement projects;
- Streamlining and clarifying program and project administration processes;
- Expanding eligible costs and funding percentages for multiple source categories;
- Updating emission inventory factors for emission reduction calculations.

CARB will hold a final workshop in August with a 45-day comment period. The Board will consider adopting the guidelines at its October meeting.

For more information, please visit

<https://ww2.arb.ca.gov/our-work/programs/carl-moyer-memorial-air-quality-standards-attainment-program>

CEC ADVISORY COMMITTEE FOR CLEAN TRANSPORTATION INVESTMENT PLAN

On June 7, the CEC held a meeting of the Advisory Committee for the 2024-25 Investment Plan for the Clean Transportation Program. Staff presented on recent Clean Transportation Program implementation and related ZEV infrastructure analysis and planning activities and facilitated a discussion of the draft staff report version of the investment plan, including proposed funding allocations and the public input process. The draft investment plan allocates \$215.2 million for medium- and heavy-duty ZEV infrastructure for FY 2024-25, which includes \$160 million for school bus infrastructure.

Additional information can be found at

<https://www.energy.ca.gov/programs-and-topics/programs/clean-transportation-program/clean-transportation-program-investment-9>

CALIFORNIA LEGISLATIVE ACTIVITIES

UPCOMING HEARINGS IN THE SENATE AND ASSEMBLY

The Legislature will be on summer recess from July 3 to August 2.

Senate – None scheduled on relevant bills or topics.

Assembly – None scheduled on relevant bills or topics.

LEGISLATION

CLEAN VEHICLES AND INCENTIVES

AB 627 (Jackson)

Summary

As part of the Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), this bill would require CARB to establish a sliding scale by which to determine the dollar amount of a voucher for the purchase of a new, or retrofit of a used, hydrogen or battery-electric drayage truck. The sliding scale would authorize vouchers in different amounts for fleets with 49 or fewer vehicles, 30 or fewer vehicles, and five or fewer vehicles. Additionally, CARB would prioritize awarding vouchers to operators that transport goods between any of the Ports of Los Angeles, Long Beach or Oakland and warehouses in California, and operators who own five or fewer drayage trucks.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB627

AB 2266 (Petrie-Norris)

Summary

This bill would require CARB to authorize a voucher under the HVIP program to be used for the acquisition of any zero-emission vehicle that meets all of the following requirements:

- The vehicle has a GVWR that exceeds 8,500 pounds
- The vehicle is purchased for fleet operations by a public or private fleet owning one or more medium- and heavy-duty vehicles
- The vehicle is not a house car as defined in Section 362 of the Vehicle Code

This is a companion bill to SB 1387.

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=202320240AB2266

AB 2401 (Ting)

Summary

This bill would ensure that the Clean Cars 4 All Program prioritizes the retirement and replacement of the oldest, most driven, and highest emitting vehicles with ZEVs. It would require CARB to collect additional data and use it to establish a needs-based approach to identify and target outreach and incentives to low-income, high-mileage drivers with older, high-polluting vehicles. It also would codify any expansion of the program to confirm that any changes are subject to the same requirements established by this measure and previously enacted equity, funding, and tax exemption provisions.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2401

SB 59 (Skinner)

Summary

This bill would authorize CARB, in consultation with the CEC and the Public Utilities Commission, to require any weight class of battery electric vehicle to be bidirectional capable if it determines that there is a sufficiently compelling use case to the vehicle operator and electric grid.

Formerly, this topic was included in SB 233, but that bill was gutted and amended to address a different topic.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB59

SB 983 (Wahab)

Summary

This bill would require the CEC to create the Alternative Fuels Infrastructure Task Force to conduct a study on retail gasoline stations and alternative fuels infrastructure. By January 1, 2027, the Task Force must submit a report to the Legislature with recommendations on: policies to facilitate the development and construction of alternative fuels infrastructure at retail gas stations; barriers to the accelerated development and construction of alternative fuels infrastructure at gas stations; best practices for compliance with the Americans with Disabilities Act when constructing alternative fuels infrastructure; and other infrastructure challenges that may delay the development and construction of alternative fuels infrastructure at gas stations.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB983

SB 1158 (Archuleta)

Summary

This bill relates to the Carl Moyer Program and would extend the liquidation time for funds from two years to six years following the date of disbursement. Funds not liquidated by a local air district by the sixth calendar year following the date of disbursement shall be returned to CARB.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB1158

SB 1387 (Newman)

Summary

This bill would specify the requirements for eligible vehicles to receive a voucher issued under the HVIP program. CARB can authorize a voucher to be used for the acquisition of a zero-emission vehicle that meets all of the following requirements:

- The vehicle has a GVWR that exceeds 8,500 pounds
- The vehicle is not a house car as defined in Section 362 of the Vehicle Code
- The vehicle meets either of the following requirements:
 - A vehicle is purchased for fleet operations by a public or private fleet owning one or more medium- or heavy-duty vehicles
 - The vehicle is purchased by an individual for both personal and commercial use

This is a companion bill to AB 2266.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB1387

TRANSPORTATION PLANNING, OPERATIONS, AND FUNDING

AB 6 (Friedman)

Summary

This bill would require CARB to update the regional GHG emissions reduction targets indefinitely, rather than only until 2050, and authorizes the Board to update the dates to which those targets apply. Additionally, before adopting a regional transportation plan that could impact a Sustainable Communities Strategy, Metropolitan Planning Organization would be required to quantify the projected GHG emissions reductions to be achieved by those amendments and set forth the difference, if any, between the amount of that reduction and CARB's regional targets. The bill also imposes other requirements on Sustainable Communities Strategies and Alternative Planning Strategies.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB6

AB 2535 (Bonta)

Summary

This bill would make revisions to the Trade Corridor Enhancement Program by:

- Prohibiting the California Transportation Commission from allocating program funding to a project that adds a general purpose lane to a highway or expands highway capacity in a community that meets certain criteria related to pollution impacts
- Prohibiting program funding for a project that expands a highway's footprint unless the project meets certain criteria relating to environmental review and the operation of the project
- Requiring at least 50% of the program funds are allocated annually to investments in zero-emission freight infrastructure, prioritizing certain communities that meet certain criteria related to pollution impacts

Because this bill did not pass out of its House of Origin by the deadline, the bill is dead. Negotiations are ongoing with the author and a similar bill may be introduced in the next legislative session.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB2535

SB 960 (Wiener)

Summary

This bill would require Caltrans to develop a transit priority policy. It would require the inclusion of bicycle, pedestrian, and transit priority facilities in the Transportation Asset Management Plan, the State Highway System Management Plan, and the plain language performance report of the State Highway Operation and Protection Program (SHOPP). The bill would require any project in the SHOPP to include bicycle, pedestrian, and transit priority projects unless a specified exception applies.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB960

CLIMATE BOND

AB 1567 (Garcia)

Summary

The bill would enact the \$15.9 billion Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024, which would enable the bond measure to be put on the November ballot. It is possible that some funding for clean transportation infrastructure would be included in the bond measure.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB1567

SB 867 (Allen)

Summary

This bill would enact the \$15.5 billion Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond of 2024, which would enable the bond measure to be put on the November ballot. It is possible that some funding for clean transportation infrastructure would be included in the bond measure.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB867

Key Federal Activities

FUNDING ACTIVITIES

NEARLY \$1 BILLION AVAILABLE FOR ZERO-EMISSION TRUCKS

The U.S. EPA's 2024 Clean Heavy-Duty Vehicles Grant Program is offering up to \$932 million in funding to support the adoption and deployment of eligible Class 6 and 7 zero-emission vehicles, infrastructure, and workforce development and training. There are two sub-program competitive grant programs under the single Notice of Funding Opportunity: 1) the School Bus Sub-Program for applicants replacing school buses (approximately 70% of available funding); and 2) the Vocational Vehicles Sub-Program for applicants replacing non-school bus Class 6 and 7 vehicles, including box trucks, refuse haulers, dump trucks, street sweepers, delivery trucks, bucket trucks, and utility trucks (approximately 30% of available funding). Eligible applicants include states, municipalities (including school districts), Indian Tribes, territories, and nonprofit school transportation associations. The deadline to apply is July 25, with awards announced in November.

For more information, please visit

<https://www.epa.gov/clean-heavy-duty-vehicles-program/clean-heavy-duty-vehicles-grant-program>

MORE THAN \$1 BILLION AVAILABLE FOR CHARGING AND FUELING INFRASTRUCTURE

The Federal Highway Administration's Charging and Fueling Infrastructure (CFI) Discretionary Grant Program has up to \$1.3 billion in funding available for EV charging and alternative fuel infrastructure. The CFI program is divided into two separate grant categories: 1) the Community Charging and Fueling Program Grants Program to strategically deploy EV charging infrastructure, and hydrogen, propane, and natural gas fueling infrastructure located on public roads or other publicly accessible locations; and 2) the Alternative Fuel Corridor Grants Program to strategically deploy charging and alternative fueling infrastructure located along designated alternative fuel corridors. Eligible applicants include states, Metropolitan Planning Organizations, local governments, special purpose districts with a transportation function, Indian Tribes, and territories. Applications are due by August 28.

Additional information is available at

<https://www.fhwa.dot.gov/environment/cfi/>

MORE THAN \$10 MILLION FOR TRANSIT-ORIENTED DEVELOPMENT PLANNING

On May 23, the Federal Transit Administration (FTA) released the Notice of Funding Opportunity for the Pilot Program for Transit-Oriented Development Planning. Nearly \$10.5 million is available for local communities to integrate land use and transportation planning with a new fixed guideway or core capacity transit capital investment. Eligible applicants must be an existing FTA grant recipient – either a project sponsor of an eligible transit project or an entity with land use planning authority in the project corridor. Proposals are due by July 22.

Program information is available at

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

RESEARCH ACTIVITIES

STUDY DOCUMENTS HEALTH AND CLIMATE BENEFITS OF ELECTRIC SCHOOL BUSES

A new study published in the Proceedings of the National Academy of Sciences titled, "Adopting Electric School Buses in the United States: Health and Climate Benefits," examines both the health benefits from reduced adult mortality and childhood asthma onset due to exposure to ambient PM2.5, as well as the climate benefits from reduced GHGs. The study finds that replacing a seven-year-old diesel school bus with an electric bus would result in \$84,200 in health and climate benefits, increasing to \$247,600 if the bus dates from 2005 or earlier in a large metropolitan region. The research found that an electric bus emits 181 fewer tons of carbon dioxide than its diesel counterpart, resulting in \$40,400 worth of climate benefits and \$43,800 in health benefits.

To read the study, please visit

<https://www.pnas.org/doi/10.1073/pnas.2320338121>