



Clean Transportation Policy Update

April 19, 2018 – June 20, 2018

IN THIS ISSUE:

Key State Activities ADMINISTRATION ACTIVITIES

Agreement Reached on 2018-19
State Budget

REGULATORY ACTIVITIES

Innovative Clean Transit Rule
Workshop Held
ARB Approves Plan for VW
Settlement Funds
LCFS Update

FUNDING ACTIVITIES

CA Climate Investments Activities
Final 2018-19 ARFVTP Investment
Plan Available
ATP Call for Projects
CPUC Approves \$768 Million for
Electric Transportation

RESEARCH ACTIVITIES

Report on Renewable Hydrogen in
CA Available

OTHER NEWS

Partnership to Accelerate Zero-
Emission Transportation
Launched
New Clean Vehicle Assistance
Program

CA LEGISLATIVE ACTIVITIES

Upcoming Hearings in the Senate
and Assembly
Legislation
Clean Fuel Vehicles, Technology
& Incentives
Climate Investments
Transportation Operations &
Funding
Defending California's Policies

KEY FEDERAL ACTIVITIES

Administration Activities
Regulatory Activities

Key State Activities

ADMINISTRATION ACTIVITIES

AGREEMENT REACHED ON 2018-19 STATE BUDGET

On June 8, Governor Jerry Brown, Senate President pro Tem Toni Atkins and Assembly Speaker Anthony Rendon announced that they had reached a budget deal ahead of the June 15 deadline. The budget was sent to the Governor on June 14 for his signature. According to the deal, funding plans and related legislation for the Greenhouse Gas Reduction Fund and zero-emission electric vehicles and charging infrastructure will be addressed outside the budget process.

For more information, please visit

<http://abgt.assembly.ca.gov/sites/abgt.assembly.ca.gov/files/June%208%20Final%20Close%20Out%20Agenda.pdf>

REGULATORY ACTIVITIES

INNOVATIVE CLEAN TRANSIT RULE WORKSHOP HELD

On June 13, the California Air Resources Board (ARB) staff hosted a workshop to discuss the most recent proposal for the Innovative Clean Transit (ICT) rule, which includes two new provisions. The first is a requirement that each transit agency submit to ARB a zero-emission bus rollout plan that outlines the strategy the transit agency will implement to purchase and deploy zero-emission buses in their fleet. For transit agencies with 100 or more buses, their plans are due by June 30, 2020. For smaller agencies, their plans are due by June 30, 2023. The other new provision is a waiver of initial requirements for early compliance. The 2023 zero-emission bus purchase requirement would be waived if California transit agencies have collectively purchased 1,000 or more zero-emission buses by December 31, 2020 (There are currently 787 zero-emission buses in service or on order across the state). Additionally, the 2024 purchase requirement would be waived if agencies collectively have purchased 1,150 zero-emission buses by December 31, 2021. Comments on the current proposal are due by July 2. The first Board hearing on the proposed rule will take

place in September and the second hearing is slated for late winter 2018 or early 2019. The rule is expected to take effect on January 1, 2020.

More information is available at

<https://arb.ca.gov/msprog/ict/meeting.htm>

ARB APPROVES PLAN FOR VW SETTLEMENT FUNDS

At its May 25 meeting, the ARB approved California's Beneficiary Mitigation Plan for the Volkswagen Environmental Mitigation Trust. The plan describes the proposed mitigation actions to be funded from the state's \$423 million portion of the \$3 billion national trust. ARB staff's proposal includes funding for many zero-emission project categories, including:

- Zero-emission transit, school and shuttle buses and infrastructure - \$130 million
- Zero-emission Class 8 freight and port drayage trucks - \$90 million
- Zero-emission freight and marine projects - \$70 million
- Combustion freight and marine projects - \$60 million
- Light-duty zero-emission vehicle infrastructure - \$10 million
- Reserve and administrative costs - \$63 million

For more information, please visit

https://www.arb.ca.gov/msprog/vw_info/vsi/vw-mititrust/meetings/proposed_bmp.pdf

LCFS UPDATE

On June 11, ARB staff held a workshop to discuss the proposed amendments to the Low Carbon Fuel Standard (LCFS). The workshop covered the following topics: zero-emission vehicle fuel crediting provisions; the protocol for carbon capture and sequestration projects; refinery investments and innovative crude crediting provisions; updates to lifecycle analysis modeling tools and related pathway issues; credit trading provisions; the sunset of the Alternative Diesel Fuels Regulation; and the third-party verification program.

Additional information is available at

https://www.arb.ca.gov/fuels/lcfs/lcfs_meetings/lcfs_meetings.htm

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 (ARB)

On June 15, ARB held a workshop on the proposed funding plan for FY 2018-19 clean transportation incentives. The plan includes \$409 million from the Low Carbon Transportation Program using cap-and-trade proceeds and \$28.64 million from the Air Quality Improvement Program. The proposed funding plan will be released for public comment by September 21. The Board will consider the plan at its October meeting.

For more information about the Low Carbon Transportation Program, please visit

<https://www.arb.ca.gov/msprog/aqip/aqip.htm>

Transit and Intercity Rail Capital Program (CalSTA)

In mid-May, the California State Transportation Agency (CalSTA) released the list of approved projects for the 2018 Transit and Intercity Rail Capital Program. In the South Coast region, the following awards were made for FY 2018-19 through FY 2022-23:

- Long Beach Transit (and Antelope Valley Transit Authority) - \$13.16 million for zero-emission electric buses and infrastructure
- Anaheim Transportation Network - \$28.62 million for 40 zero-emission electric buses and construction of new maintenance facility with solar canopy
- City of Los Angeles Department of Transportation - \$36.10 million for 112 zero-emission buses
- City of Santa Monica - \$3.05 million for 10 zero-emission battery-electric buses
- LA County Metropolitan Transportation Authority - \$330.2 million for capital improvements to improve transit rail and bus services
- Los Angeles-San-Diego-San Luis Obispo Rail Corridor Agency - \$40 million to improve rail corridor capacity
- Los Angeles-San-Diego-San Luis Obispo Rail Corridor Agency - \$147.93 million to increase service through major corridors
- San Bernardino County Transportation Authority - \$30 million to develop a zero-emission multiple unit train set and conversion of diesel rail vehicles
- Metrolink - \$763.71 million to improve frequency and performance of rail services throughout Southern California

The call for the next round of the five-year Transit and Intercity Rail Capital Program has not yet been released; the projects are not slated for approval until April 2020.

More information can be found at

<http://www.dot.ca.gov/drrmt/sptircp.html>

Low Carbon Transit Operations Program (Caltrans)

By June 30, the State Controller's Office will release the approved project amounts to recipients for the 2017-18 Low Carbon Transit Operations Program.

For more information, please visit

<http://www.dot.ca.gov/drrmt/splctop.html>

Affordable Housing and Sustainable Communities Program (SGC)

Awards for the Strategic Growth Council's (SGC) 2016-17 Affordable Housing and Sustainable Communities Program were to be announced by the end of June.

More information is available at

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

FINAL 2018-19 ARFVTP INVESTMENT PLAN AVAILABLE

On May 11, the California Energy Commission (CEC) released the final update to the 2018-19 Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP). CEC adopted the plan at its May 9 meeting. Funding for the \$277.5 million plan comes from three sources: \$235 million from the ARFVT Fund for electric vehicle charging and hydrogen infrastructure; \$25 million from the Greenhouse Gas Reduction Fund for low-

carbon fuel production and supply; and \$17.5 million from the ARFVT Fund for advanced freight and fleet projects. The investment plan allocations are as follows:

- Zero emission vehicle infrastructure
 - Electric vehicle charging infrastructure - \$134.5
 - Hydrogen refueling infrastructure - \$92 million
 - Manufacturing and workforce training and development - \$8.5 million
- Advanced technology vehicle support, advanced freight and fleet technologies - \$17.5 million
- Alternative fuel production, low-carbon fuel production and supply - \$25 million

Unlike previous ARFVTP funding plans, this year's investment plan allocates no funding for natural gas vehicles and infrastructure. The CEC declined to offer natural gas incentive funding because of the lower-than-expected use of incentives from the Natural Gas Vehicle Incentive Project and the high amount of other unallocated funds.

For more information, please visit

<http://www.energy.ca.gov/altfuels/2017-ALT-01/documents/>

ATP CALL FOR PROJECTS

On May 16, Caltrans released the Cycle 4 Call for Projects for the statewide Active Transportation Program (ATP) to fund projects that encourage the increased use of active modes of transportation such as biking and walking. The program has approximately \$440 million available for FY 2019-2023. Eligible projects include capital improvements, the development of community-wide bicycle, pedestrian, safe routes to school or active transportation plans, non-infrastructure projects such as education, outreach and enforcement, and infrastructure projects with non-infrastructure components. Project applications are due by July 31.

The call for projects is available at

<http://www.dot.ca.gov/hq/LocalPrograms/atp/cycle-4.html>

CPUC APPROVES \$768 MILLION FOR ELECTRIC TRANSPORTATION

On May 31, the California Public Utilities Commission (CPUC) approved programs by three of the state's largest utilities to deploy electric vehicle charging stations for trucks, buses and passenger vehicles. The CPUC authorized the utilities to implement the following programs over the next five years:

- San Diego Gas & Electric's (SDG&E) Residential Charging Program (\$137 million): SDG&E will provide rebates to residential customers to install up to 60,000 Level 2 charging stations at home.
- SDG&E's Residential Grid Integrated Rate (no incremental costs): SDG&E will offer customers participating in the Residential Charging Program the option to enroll in an EV-only rate that varies hourly based on day-ahead forecasts of grid conditions.
- Pacific Gas and Electric Company's (PG&E) Direct Current Fast Charging Make-Ready Program (\$22 million): PG&E will install the make-ready infrastructure at approximately 52 sites that will support approximately 234 fast charging stations.

- PG&E's FleetReady Program (\$236 million): PG&E will install the make-ready infrastructure at a minimum of 700 sites to support the electrification of at least 6,500 medium- or heavy-duty vehicles.
- Southern California Edison's (SCE) Medium- and Heavy-Duty Infrastructure Program (\$343 million): SCE will install the make-ready infrastructure at a minimum of 870 sites to support the electrification of at least 8,490 medium- or heavy-duty vehicles.
- SCE's Commercial Electric Vehicle Rate Design (no incremental costs): SCE will establish three new time-of-use rates for commercial customers with electric vehicles.

The budget for these projects is approximately \$738 million, with an additional \$29.5 million for program evaluation.

For more information, please visit

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M215/K380/215380424.PDF>

RESEARCH ACTIVITIES

REPORT ON RENEWABLE HYDROGEN IN CA AVAILABLE

In mid-May, a new report titled, "Renewable Hydrogen Roadmap: Advancing Zero-Emission Transportation and California's Clean Energy Economy," was released by Energy Independence Now. The report outlines key strategies to promote renewable hydrogen production that will help the state reach its clean energy and clean transportation goals. It examines the most cost-effective and scalable production technologies and feedstocks, such as renewable electricity or biogas, to present viable pathways for industry, government and consumers.

The report is available at

<https://einow.org/rh2roadmap/>

OTHER NEWS

PARTNERSHIP TO ACCELERATE ZERO-EMISSION TRANSPORTATION LAUNCHED

At the end of May, the Los Angeles Clean Tech Incubator (LACI) announced a partnership with local government leaders, utilities, regulators and other stakeholders to reduce statewide greenhouse gases (GHGs) and regional air pollution by accelerating regional transportation electrification and statewide zero-emission goods movement by 2028. The partnership will develop a 2028 Zero Emissions Roadmap which will set short-term and long-term goals for zero-emission transportation statewide and will identify needed infrastructure, market signals, and other priorities. The first phase of the roadmap will be released this September.

For more information, please visit

<https://lincubator.org/transportation/>

NEW CLEAN VEHICLE ASSISTANCE PROGRAM

In early June, the Clean Vehicle Assistance Program was launched, administered by the Beneficial State Foundation and funded by ARB. The program helps low- to moderate-income California residents with grants of up to \$5,000 to purchase a new or used hybrid or electric vehicle. For qualified applicants, the grants are given directly to the dealer to lower the overall cost of the vehicle. The program is funded through California's Climate Investments.

More information about the program is available at

<https://cleanvehiclegrants.org/>

UPCOMING HEARINGS IN THE SENATE AND ASSEMBLY

Assembly – The following hearings can be heard online at

<http://assembly.ca.gov/dailyfile>

- June 19, 3:00 p.m. - The Assembly Select Committee on California's Energy Future will hold an informational hearing on the LCFS.
- June 25, 2:30 p.m. – The Transportation Committee will hear SB 210 (Heavy-Duty Vehicle Inspection and Maintenance Program)

Senate – The following hearing can be heard online at

<http://senate.ca.gov/calendar>

- June 26, 1:30 p.m. – The Transportation and Housing Committee will hear AB 2061 (near-zero and zero-emission vehicles)

LEGISLATION

CLEAN FUEL VEHICLES AND TECHNOLOGY

AB 33 (Quirk)

Summary

This bill requires the California Public Utilities Commission (CPUC), in consultation with ARB and CEC, to consider authorizing utilities to offer programs and investments in electric vehicle service equipment installed in residential garages.

This is a 2-year bill.

Complete Bill Information

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB33

AB 193 (Cervantes)

Summary

This bill would require ARB to establish the Clean Reused Vehicle Rebate Project, as part of the Air Quality Improvement Program, to provide rebates for: the acquisition of eligible used vehicles (those eligible under the Clean Vehicle Rebate Project); the replacement or refurbishment of an electric battery and related components for an eligible used vehicle or a vehicle service contract for the battery or related components; or a vehicle service contract to cover unexpected vehicle repairs not covered by the manufacturer's warranty related to unique problems in eligible used vehicles.

This is a 2-year bill.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB193

AB 1745 (Ting)

Summary

Beginning January 1, 2040, this bill would prohibit the Department of Motor Vehicles from registering a new motor vehicle unless it is a zero-emission vehicle.

This bill failed to move out of its house of origin by the legislative deadline, so it is dead.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1745

AB 1184 (Ting)

Summary

This bill requires ARB to report to the Legislature by January 1, 2019, the funding levels necessary to support continuous, year-round operation of each of its zero-emission vehicle and near zero-emission vehicle incentive programs, as well as any changes necessary to these programs to increase the market penetration of zero-emission vehicles.

This is a 2-year bill.

Complete Bill Information

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1184

AB 2061 (Frazier)

Summary

This bill, known as the Clean Truck Deployment Act, would remove weight-limit barriers that currently constrain the use of zero and near-zero emission trucks in California. Cleaner energy trucks weigh more than traditional internal combustion engines (by as much as 2,000 pounds) so they currently must reduce their carrying capacity in order to comply with state weight laws, providing a disincentive for businesses to invest in cleaner trucks. This bill would increase the weight limits for zero emission and near-zero emission vehicles so they can compete on an equal playing field with diesel and gasoline powered trucks.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2061

AB 2127 (Ting)

Summary

This bill would require the CEC, in consultation with ARB and the CPUC, to create a statewide assessment of electric vehicle charging infrastructure needed to support the levels of electric vehicle adoption needed for the state to reduce emissions of greenhouse gases to 40% below 1990 levels by 2030.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2127

AB 2885 (Rodriguez)

Summary

Under the Clean Vehicle Rebate Project, ARB would be required to provide outreach to low-income households and disadvantaged communities to increase consumer awareness of the Clean Vehicle Rebate Project and to prioritize rebate payments to low-income applicants.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2885

AB 2940 (Caballero)

Summary

Existing law allows the DMV to issue a temporary permit to operate diesel-fueled commercial vehicles even if that registration may be refused for failure to comply with emission standard requirements. This bill would require the DMV to issue the permit within 48 hours of a determination of noncompliance with current emission requirements. Additionally, the bill authorizes DMV to allow the registration of low-use vehicles (less than 5,000 miles annually) and agricultural vehicles even if they are not compliant with required air pollution control technology.

This bill failed to move out of its house of origin by the legislative deadline, so it is dead.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2940

AB 3201 (Daly)

Summary

This bill relates to the California Clean Truck, Bus and Off-Road Vehicle and Equipment Technology Program and would make the following changes:

- Add large-scale deployment of transit buses to the program's list of eligible projects
- Require the annual framework and plan for the program to instead be a 3-year framework and plan
- Revise the definition of zero- and near-zero emission to include infrastructure that reduces GHG emissions and improve air quality

Complete Bill Information

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB3201

SB 210 (Leyva)

Summary

This bill would authorize ARB to develop and implement a Heavy-Duty Vehicle Inspection and Maintenance Program for non-gasoline heavy-duty motor vehicles with a GVWR of more than 14,000 pounds. ARB would be authorized to assess fees and penalties as part of the program. The bill would create the Truck Emission Check (TEC) Fund and the Diesel Emission System Inspection and Smoke Test (DESIST) Account in the fund with all of the money deposited in each fund to be available for appropriation.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB210

SB 1000 (Lara)

Summary

This bill relates to electric vehicle charging infrastructure and would:

- Prohibit cities and counties from restricting which types of electric vehicles, including, but not limited to, plug-in hybrid vehicles, may access an electric vehicle charging station that is both publicly accessible and was at least partly funded by ratepayer or state money.
- Require the CEC to assess whether electric vehicle chargers, including DC fast chargers, are disproportionately deployed by population density, geographical area, or population income level, including low, middle, and high income levels. If the CEC determines that chargers are disproportionately deployed, the CEC must use ARFVTP funding and other incentives to more proportionately deploy charging infrastructure.
- Require the CPUC to explore facilitating the development of technologies that promote grid integration, sub-metering capabilities for residential charging stations, integrating dynamic pricing models that reflect excess grid capacity, and adopting a tariff for heavy-duty electric vehicles that encourages charging during periods of excess grid capacity.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB1000

SB 1014 (Skinner)

Summary

Known as the California Clean Miles Standard and Incentive Program, this bill would require:

- ARB to establish an emissions baseline for transportation network companies (i.e. ride-hailing services) on a per-vehicle-mile or per-passenger-mile basis by January 1, 2020.
- By January 1, 2021, ARB and the CPUC to establish and implement annual targets for the reduction under that baseline for emissions per mile driven on behalf of a transportation network company, including annual targets for increasing vehicle or passenger miles traveled using zero-emission vehicles.
- By January 1, 2022, and every two years thereafter, each transportation network company to develop an emissions reduction plan that includes proposals on how to meet the emissions reduction target that would be established.
- Beginning on January 1, 2030, 100% of the vehicles that are purchased, leased, owned or contracted by a transportation network company be zero-emission vehicles.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB1014

CLIMATE INVESTMENTS

AB 2492 (Salas)

Summary

This bill would require ARB to adopt a pilot program to provide incentives for emissions repairs and to reduce GHG emissions of class 3 medium-duty trucks. Money would be authorized from the Greenhouse Gas Reduction Fund to implement the program.

This bill failed to move out of its house of origin by the legislative deadline, so it is dead.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB2492

SB 1119 (Newman)

Summary

This bill relates to the Low Carbon Transit Operations Program (LCTOP) and expands the eligibility requirements for transit fare subsidies. It would allow the current requirement that at least 50% of the money that transit agencies receive from the LCTOP be spent on certain projects be satisfied if these projects include: transit fare subsidies, including student transit passes; transit connections to major employment areas, education centers or medical facilities for residents in disadvantaged or low-income communities; and technology improvements that reduce GHGs, including the purchase of zero-emission buses and infrastructure.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB1119

TRANSPORTATION OPERATIONS & FUNDING

AB 91 (Cervantes)

Summary

Beginning July 1, 2018, this bill would prohibit a high-occupancy vehicle lane from being established in Riverside County unless that lane is established only during the hours of heavy commuter traffic. Any existing HOV lanes would be required to be modified to operate under these same conditions.

This is a 2-year bill.

Complete Bill Information

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB91

AB 1756 (Brough)

Summary

This bill would repeal the Road Repair and Accountability Act of 2017 (SB 1).

This bill failed to move out of its house of origin by the legislative deadline, so it is dead.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1756

DEFENDING CALIFORNIA'S POLICIES

SB 49 (de León and Stern)

Summary

This bill is called the California Environmental, Public Health, and Workers Defense Act of 2017, and would:

- Make current federal clean air, climate, clean water, worker safety, and endangered species standards enforceable under state law, even if the federal government rolls back and weakens those standards
- Direct state environmental, public health, and worker safety agencies to take all actions within their authorities to ensure standards in effect and being enforced today continue to remain in effect

- Ensure California does not backslide as a result of rollbacks by the federal Administration, since federal laws in these areas set “baselines” but allow states to adopt more stringent standards

This bill is part of the “Preserve California” legislative package designed to insulate the state from rollbacks in federal environmental regulations and public health protections.

This is a 2-year bill.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB49

FEDERAL ADMINISTRATION ACTIVITIES

Key Federal Activities

CA OFFICIALS MEETING WITH ADMINISTRATION ON LIGHT-DUTY VEHICLE STANDARDS

California ARB officials are continuing to meet with U.S. EPA and U.S. DOT staff to discuss the federal fuel efficiency standards for light-duty vehicles. The federal Administration’s preferred alternative is to freeze the standards at 2020 levels. The timing for the Notice of Proposed Rulemaking continues to be fluid and could be released in late June or in mid-July.

Additional information can be found at

<https://www.reuters.com/article/us-autos-emissions/white-house-to-meet-automakers-california-on-fuel-efficiency-rule-idUSKBN1JA36S>

FEDERAL REGULATORY ACTIVITIES

GHG PERFORMANCE MEASURE REPEAL FINAL

On May 31, the Federal Highway Administration (FHWA) published the final rule repealing the performance management measure that assessed the percent change in tailpipe carbon dioxide emissions. Known as the GHG measure, it was one of several performance measures to ensure the most efficient investment of federal transportation funds that the FHWA required state departments of transportation (DOTs) and metropolitan planning organizations (MPOs) to use to assess performance outcomes for key national transportation goals, including assessing traffic congestion and on-road mobile source emissions for the purpose of carrying out the Congestion Mitigation and Air Quality Improvement Program (CMAQ). By repealing the GHG measure, FHWA will no longer require State DOTs and MPOs to undertake administrative activities to establish targets, calculate their progress toward their selected targets, report to FHWA, and determine a plan of action to make progress toward their selected targets if they failed to make significant progress during a performance period. FHWA stated that the justification for repealing the rule is to reduce the federal burden on state agencies by eliminating a measure that imposed costs with no predictable level of benefits. The final rule will be effective on July 2.

For more information, please visit

<https://www.fhwa.dot.gov/tpm/rule.cfm>