



Clean Transportation Policy Update

June 16 – September 14, 2022

Key State Activities

ADMINISTRATION ACTIVITIES

FY 2022-23 BUDGET UPDATE

On August 30, the “Budget Jr.” bill was sent to Governor Newsom for his signature, which when combined with the June budget, contains approximately \$10 billion for clean transportation over five years. The allocations in the Budget Jr. bill are as follows:

- Light-duty transportation equity programs - \$255 million
- Clean trucks, buses, off-road equipment - \$2.624 billion
- Charging and refueling infrastructure - \$484 million

For more information, please visit

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB179

REGULATORY ACTIVITIES

ADVANCED CLEAN CARS II ADOPTED

On August 25, the California Air Resources Board (CARB) unanimously approved the Advanced Clean Cars II regulation. Under the rule, 35 percent of new vehicle sales in California must be zero-emission by 2026, 68 percent by 2030, and 100 percent by 2035. The regulation is the first of its kind in the nation.

For more information, please visit

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

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ADVANCED CLEAN FLEETS HEARING SET FOR OCTOBER

On October 27, CARB will hold the first of two hearings on the Advanced Clean Fleets regulation. The regulation will require a phased-in fleet transition of medium-, heavy-, and light-duty package-delivery vehicles to zero-emission vehicles (ZEVs) from 2024 through 2042. It also would set an end date for combustion-powered new vehicle sales in the state by requiring all new medium- and heavy-duty vehicle sales to be ZEVs starting in 2040.

Additional information can be found at

<https://content.govdelivery.com/accounts/CARB/bulletins/32a36bc>

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 September 8, CARB held a workshop to discuss the FY 2022-23 Funding Plan for Clean Transportation Incentives. The discussion focused on clean transportation equity and light-duty projects, as well as on-road heavy-duty vehicle and off-road equipment investments.

On September 1, CARB held a public work group meeting to discuss the light-duty vehicle purchase incentive programs for FY 2022-23. This includes the Clean Vehicle Rebate Project, Clean Cars 4 All, and financing assistance. Topics discussed included a report on Clean Cars 4 All; an analysis of incentive amounts across all three programs and potential changes; and a discussion of the needs-based model for implementation of equity-focused vehicle purchase incentive programs.

On August 24, a public work group meeting was held for the Electric Bicycles Incentives Project. Topics included incentive amounts, eligible electric bikes, income limits, and the timeline for implementation.

More information is available at

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

Transit and Intercity Rail Capital Program (CalSTA)

On July 7, CalSTA announced the awards for the 2022 Transit and Intercity Rail Capital Program (TIRCP). In the South Coast region, the allocations were as follows:

- **Anaheim Transportation Network** - \$22.78 million to create a zero-emission transit ecosystem that offers end-to-end solutions for residents, employees and tourism/convention center visitors and the LA 2028 Summer Olympic events

- **City of Glendale and Arroyo Verdugo Communities** - \$34.65 million to purchase 27 battery-electric buses, new routes, parking, and upgrades to bus stops
- **City of Torrance** - \$9.6 million to purchase 10 zero-emission electric buses and charging infrastructure, as well as improved service routes
- **LA Metro** - \$177 million for the Los Angeles Nextgen and Zero Emission Bus implementation project for the purchase of 261 zero-emission buses and supporting infrastructure, as well as corridor improvements on high-frequency bus corridors

Additional information is available at

<https://calsta.ca.gov/-/media/calsta-media/documents/tircp---program-of-projects-as-of-july-2022---cycle-5-only-a11y.pdf>

HD ZERO-EMISSION TRUCK FUNDING

There is approximately \$9 million available on a first-come, first-served basis for zero-emission Class 8 freight and port drayage trucks. Funding is available through the Volkswagen Environmental Mitigation Trust Settlement and is being administered by the South Coast Air Quality Management District. The maximum incentive cap per equipment is \$200,000. The solicitation will remain open until the funds are expended.

More information is available at

<https://xapprod.aqmd.gov/vw/zero-emission.html>

SMALL FLEET ZERO-EMISSION TRUCK FUNDING

On August 31, CARB opened the Innovative Small e-Fleet (ISEF) set-aside for voucher requests. The \$25 million set-aside within the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) for FY 2021-22 is to implement innovative solutions to assist small fleets to make the transition to zero-emission trucks. Privately owned or non-profit trucking fleets with 20 or fewer trucks and an annual revenue of less than \$15 million can access flexible financing options for zero-emission trucks through the HVIP ISEF. This funding allows small fleets to access flexible financing, lease, rental, and truck-as-a-service options with enhanced incentives and fueling support.

For more information, please visit

<https://californiahvip.org/purchasers/#isef>

MILLIONS AVAILABLE FOR ZERO EMISSION OFF-ROAD EQUIPMENT

CARB has \$125 million in incentives through its Clean Off-Road Equipment Voucher Incentive Project (CORE), providing point-of-sale discounts on off-road zero-emission equipment. CORE supports the following nine equipment categories: on- and off-road terminal tractors, truck- and trailer-mounted transport refrigeration units, large forklifts and cargo-handling equipment, airport ground-support equipment, railcar movers and switcher locomotives, mobile power units and mobile shore-power cable management systems,

construction equipment, agricultural equipment, commercial harbor craft. Key elements of the program include the following:

- Qualified participants will receive vouchers for point-of-sale discounts on off-road zero-emission equipment, up to a maximum of \$500,000 per voucher.
- There is no requirement to scrap, sell or retire existing equipment.
- Additional funding may be available for charging/refueling infrastructure, equipment operated in disadvantaged communities, and small businesses.

Additional information is available at

<https://californiacore.org/>

RESEARCH ACTIVITIES

NEW TOOL DOCUMENTS HD ZEVs IN CA

A new tool by the California Energy Commission (CEC) provides a snapshot of zero-emission medium- and heavy-duty vehicles on California's roadways. According to the data, there were 1,943 zero-emission medium- and heavy-duty truck on the roads as of July 2022, including 1,369 buses, 306 trucks, and 268 delivery vans. The tool also displays information about companies with in-state zero-emission vehicle manufacturing operations and shows that California is home to 43 manufacturers of ZEVs and related equipment.

The tool is available at

https://www.energy.ca.gov/data-reports/energy-almanac/zero-emission-vehicle-and-infrastructure-statistics/medium-and-heavy?utm_medium=email&utm_source=govdelivery

OTHER NEWS

ZERO-EMISSION TRANSPORTATION BALLOT INITIATIVE

Proposition 30, the Clean Cars and Clean Air Act has qualified for the November ballot. The initiative would generate about \$100 billion over 20 years for wildfire prevention programs, expanding access to charging infrastructure for ZEVs, and helping consumers and organizations afford ZEVs. It will include incentives for zero-emission transit buses and school buses, and for charging infrastructure.

For more information, please visit

<https://oag.ca.gov/system/files/initiatives/pdfs/21-0037A1%20%28Electric%20Vehicle%20Funding%20%29.pdf>

CALIFORNIA LEGISLATIVE ACTIVITIES

The Legislature adjourned on August 31.

LEGISLATION

CLEAN FUEL VEHICLES POLICY AND INCENTIVES

AB 1389 (Reyes, Friedman, Rivas)

Summary

This bill clarifies the criteria preferences of Clean Transportation Program projects. It adds to the list of the criteria that the CEC is required to provide preference to while evaluating projects for CTP as follows:

- The project is in a nonattainment area pursuant to the federal Clean Air Act, and, if applicable, requires preference to be given to projects in the highest designation of nonattainment
- The project advances the comprehensive strategy developed by CARB for deployment of medium- and heavy-duty vehicles

This bill was enrolled on September 2 and will be sent to the Governor.

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.

This bill failed to get out of committee by the legislative deadline.

Complete Bill Information

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

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.

This bill failed to get out of committee by the legislative deadline.

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.

This bill was sent to the Governor on September 6.

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.

This bill failed to get out of committee by the legislative deadline.

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.

This bill was enrolled on September 2 and will be sent to the Governor.

Complete Bill Information

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

TRANSPORTATION PLANNING, OPERATIONS, AND FUNDING

AB 1919 (Holden)

Summary

AB 1919 (Holden)

Summary

This bill would create a five-year Youth Transit Pass Pilot Program to provide grants to transit agencies to create or expand free fare transit programs for college and K-12 students.

This bill was sent to the Governor on August 31.

Complete Bill Information

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

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.

This bill failed to get out of committee by the legislative deadline.

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.

This bill failed to get out of committee by the legislative deadline.

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.

This bill was sent to the Governor on August 30.

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.

This bill was sent to the Governor on September 6.

Complete Bill Information

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

SB 1251 (Gonzalez)

Summary

This bill formalizes the existence of the Zero-Emission Vehicle Division within the Governor's Office of Business and Economic Development (GO-Biz), as the ZEV Market Development Office and establishes the ZEV equity advocate within the office who would be appointed by the Governor.

This bill was ordered to enrolling on August 30 and will be sent to the Governor.

Complete Bill Information

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

SB 1482 (Allen)

Summary

This bill would require access to EV charging infrastructure for each dwelling unit with access to a parking space in a multifamily dwelling.

This bill was ordered to enrolling on August 30 and will be sent to the Governor.

Complete Bill Information

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

Key Federal Activities

FUNDING ACTIVITIES

INFLATION REDUCTION ACT PROVIDES BILLIONS FOR CLEAN VEHICLES

The 2022 Inflation Reduction Act, signed by the President on August 16, provides billions in tax credits, manufacturing investments, and for medium- and heavy-duty fleet electrification. The tax credit provisions provide:

- **Clean Vehicle Credit** – up to a \$7,500 consumer tax credit for drivers purchasing new qualifying clean vehicles
- **Credit for Previously Owned Clean Vehicles** – up to a \$4,000 consumer tax credit for drivers purchasing used clean vehicles
- **Credit for Qualified Commercial Clean Vehicles** – up to a \$7,500 tax credit to defray up to 30 percent of the incremental cost of replacing diesel- or gas-powered commercial vehicles under 14,000 lbs. (cars, pick-up trucks, utility vans), and up to a \$40,000 tax credit to defray up to 30 percent of the incremental cost for commercial vehicles over 14,000 lbs. (larger vans, buses, refuse trucks, long haul trucks)

The provisions for medium- and heavy-duty fleet electrification are as follows:

- **Clean Heavy-Duty Vehicles** - \$1 billion in grants to purchase zero-emission Class 6 and 7 trucks; purchase, install, operate, and maintain charging/fueling infrastructure for zero-emission trucks; provide workforce development and training to support the deployment of zero-emission trucks; and engage in planning and technical activities around the deployment of zero-emission trucks
- **Grants to Reduce Air Pollution at the Ports** - \$3 billion in competitive rebates and grants to purchase and/or install zero-emission port equipment and technology, conduct planning and permitting activities related to deployment, and develop climate action plans at the ports
- **US Postal Service Clean Fleets** - \$3 billion to the Postal Service to fund zero-emission delivery vehicles and infrastructure

A summary of this information is available at

<https://www.bluegreenalliance.org/resources/clean-vehicle-provisions-in-the-inflation-reduction-act/>

MILLIONS AVAILABLE FOR CLEAN VEHICLE TECHNOLOGIES

On July 21, the U.S. Department of Energy announced \$96 million for the Vehicle Technologies Office Program Wide Funding opportunity. The funding is designed to support decarbonizing the domestic transportation sector by expanding EV charging accessibility, creating cleaner non-road vehicles through electrification and the use of alternative fuels, and developing electric drive components and materials to maximize EV efficiency and affordability. Applications are due by December 14.

For more information, please visit

<https://www.energy.gov/articles/doe-announces-96-million-advancing-clean-vehicle-technologies-reduce-carbon-emissions>

RESEARCH ACTIVITIES

REPORT SHOWS EVs HELP GLOBAL WARMING EMISSIONS

A new report by the Union of Concerned Scientists, “Driving Cleaner: How Electric Cars and Pick-Ups Beat Gasoline on Lifetime Global Warming Emissions,” shows that driving an EV can reduce global warming emissions by half, compared to a comparable gasoline vehicle. Other report highlights include:

- The average EV is so clean that it is comparable to driving a conventional car that gets 91 miles to the gallon.
- For 90 percent of the country, driving an EV is cleaner than driving the most efficient gasoline vehicle.
- Switching from a gasoline pickup truck to an electric truck will reduce the total global warming emissions by 57 percent over its lifetime.

The report is available at

<https://www.ucsusa.org/resources/driving-cleaner>