



# **Clean Transportation Policy Update**

March 20 – April 15, 2020

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## Key State Activities

## ADMINISTRATION ACTIVITIES

## GOVERNOR PREPARES FOR SCALED-DOWN STATE BUDGET

On March 24, Governor Newsom announced that he will focus his efforts on a "workload" budget that will be a barebones plan for the next fiscal year due to the coronavirus crisis. The Governor informed state agencies that they should assume there will be no additional funding for proposals they had been working on for next year's budget, nor will there be funding for new ideas or programs. The Director of the California Department of Finance (DOF) sent a letter to agency secretaries and department directors notifying them that DOF will now reevaluate all budget changes within the context of a workload budget, based on the merits of each proposal, and ultimately subject to the availability of funding. The Governor's revised budget likely will not expand the state government beyond current levels. The plan still is to release a revised budget in May and to have the budget passed by the June 15 legislative deadline.

#### For more information, please visit

https://www.sacbee.com/news/politics-government/capitol-alert/article241461911.html

## **REGULATORY ACTIVITIES**

## **UPCOMING WEBINARS ON SB 743 VMT METRIC**

On April 16 and 20, the Office of Planning and Research (OPR) will hold webinars to discuss SB 743 implementation, which, under CEQA, requires agencies to use vehicle miles traveled (VMT) as the metric for transportation analysis beginning on July 1. The April 16 webinar is at capacity, so OPR has added the April 20 option. Advance registration is

required. OPR staff will discuss their recommendations for implementing this change. The webinar also will cover methods of VMT analysis, determining VMT significance, and VMT mitigation for transportation and land use projects.

Additional information can be found at <a href="http://www.opr.ca.gov/ceqa/updates/sb-743/">http://www.opr.ca.gov/ceqa/updates/sb-743/</a>

## **CLEAN MILES STANDARD WORKSHOP HELD**

On April 1, CARB hosted a webinar workshop to discuss plans for developing the Clean Miles Standard, which will be designed to reduce GHG emissions for ridehailing companies, or transportation network company (TNCs) services. Staff updated stakeholders on the methodology and assumptions for forecasting business-as-usual emissions for these companies in California. CARB is required to adopt and set annual GHG reduction requirements for TNCs by January 1, 2021.

More information is available at <a href="https://ww2.arb.ca.gov/our-work/programs/clean-miles-standard">https://ww2.arb.ca.gov/our-work/programs/clean-miles-standard</a>

## **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 April 16, CARB will host a work group webinar on the FY 2020-21 Heavy-Duty Investment Strategy for vehicles and off-road equipment, which will be incorporated into the upcoming AQIP and Low Carbon Transportation Investments Funding Plan. Discussion topics will include: draft technical assessments; a draft priorities table; draft metrics of success; and a survey on market readiness indicators.

#### Additional information can be found at https://ww3.arb.ca.gov/msprog/aqip/meetings/3yp\_wgagenda\_04162020.pdf

On April 7, CARB held a public work group webinar on the development of the FY 2020-21 Funding Plan for the Clean Truck and Bus Voucher Program (HVIP). This webinar included a discussion of potential policy options introduced at the first public workshop held in March. In anticipation of limited funding, staff asked for input on policy options that may help to reduce the funding shortfall while closely conforming to the program's guiding principles and minimizing impacts to nascent markets. Some of the options being discussed include: graduation of certain technologies/vehicles out of the program; making changes to vehicle and fleet eligibility; adjusting voucher amounts; putting caps on the number of voucher requests; and taking into account upcoming regulations to reduce funds as compliance deadlines near. The estimated timeline to develop the plan is as follows:

- Mid-June discussion draft released
- June 23 second funding plan workshop

- September proposed funding plan released for public comment
- October Board considers plan adoption

For more information, please visit https://ww3.arb.ca.gov/msprog/aqip/meetings/hvipagenda040720.pdf

On April 3, CARB held a public work group teleconference to discuss development of the FY 2020-21 Funding Plan on Clean Transportation Equity Projects. Although this is expected to change given the Governor's recent plans for a workload budget, the proposed January budget included \$75 million for these projects including: clean mobility options; agricultural worker vanpools; rural school buses; the Sustainable Transportation Equity Project (STEP); Clean Mobility in Schools; One Stop Shop; and outreach, technical assistance, capacity building, needs assessments and workforce development. Another workshop is scheduled for June 23.

More information can be found at https://ww2.arb.ca.gov/sites/default/files/2020-03/Equity%20Workgroup%20Agenda.pdf

## Transit and Intercity Rail Capital Program (CaISTA)

CalSTA was slated to announce the awards for the Transit and Intercity Rail Capital Program (TIRCP) by April 1; however, this has been delayed. A list of applications received for the 2020 TIRCP has been published.

More information can be found at <a href="https://calsta.ca.gov/subject-areas/transit-intercity-rail-capital-prog">https://calsta.ca.gov/subject-areas/transit-intercity-rail-capital-prog</a>

## Low Carbon Transit Operations Program (Caltrans)

Allocation requests are due by April 17 (extended from April 8) for the FY 2019-20 Low Carbon Transit Operations Program (LCTOP). Award allocations will be announced by June 30.

For more information, please visit https://dot.ca.gov/programs/rail-and-mass-transportation/low-carbon-transit-operations-program-lctop

<u>Affordable Housing and Sustainable Communities Program (Strategic Growth Council)</u> Awards for the Round 5 FY 2018-19 Affordable Housing and Sustainable Communities (AHSC) Program will be announced in June.

More information is available at <a href="http://sgc.ca.gov/programs/ahsc/">http://sgc.ca.gov/programs/ahsc/</a>

## MOYER ONLINE WORKSHOPS TO BE HELD

On March 6, the South Coast Air Quality Management District (AQMD) released the program announcement for the 2020 Carl Moyer Program. A series of webcasts will be scheduled soon.

For additional information, please visit http://www.aqmd.gov/home/programs/business/carl-moyer-memorial-air-quality-standards-attainment-(carl-moyer)-program/

## WEBINAR ON DRAFT SOLICITATION FOR ZERO-EMISSION TRANSIT FLEET INFRASTRUCTURE

On April 10, the California Energy Commission (CEC) held a webinar to solicit feedback on a draft solicitation concept for Zero-Emission Transit Fleet Infrastructure Deployment. The solicitation will provide capital assistance for make-ready equipment upgrades and ZEV charging or hydrogen refueling infrastructure to support the roll-out of MD/HD zero-emission transit bus fleets. The goal of the solicitation will be to fund the infrastructure for one to two large-scale transit projects, for the conversion of at least 50 transit buses to zero-emissions. The competitive solicitation is anticipated to be released in June.

Additional information can be found at https://www.energy.ca.gov/event/webinar/2020-04/staff-webinar-draft-solicitation-concept-zero-emission-transit-fleet

### MEDIUM- AND HEAVY-DUTY ZERO-EMISSION VEHICLES SOLICITATIONS WEBINAR

On April 2, the California Energy Commission (CEC) hosted a staff workshop webinar to discuss two draft solicitation concepts for: Blueprints for Medium- and Heavy-Duty (MD/HD) Zero Emission Vehicles (ZEV) and ZEV Infrastructure; and Block Grants for MD/HD Infrastructure Incentive Projects. The \$3 million "blueprint" concept will identify actions and milestones needed for implementation of MD/HD ZEV electric charging or hydrogen refueling infrastructure with the goal of accelerating the deployment of MD/HD ZEVs and ZEV infrastructure with a holistic and futuristic view of regional transportation planning. It is expected that the solicitation will be released in May with applications accepted on a first-come, first-served basis, and award notifications will made in July. The "block grant" concept will have up to \$50 million available for various MD/HD ZEV charging or hydrogen refueling infrastructure incentive projects throughout the state. The solicitation is slated to be released in June, with award recipients notified in October.

For more information, please visit https://www.energy.ca.gov/event/webinar/2020-04/staff-webinar-discuss-two-draft-solicitation-concepts-heavy-duty-zero

### UPDATE ON SCAG'S CONNECT SOCAL REPORT

On March 5, the Southern California Association of Governments (SCAG) released the draft Connect SoCal staff report, which presents the public comments received on the draft 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). Based on the submitted comments, SCAG staff recommended several updates to the Connect SoCal plan, including:

- Strengthening the language around complete streets implementation and prioritizing certain bikeway classifications.
- Updating points to clarify and reinforce conservation strategies and engagement with stakeholders to assist in the coordination and implementation of conservation strategies.
- Modifying approximately 172 projects to reflect the responsibility of the lead local transportation agency in the final determination.
- Identifying areas within the region that are sufficient to house the projected housing needs of the region and considering existing need for inclusion into future RTP/SCS growth forecasts.
- Clarifying GHG reduction strategies while maintaining the focus of emphasis of certain strategies.

The SCAG Regional Council will consider the final Connect SoCal plan at its May meeting.

The Connect SoCal plan is available at <a href="https://www.connectsocal.org/Pages/default.aspx">https://www.connectsocal.org/Pages/default.aspx</a>

## **CALIFORNIA LEGISLATIVE ACTIVITIES**

On April 6, the Legislature announced that the current recess has been extended from April 13 until May 4.

The Assembly Budget Committee noted that when budget negotiations do resume, members will no longer be able to consider new priorities or ideas, except for COVID-related costs, wildfire prevention and homelessness. Additionally, the Assembly likely will defer all deliberations on special fund programs, including those receiving Greenhouse Gas Reduction Funds, until after the June 15 budget deadline. The Legislature is expecting to do a second round of budget revisions in what is being called the "August Revision."

For more information on the Assembly Budget Committee's update, please visit <a href="https://abgt.assembly.ca.gov/sites/abgt.assembly.ca.gov/files/Budget%20Update.pdf">https://abgt.assembly.ca.gov/sites/abgt.a

## UPCOMING HEARINGS IN THE SENATE AND ASSEMBLY

**Assembly** – The following hearing can be monitored online at: <a href="https://www.assembly.ca.gov/dailyfile">https://www.assembly.ca.gov/dailyfile</a>

 May 13 and 20 – The Budget Subcommittee No. 3 on Resources and Transportation will hold a hearing on the May budget revise.

Senate – None currently scheduled on relevant bills or topics.

## LEGISLATION

## **CLEAN FUEL VEHICLES POLICY & INCENTIVES**

## AB 126 (Cooper)

### Summary

This bill relates to the CVRP and would require lower income eligibility limits for the purchase of plug-in or electric vehicles and institute new income limits for the purchase of a fuel cell vehicle. Specifically, this bill would:

- Establish CVRP income limits for the purchase of an eligible vehicle as follows: \$125,000 for single filers; \$175,000 for head-of-household filers; and \$250,000 for joint filers. Eligible vehicles include fuel cell, battery electric and plug-in hybrid electric vehicles.
- Require CARB to increase individual rebate amounts by \$500 for applicants with household incomes less than or equal to 300% of the federal poverty level.
- Require CARB to offer CVRP rebates for only those plug-in hybrids that have an electric range of at least 40 miles.
- Sunset on January 1, 2022.

#### **Complete Bill Information**

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200AB126

## AB 1002 (Quirk-Silva)

## Summary

This bill would require CARB to ensure alternative fuels are treated equally with regard to the requirements for generating credits under the Low Carbon Fuel Standard.

#### **Complete Bill Information**

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200AB1002

## AB 1046 (Ting) Summary

This bill would set as an additional goal of the Charge Ahead California Initiative the placement in service of at least 5 million near-zero and zero-emission vehicles by December 30, 2030. It also would require the forecast for the CVRP to include, among other things, the total state rebate investment necessary to facilitate reaching the 2030 goal and recommended changes to the project structure and rebate levels. Finally, the bill would require CARB to adopt criteria and other requirements to ensure that rebate levels can be phased down in increments based on cumulative sales levels.

## **Complete Bill Information**

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200AB1046

## AB 1406 (O'Donnell)

## Summary

For the Alternative and Renewable Fuel and Vehicle Technology Program, this bill would require the CEC to allocate no less than 10 percent of the program funding for alternative fuel and advanced technology vehicles until January 1, 2024.

## **Complete Bill Information**

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200AB1406

## AB 1424 (Berman)

### Summary

Under the Electric Vehicle Charging Stations Open Access Act, the provider of an EV charging station would be required to offer as form of payment a toll-free telephone number to process a credit card and at least two other specified options of payment. It would prohibit any state agency from requiring a credit card payment to be done through a physical credit card or magnetic stripe reader on EV service equipment.

## **Complete Bill Information**

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200AB1424

## AB 1594 (Bauer-Kahan)

### Summary

This bill would require CARB to implement an incentive program to ensure that at least two EV charging stations for heavy-duty vehicles are available at any given time during regular port hours to on-road heavy-duty vehicles at each of the Ports of Long Beach, Los Angeles, and Oakland by January 1, 2030.

## **Complete Bill Information**

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200AB1594

## AB 2145 (Ting) Summary

This bill would state the intent of the Legislature to enact legislation to reform the EV charging infrastructure approval process employed by the CPUC to help ensure that by 2030, California will safely install enough EV charging ports to meet the demand for charging infrastructure through public and private investment.

## **Complete Bill Information**

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\_id=201920200AB2145

## AB 2772 (Reyes)

## Summary

This bill relates to the CEC's ARFVTP [now the Clean Transportation Program]. It would revise and recast the program to no longer require the CEC to provide certain project preferences, and to require the commission to provide preference to a project that has the ability to support advanced vehicle infrastructure needed to meet specified climate goals. Additionally, the bill would:

- Revise the list of projects that the commission is required to make eligible for funding to include, among others, medium- and heavy-duty vehicle research, pilot, demonstration, and deployment projects that reduce emissions from fleets in the goods movement and public transit sectors.
- Create a list of projects that the CEC would be authorized to make eligible for funding, as specified.
- Require the commission to develop and award block grants or incentive programs administered by public entities or not-for-profit technology entities for multiple projects, education and program promotion within the state, and the development of alternative and renewable fuel and vehicle technology centers, as specified.

## **Complete Bill Information**

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200AB2772

## AB 2860 (O'Donnell)

## Summary

This bill relates to the California Clean Truck, Bus and Off-Road Vehicle and Equipment Technology Program which funds zero- and near-zero-emission trucks, buses, and off-road vehicles and equipment technologies and related projects. This bill would extend the requirement that 20 percent of that funding be made available to support early commercial deployment of existing zero- and near-zero emission heavy-duty truck technology until December 31, 2025, from the current date of December 31, 2020. Additionally, the bill would create a separate definition for "near-zero-emission" and revise the definition of "zeroemission."

• "Near-zero-emission" would be defined as vehicles, fuels, and related technologies that reduce GHG emissions and improve air quality when compared with conventional or fully commercialized alternatives. Near-zero-emission vehicles would include vehicles certified to meet the most stringent optional reduced oxides of nitrogen emission standard.

 "Zero-emission" would be defined as vehicles, fuels, and related technologies that reduce GHG emissions and improve air quality when compared with conventional or fully commercialized alternatives, as defined by CARB in consultation with the CEC. "Zeroemission" may include, but is not limited to, zero-emission technology and enabling technologies that provide a pathway to emissions reductions.

## **Complete Bill Information**

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200AB2860

## SB 59 (Allen) Summary

This bill would establish certain guiding principles relating to autonomous vehicles in order to ensure that these vehicles support the state's efforts to, among other things, reduce GHG emissions and encourage efficient land use. The bill directs the Chair of the California Transportation Commission to create an advisory committee, called the California Council on the Future of Transportation, to provide the Governor and Legislature with recommendations for changes in state policy to ensure California's leadership in autonomous, driverless and connected vehicle technology.

## **Complete Bill Information**

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200SB59

## SB 216 (Galgiani)

## Summary

This bill would add a used heavy-duty truck exchange as an eligible project under the Carl Moyer Memorial Air Quality Standards Attainment Program, until January 1, 2023.

## **Complete Bill Information**

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200SB216

## SB 895 (Archuleta)

## Summary

This bill would require the CEC to provide technical assistance for the development of zeroemission fuels, zero-emission fueling infrastructure, and zero-emission transportation technologies, within the limits of available funds

## **Complete Bill Information**

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200SB895

## **TRANSPORTATION PLANNING, OPERATIONS & FUNDING**

## AB 213 (Reyes)

## Summary

This bill would restore Vehicle Licensing Fee revenue to cities (approximately 140 cities statewide) that have expanded or incorporated additional areas. This is an effort to reverse a 2011 budget trailer bill which aimed to fix the state budget deficit by reallocating millions of dollars annually that would have normally gone to cities that had recently expanded or annexed new territory.

## **Complete Bill Information**

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200AB213

## AB 1350 (Gonzalez)

### Summary

This bill would require transit agencies to offer free transit passes to individuals 18 years old and younger in order to be eligible for funding from specific state transit programs.

## **Complete Bill Information**

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200AB1350

## AB 1992 (Friedman)

## Summary

This bill relates to the Department of Transportation's (DOT) California Transportation Plan, and would state the intent of the Legislature to enact legislation that would establish a new program within the plan to fund climate change adaptation planning for transportation impacts, data collection, modeling, and training. The bill would require DOT to update the asset management plan on or before December 31, 2022, and for the update to also address the forecasted transportation infrastructure impacts of climate change. The bill would require both the third update to the California Transportation Plan, which is due in 2025, and the Strategic Growth Council's report to include a forecast of the transportation impacts of climate change and measures to address those impacts.

## **Complete Bill Information**

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200AB1992

## AB 2012 (Chu)

## Summary

This bill would require transit agencies to offer free senior transit passes to individuals 65 years old or older in order to be eligible for funding from specific state transit programs.

## **Complete Bill Information**

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200AB2012

### AB 2241 (Calderon) Summary

This is currently a spot bill for what was SB 732 (which died in committee) that would authorize the South Coast AQMD Board to approve a tax measure to be placed on the ballot to pay for its Air Quality Management Plan and supplement existing revenues.

### **Complete Bill Information**

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200AB2241

## AB 2090 (Brough)

## Summary

After January 1, 2021, this bill would require the Department of Motor Vehicles to establish a biennial registration period for a vehicle, with subsequent renewals being required at biennial intervals thereafter.

## **Complete Bill Information**

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\_id=201920200AB2090

## AB 2667 (Boerner Horvath)

## Summary

This bill states the intent of the Legislature to enact future legislation to develop an incentive program within the Clean Vehicle Rebate Project for the purchase of electric bicycles.

## **Complete Bill Information**

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200AB2667

## SB 1363 (Allen)

## Summary

This bill relates to regional transportation plans (RTP) and sustainable communities strategies (SCS), and GHG and vehicle miles traveled (VMT) targets. This bill would require:

- CARB to provide, no later than December 31, 2022, each affected region with GHG targets for the automobile and light truck sector for 2045 and 2050, and with VMT reduction targets for 2035, 2045, and 2050, and to release, no later than September 30, 2022, a draft of those targets, as specified.
- Each metropolitan planning organization (MPO) to work with CARB until the state board approves or rejects the accuracy of the technical methodology used to estimate the GHG and VMT reductions in the MPO's SCS.
- MPOs to submit monitoring mechanisms, forecasted development patterns and transportation measures, policies supported by measurable local and regional commitments of funding, incentives technical assistance, education, collaborative planning actions, and drafts of their SCS to CARB, as specified.

• Each city and county to biennially report to its MPO on implementation of strategies included in the applicable SCS or alternative planning strategy, if any.

## **Complete Bill Information**

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200SB1363

## **CLIMATE POLICY**

### AB 3256 (E. Garcia) Summary

This bill states the intent of the Legislature to enact legislation for a bond measure that would address climate risks to California.

#### **Complete Bill Information**

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200AB3256

## Key Federal Activities

## FEDERAL ADMINISTRATIVE ACTIVITIES

## UPDATE ON FED'S EFFORTS TO ROLL BACK CA'S CLEAN CAR STANDARDS

On March 31, the federal administration released the final SAFE (Safer Affordable Fuel Efficient vehicles) regulation. The final rule requires automakers to increase the fuel economy of passenger vehicles by 1.5 percent per year instead of the more stringent 2012 Obama standards which mandated a 5 percent annual increase. The final rule is a slight improvement over the administration's original proposal to freeze the standards at the 2020 level through model year 2026. The rule will increase passenger vehicle fuel economy to 40.4 mpg by 2026, or about 6 mpg fewer than the 2012 rule. California Attorney General Xavier Becerra said that the State is prepared to go to court over the final rule. The first part of the rule revoking California's waiver already is in litigation. On the same day the final rule was released, Volvo announced it is negotiations to join California's agreement with four other automakers (Ford, Honda, BWM, VW) to adopt more stringent vehicle emissions standards.

#### The final rule can be found at

https://www.epa.gov/regulations-emissions-vehicles-and-engines/safer-affordable-fuel-efficient-safe-vehicles-final-rule

## MILLIONS FOR LOCAL TRANSIT IN FEDERAL STIMULUS

On March 27, the President signed H.R. 748, the Coronavirus Aid, Relief and Economic Security (CARES) Act, a bipartisan \$2.2 trillion stimulus package. This funding is in addition to the \$150 billion Coronavirus Relief fund that will provide state, local, and tribal governments with additional resources to address the pandemic. With respect to public transit, the CARES bill allocates \$25 billion to the Federal Transit Administration for transit infrastructure grants to prevent, prepare for, and respond to the coronavirus. The funds are to be apportioned using FY 2020 formulas and will be available for operating expenses related to the coronavirus response, including reimbursement for operating costs to maintain service and lost revenue. The Los Angeles-Long Beach-Anaheim area is slated to receive \$1.22 billion, and the Riverside-San Bernardino area will receive approximately \$137.57 million from the stimulus.

More information is available at <a href="https://www.transit.dot.gov/cares-act">https://www.transit.dot.gov/cares-act</a>