



Clean Transportation Policy Update

November 19, 2020 – January 20, 2021

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Key State Activities

ADMINISTRATION ACTIVITIES

CLIMATE AND TRANSPORTATION HIGHLIGHTS FROM GOVERNOR'S DRAFT 2021-22 STATE BUDGET

Governor Newsom released his proposed FY 2021-22 state budget on January 8. To support the goals of Executive Order N-79-20 which sets state targets for zero-emission vehicle (ZEV) deployment, the budget proposes \$1.5 billion in investments for ZEVs and supporting infrastructure. This includes earmarking approximately \$1 billion in future revenues through the reauthorization of AB 8 (the Alternative and Renewable Fuel and Vehicle Technology Program) for zero-emission infrastructure, and a one-time \$50 million General Fund allocation to support ZEV infrastructure at state-owned facilities. Additionally, the cap-and-trade expenditure plan outlines \$635 million to reduce transportation emissions through low carbon transportation and ZEV strategies. This includes:

- \$315 million for clean trucks, buses and off-road freight equipment
- \$170 million for the FARMER program for agricultural diesel engine replacements and upgrades
- \$150 million for the Clean Cars 4 All program and other transportation equity projects

The budget also includes almost \$1.3 billion in funding to help support public transportation:

- \$667 million for the State Transit Assistance Program
- \$487 million for the Transit and Intercity Rail Capital Program
- \$107 million for the Low Carbon Transit Operations Program.

The proposed budget is available at

<http://www.ebudget.ca.gov/budget/2021-22/#/BudgetSummary>

GOVERNOR APPOINTS CARB CHAIR AND THREE NEW MEMBERS

On December 9, Governor Newsom appointed Liane Randolph as the new Chair of the California Air Resources Board (CARB). She will replace Mary Nichols, who retired in December. Randolph has been a Commissioner on the California Public Utilities Commission since 2015. The Governor reappointed Dr. John Balmes to the physician member seat, and appointed new members Davina Hurt, representing the Bay Air Quality Management District, Gideon Kracov, representing the South Coast Air Quality Management District, and Tania Pacheco-Werner, representing the San Joaquin Valley Air Pollution Control District.

For more information, please visit

<https://www.gov.ca.gov/2020/12/09/governor-newsom-announces-liane-randolph-as-the-chair-of-the-air-resources-board/>

REGULATORY ACTIVITIES

PROJECT 800 ZERO-EMISSION TRUCK FORUM SCHEDULED

On January 21, CARB will host the Project 800 Zero-Emission Truck Forum online to kick off the new initiative aimed to support the deployment of zero-emission trucks at California Ports. The goal of the program is to have 800 zero-emission drayage truck orders in 2021. Topics to be discussed will include: California's portfolio of zero-emission truck incentives, current and planned regulations, California's climate and air quality goals, and community engagement.

More information is available at

<https://www.californiahvip.org/event/project-800-zero-emission-truck-forum/>

EV INFRASTRUCTURE ASSESSMENT AVAILABLE

In early January, the California Energy Commission (CEC) published the draft report, "AB 2127 Electric Vehicle Charging Infrastructure Assessment: Analyzing Charging Needs to Support Zero-Emission Vehicles in 2030." For passenger EV charging in 2030, the assessment projects that close to 1 million chargers are needed to support 5 million EVs, and 1.5 million will be needed to support the 8 million EVs required to achieve the goals of the Governor's Executive Order. An additional 157,000 chargers are needed to support 180,000 medium- and heavy-duty EVs in 2030. The draft report will be revised to include stakeholder input, and the final report will be adopted at a future CEC meeting.

The report is available at

<https://www.energy.ca.gov/programs-and-topics/programs/electric-vehicle-charging-infrastructure-assessment-ab-2127>

CARB DECEMBER MEETING HIGHLIGHTS

At its December 10 meeting CARB staff presented an update to the Board on the 2020 Mobile Source Strategy. The strategy outlines a multipollutant planning approach for the pathways needed by the mobile source sectors to achieve California's emissions goals over the next 30 years. These sectors include light-, medium-, and heavy-duty vehicles, as well as a wide range of off-road equipment. Specifically, for medium- and heavy-duty vehicles, the strategy calls for the deployment of approximately 1.4 million medium- and heavy-duty zero-

emission vehicles in California by 2045. The strategy will come back to the Board for consideration in the spring to allow time for staff to incorporate near-term actions that address air quality needs without further investing in combustion-engine technologies.

The strategy is available at

<https://ww2.arb.ca.gov/resources/documents/2020-mobile-source-strategy>

CARB approved the FY 2020-21 Funding Plan for Clean Transportation Incentives. The plan includes \$28.64 million for the Air Quality Improvement Program to support the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) and the Clean Cars 4 All Program. The plan does not include an allocation for the Low Carbon Transportation Program because the Legislature deferred action on the FY 2020-21 Cap-and-Trade Expenditure Plan, but it does include adjustments to previously funded projects.

The funding plan can be found at

<https://ww2.arb.ca.gov/our-work/programs/low-carbon-transportation-investments-and-air-quality-improvement-program/low-1>

WORKSHOP ON EV INFRASTRUCTURE PROJECTS HELD

On December 17 the CEC held a workshop to collect stakeholder feedback on possible light-duty EV infrastructure projects funded through the 2020-23 Investment Plan. The projects discussed included:

- Increased access to chargers in rural areas
- High power charging for Transportation Network Companies to accommodate app-based drivers
- Programs to support residents who live in multi-unit dwellings

vAdvanced technologies projects such as those proposed in the Built-Environment Electrification Solutions and Form Factors for Fitting Transportation solicitation

Public comments were accepted through January 8.

For more information, please visit

<https://www.energy.ca.gov/event/workshop/2020-12/staff-workshop-funding-allocations-future-electric-vehicle-infrastructure>

REPORT ON EV INFRASTRUCTURE DEPLOYMENT

In December, the CEC published, “California Electric Vehicle Infrastructure Deployment Assessment: Senate Bill 1000 Report,” which analyzed EV infrastructure by the number of public Level 2 chargers and DC Fast Chargers (DCFC) by census tract, county, and air district. The analysis found that public Level 2 and DCFCs are unevenly distributed across air districts and counties but appear to follow the plug-in electric vehicle market deployment. Overall, fewer chargers are installed in census tracts with high population density which may be attributed to land use and area. Fewer public Level 2 chargers are deployed per capita in low-income communities statewide. The results will help inform CEC’s Clean Transportation Program investments to enable better access to EV infrastructure for all Californians.

The report is accessible at

<https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=20-TRAN-02>

HD VEHICLE INSPECTION & MAINTENANCE PROGRAM WORKGROUP MEETINGS

On November 16 and December 17, CARB held two Heavy-Duty Vehicle Inspection and Maintenance Program (HD I/M) Work Group meetings. Staff discussed the proposed regulatory concepts for the program, pilot program activities to support the state's future HD I/M program, as well as a draft onboard diagnostics data collection and submission specifications document. The document details the technical requirements for all systems and tools to be used to collect and submit OBD data in California's HD I/M program.

More information can be found at

<https://ww2.arb.ca.gov/our-work/programs/inspection-and-maintenance-program/Meetings-and-Workshops>

NOVEMBER CAP-AND-TRADE AUCTION RESULTS

The results from the November 17 joint California-Quebec cap-and-trade auction were strong. All of the current 56,366,432 allowances were sold, clearing at the settlement price of \$16.93. All of the 8,672,250 future vintage allowances were sold as well, at a settlement price of \$17.35. The November auction generated approximately \$580 million for the California Climate Investments Program, significantly more than the \$474 million raised from the August auction.

For more information, please visit

https://ww2.arb.ca.gov/sites/default/files/2020-11/nov_2020_summary_results_report.pdf

ANNUAL REPORT ON FUEL CELL VEHICLES IN CA

In November, CARB released its "2020 Annual Evaluation of Fuel Cell Electric Vehicle Deployment & Hydrogen Fuel Station Network Development." The report provides CARB's analysis of the current status and near-term projections of fuel cell electric vehicle deployment and station network development and the actions necessary to maintain progress and enable continued future expansion. It also outlines recommendations to the CEC regarding future station development co-funding through AB 8 that ensures positive retail customer experiences and supports further fuel cell vehicle deployment. CARB documents that the market may soon experience an acceleration out of the earliest market development phase, and that the shift to broader consumer adoption depends on expanded and accelerated station network deployment.

The report is available at

https://ww2.arb.ca.gov/sites/default/files/2020-09/ab8_report_2020.pdf

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 January 7, a work group meeting was held to discuss implementation of the 2020-21 HVIP program. At the meeting, changes to the project criteria were discussed including: lowering annual fleet voucher caps, introducing a rolling “soft” voucher cap for manufacturers, streamlined voucher tables and revised amounts, modified vehicle classification and eligibility criteria, and graduating conventional natural gas internal combustion engines out of the program.

More information is available at

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

Low Carbon Transit Operations Program (Caltrans)

In early 2021, the State Controller’s Office is slated to announce the FY 2020-21 Low Carbon Transit Operations Program eligibility list.

For more information, please visit

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

Affordable Housing and Sustainable Communities Program (Strategic Growth Council)

The SGC held a series of webinars to discuss the draft Round 6 Program Guidelines for the 2019-20 Affordable Housing and Sustainable Communities (AHSC) Program. The deadline to request technical assistance was December 15. The remaining schedule is now in flux; the final guidelines were supposed to be approved in November, but the approval deadline was postponed to better align policy goals with upcoming updates to regulations by other state agencies. The guidelines are expected to be considered at SGC’s February meeting. SGC will adjust the application deadline and the awards based on the release date of the Notice of Funding Availability, which has not yet been determined.

More information is available at

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

ZERO-EMISSION DRAYAGE TRUCK & INFRASTRUCTURE FUNDING

CARB and the CEC have \$44.1 million in funding available to support large-scale deployments of on-road, zero-emission Class 8 drayage trucks and supporting infrastructure. The CEC’s Clean Transportation Program has allocated \$20.1 million, and CARB’s FY 2019-20 Funding Plan for Clean Transportation Incentives has allocated \$24 million for this pilot program. CEC funding will support zero-emission vehicle infrastructure and installation, and

workforce training and development. CARB funding will be allocated towards the purchase of on-road zero-emission Class 8 trucks. A pre-application workshop was held on December 17. The application deadline is February 15.

More information can be found at

<https://www.energy.ca.gov/solicitations/2020-11/gfo-20-606-zero-emission-drayage-truck-and-infrastructure-pilot-project>

CEC's 2020-23 INVESTMENT PLAN UPDATE FOR CLEAN TRANSPORTATION PROGRAM

The final 2020-23 Investment Plan Update for the Clean Transportation Program is available. The CEC adopted the plan at its October meeting. The plan allocates \$384.2 million to the following activities:

- Light-duty electric vehicle charging infrastructure and eMobility - \$132.9 million
- Medium- and heavy-duty zero-emission vehicles and infrastructure - \$129.8 million
- Public hydrogen fueling infrastructure - \$70 million
- Zero- and near-zero-carbon fuel production and supply - \$25 million
- Manufacturing - \$9 million
- Workforce training and development - \$7.5 million
- Recovery and reinvestment - \$10 million

The plan is available at

<https://www.energy.ca.gov/programs-and-topics/programs/clean-transportation-program/clean-transportation-program-investment-5>

RESEARCH ACTIVITIES

CA CLIMATE GOALS DEPEND ON ZEVS, NEW REPORT FINDS

The Center for Biological Diversity's report, "All-Electric Drive: How California's Climate Success Depends on Zero-Emission Vehicles," examines three scenarios of ZEV sales in the coming decades. The research found that only one scenario enables California to meet its climate targets and concludes that the state must set a goal of 100 percent ZEV sales by 2030; nearly all internal combustion engines must be retired by 2045. This would result in 10.6 million ZEV cars and light-duty trucks on California's roadways by 2030.

To read the report, please visit

https://www.biologicaldiversity.org/programs/climate_law_institute/pdfs/All-Electric-Drive-California-zero-emissions-vehicles-report.pdf

OTHER NEWS

TWO MORE AUTO MANUFACTURERS NOW SUPPORT CA'S CLEAN CARS STANDARDS

At the end of November, General Motors announced it was reversing its stance and would no longer support the federal administration's efforts to block California from setting its own vehicle emission standards. In early December, Nissan announced it also was withdrawing from the federal lawsuit filed by the administration. GM and Nissan join Ford, BMW, Honda, Volkswagen, and Volvo which signed framework agreements with CARB pledging their support for California's standards in August.

GM's letter is available at

<https://environmentamerica.org/news/ame/statement-general-motors-commits-all-electric-car-future>

SCAQMD'S MOBILE SOURCE WORKING GROUP MEETING

On December 16, the South Coast Air Quality Management District (SCAQMD) held the first meeting of the Mobile Source Working Group as part of the 2022 Air Quality Management Plan (AQMP) development process. The meeting provided an overview of the mobile source categories, including emissions inventories, existing and upcoming regulations, and CARB's 2020 Mobile Source Strategy scenarios. Four Mobile Source Working Groups were established and will hold their first meetings in early 2021:

- Heavy-duty Trucks Working Group – January 26
- Construction and Industrial Equipment Working Group – January 27
- Ocean-going Vessels Working Group – February 3
- Aircraft Working Group – February 4

For more information, please visit

<http://www.aqmd.gov/home/air-quality/clean-air-plans/air-quality-mgt-plan/2022-aqmp-mobile-source-working-groups#>

CALIFORNIA LEGISLATIVE ACTIVITIES

UPCOMING HEARINGS IN THE SENATE AND ASSEMBLY

The Legislature reconvened on January 11.

On December 14, Senate President pro Tem Atkins announced the Chairs for the 2021-22 legislative session. Relevant Chair appointments include:

- Appropriations – Anthony Portantino (D-25)
- Budget and Fiscal Review – Nancy Skinner (D-9)

- Budget Subcommittee #2 on Resources, Environmental Protection and Energy – Bob Wieckowski – (D-10)
- Budget Subcommittee #5 on Corrections, Public Safety, Judiciary, Labor and Transportation – Maria Elena Durazo (D-24)
- Environmental Quality – Ben Allen (D-26)
- Natural Resources and Water – Henry Stern (D-27)
- Transportation – Lena Gonzalez (D-33)

Assembly Speaker Rendon appointed Committee Chairs for the upcoming legislative session. Relevant Chair appointments include:

- Appropriations – Lorena Gonzalez (D-80)
- Budget – Phil Ting (D-19)
- Budget Subcommittee No. 3 on Climate Crisis, Resources, Energy, and Transportation – Richard Bloom (D-50)
- Natural Resources – Luz Rivas (D-39)
- Transportation – Laura Friedman (D-43)

LEGISLATION

CLEAN FUEL VEHICLES POLICY & INCENTIVES

AB 96 (O'Donnell)

Summary

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

Complete Bill Information

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

CLIMATE POLICY

SB 45 (Portantino, Allen, Hurtado, Stern)

Summary

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

Complete Bill Information

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

Key Federal Activities

FEDERAL LEGISLATIVE ACTIVITIES

EV STATION FUNDING BILL

On November 24, Congress members Tom O'Halleran (D-AZ) and Michael Burgess (R-TX) introduced the Electric Vehicle Mobility Area Planning (EV MAP) Act. The bill would create a \$10 million grant program to assist localities and electric utilities to identify the locations for electric vehicle charging stations in their communities. The bill is aimed at saving communities money on transportation costs, reducing environmental impacts from tailpipe emissions, and gaining access to new, cutting edge transportation technology by providing consumers and developers better, data-driven, more publicly accessible information, allowing them to make the best planning and investment decisions for their individual needs, and creating new, local manufacturing jobs.

The bill language is available at

<https://www.congress.gov/bill/116th-congress/house-bill/8807/text>

FEDERAL FUNDING ACTIVITIES

MILLIONS IN DERA FUNDING AVAILABLE

Approximately \$46 million in competitive grant funding is now available for the 2021 Diesel Emissions Reductions Act (DERA) National Grants Program. Funding is available for eligible diesel vehicles, engines and equipment including: Class 5 to Class 8 heavy-duty vehicles; school buses; locomotive engines; marine engines; and non-road engines such as construction, cargo-handling equipment, and agricultural vehicles. The application deadline is March 16.

For more information, please visit

<https://www.epa.gov/dera/national>

FEDERAL RESEARCH ACTIVITIES

RIDE-HAILING ELECTRIFICATION WHITE PAPER AVAILABLE

In December, the Northeast States for Coordinated Air Use Management (NESCAUM) released a white paper titled, "Accelerating Ride-Hailing Electrification: Challenges, Benefits and Options for State Action." The paper identifies the benefits and challenges associated with transitioning vehicles driving on transportation network company platforms to EVs and recommends specific actions that the Multi-State ZEV Task Force states can take to support and accelerate the transition. Recommended state actions include both new state policies and programmatic investments.

The paper can be found at

<https://www.nescaum.org/topics/zero-emission-vehicles>

REPORT DETAILS AVAILABILITY OF ZERO-EMISSION TRUCKS AND BUSES

A report led by Environmental Defense Fund (EDF), “Race to Zero: How Manufacturers are Positioned for Zero-Emission Commercial Trucks and Buses in North America,” shows that manufacturers are ready to meet demand for these vehicles in the United States and Canada. It documents the zero-emission models that are being prototyped or deployed commercially as of July 2020 – both by original equipment manufacturers and startup companies – and concludes that the era of uncertainty could soon be coming to an end because of the increasing number and diversity of zero-emission models that are commercially available. The report identifies at least 125 zero-emission truck and bus models in production, development or demonstration. Over the past five years, sales of zero-emission commercial vehicles have increased by nearly a factor of 10. There are models for each of the distinct major segments of the heavy-duty vehicle market, including transit and school buses, delivery vans, box trucks and combination trucks. Every major truck and bus manufacturer is developing at least one all-electric vehicle model or is part of an industry collaboration to bring zero-emission vehicles to market.

For more information, please visit

https://www.edf.org/sites/default/files/documents/Race%20to%20Zero-ICCT_EDF_PQ-FINAL.pdf

FINANCING ELECTRIC TRUCKS AND BUSES DETAILED IN NEW REPORT

“Financing the Transition: Unlocking Capital to Electrify Truck and Bus Fleets,” another report by EDF, examines the barriers to access private capital needed to transition to a zero-emission national fleet and provides recommendations on how to more effectively leverage public dollars and engage private capital. The report finds that broader collaboration among key stakeholders and a new generation of finance solutions will be important to electrify truck and bus fleets at scale. These solutions are compiled into a Total Cost of Electrification Toolkit that policymakers, fleet owners, utilities and investors can use as a roadmap to accelerate demand for electric trucks and buses, while reducing barriers to investment.

The report and toolkit are available at

<https://www.edf.org/energy/financing-transition-electric-truck-and-bus-fleets#toolkit>