



Clean Transportation Policy Update

October 19 – November 14, 2023

This issue of the Clean Transportation Policy Update focuses exclusively on regulatory and policy activities. Last month's update contains a summary of the first half of the 2023-2024 California legislative session.

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GOVERNOR APPOINTS NEW CARB MEMBER

On September 27, Governor Newsom appointed Cliff Rechtschaffen as the newest member of the California Air Resources Board (CARB). He served as a Commissioner on the California Public Utilities Commission since 2017, and as a Senior Advisor on Climate and Energy in the Office of Governor Jerry Brown from 2011 to 2017. He serves as one of the two public members on CARB and replaces former Assembly Member Bill Quirk.

For more information, please visit

<https://ww2.arb.ca.gov/about/leadership/cliff-rechtschaffen>

REGULATORY ACTIVITIES

ADVANCED CLEAN FLEETS REGULATION IN EFFECT

On October 1, the Advanced Clean Fleets (ACF) regulation became effective. CARB approved the final rule in April and the Office of Administrative Law approved the rule at the end of September. Several provisions of the rule will take effect in 2024, including:

- High priority and federal fleets must purchase only zero-emission vehicles (ZEVs).

- Drayage trucks must start transitioning to zero-emission technology. One hundred percent of new trucks purchased that operate at the ports must be ZEVs starting in 2035.
- Fifty percent of new trucks purchases by state and local government fleets must be ZEVs.

Additional information can be found at

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

JOINT AGENCY MEETING ON TRANSPORTATION, AIR QUALITY, HOUSING HELD

On November 2, a joint meeting of CARB, the California Transportation Commission, and the California Department of Housing and Community Development was held. These agencies meet at least twice a year to coordinate policies that jointly impact transportation, housing, and air quality in the state. This meeting focused on California's interagency implementation of the Climate Action Plan for Transportation and Infrastructure (CAPTI), and planning for sustainable communities so that regional planning efforts can better advance multiple state goals for housing, transportation, climate, and air quality.

For more information, please visit

<https://ww2.arb.ca.gov/ma110223>

FUNDING ACTIVITIES

LOW CARBON TRANSPORTATION PROGRAM ACTIVITIES

CARB is expected to adopt the FY 2023-24 Funding Plan for Clean Transportation Incentives at its November 16 meeting. The plan outlines nearly \$624 million in investments that CARB will appropriate next year, including:

- \$140 million for clean transportation equity programs, including Clean Cars 4 All and Sustainable Community-Based Transportation Equity Projects (STEP)
- \$455 million for heavy-duty vehicles, including \$80 million for zero-emission drayage trucks and \$375 million for zero-emission public school buses
- \$28.64 million for the Air Quality Improvement Program (AQIP)

Additional information can be found at

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

CTP INVESTMENT PLAN ADVISORY COMMITTEE MEETING SET

On November 14, the Advisory Committee for the California Energy Commission's (CEC) Clean Transportation Program (CTP) Investment Plan will hold a public meeting to discuss the proposed allocations included in the 2023-24 Investment Plan, as well as a hear a

presentation on ZEV infrastructure and planning activities at the agency. The CEC is expected to approve the Investment Plan by the end of the year.

For more information, please visit

<https://www.energy.ca.gov/event/meeting/2023-11/public-meeting-advisory-committee-clean-transportation-program-investment>

CEC INFRASTRUCTURE FUNDING OPPORTUNITIES

The CEC has a number of open solicitations that will provide funding for light-medium- and heavy-duty infrastructure projects.

- Charging and Refueling Infrastructure for Transport in CALifornia Provided Along Targeted Highway Segments (CRITICAL PATHS) – This solicitation will provide up to \$20 million to support medium- and heavy-duty infrastructure along California Transportation Commission-designated corridors for electric and fuel cell vehicles. Applications are due by November 17.
- Golden State Priority Project: Northern & Southern Regions (CALeVIP 2.0) – This project has up to \$38 million in rebates available for purchasing and installing high-powered DC fast chargers at eligible sites located in disadvantaged and/or low-income communities in these regions. Applications are due by December 12.
- EnergIIZE Commercial Vehicles (MD/HD ZEV Infrastructure Incentive Block Grant project), Drayage Public Set-Aside Funding – This solicitation has \$22.2 million available for medium- and heavy-duty electric and/or hydrogen infrastructure and pairs vehicle incentives from CARB's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) with EnergIIZE incentives. There is no deadline for application submissions.

Additional information is available at

<https://www.energy.ca.gov/funding-opportunities/solicitations>

MILLIONS IN FEDERAL EV INFRASTRUCTURE FUNDING COME TO CA

On October 26, California's National Electric Vehicle Infrastructure (NEVI) Formula Program opened. The NEVI program has up to \$40.5 million in competitive grant funding available for projects that will strategically deploy high-powered DC fast charger EV infrastructure and establish an interconnected network to facilitate data collection, access, and reliability. Eligible applicants include all private entities, excluding Investor-Owned Utilities. Applications are due by January 26, 2024. California is expected to receive approximately \$384 million in total from the NEVI program over the next five years.

For more information, please visit

<https://www.energy.ca.gov/solicitations/2023-10/gfo-23-601-californias-national-electric-vehicle-infrastructure-formula>

MILLIONS AVAILABLE FOR LEVEL 2 CHARGING

Administered by CALSTART, the Communities in Charge Program has \$38 million in funding available to help accelerate the state's light-duty EV market by rapidly deploying Level 2 EV charging stations. Funded through the CEC's Clean Transportation Program, the first round of funding in March allocated \$30 million for projects like multifamily housing and workplace charging. The second round of funding opened on November 7, and applications will be accepted through December 22.

For more information, please visit

<https://thecommunitiesincharge.org/>

ELECTRIFY AMERICA'S CYCLE 4 ZEV INVESTMENT PLAN

On October 24, Electrify America, a subsidiary of Volkswagen, released a draft of the fourth and final 30-month ZEV Investment Plan, which spans July 2024 through December 2026. The investment plan is part of the 2016 VW settlement with CARB requiring VW to invest \$800 million in California in four \$200 million, 30-month cycles over a 10-year period to support the increased use and availability of ZEVs. The plan proposes that the last installment of \$200 million be invested as follows:

- EV Fueling infrastructure – approximately \$172 million
- Education, awareness, access and marketing activities - \$8 million
- Administrative costs - \$20 million

Public comments were due November 7, and CARB is slated to approve the plan next year.

Additional information is available at

<https://ww2.arb.ca.gov/our-work/programs/volkswagen-zero-emission-vehicle-zev-investment-commitment>

RESEARCH ACTIVITIES

CLIMATE-SMART TRANSPORTATION PROJECTS ARE NEEDED IN CA

The Natural Resources Defense Council (NRDC) analyzes state transportation investments across 10 key funding programs from 2019-2027 in its new report, "Closing the Climate Investment Gap: California Must Prioritize Climate-Smart Transportation Projects." The analysis looks at \$22.4 billion in investments in more than 4,800 projects and examines to what extent California's transportation spending matches the urgency of its climate goals. The research showed that less than one-fifth of the total budget is going to projects that reduce VMT (vehicle miles traveled), such as reliable public transit, biking, and walking. The report recommends four strategies to better align the state's transportation investments with its climate and VMT reduction goals:

- Discontinue funding for VMT-increasing projects;
- Convert projects that have no VMT impacts to projects that reduce VMT;

- Build a better pipeline of VMT-reducing projects; and
- Track progress on VMT reduction in state-funded transportation projects

The report is available at

<https://www.nrdc.org/resources/closing-climate-investment-gap-california-must-prioritize-climate-smart-transportation>

REPORT EXAMINES STRATEGIES TO REDUCE VMT IN CA

NextGen’s report, “California at a Crossroads: Unleashing Climate Progress in Transportation Planning,” explores why reducing car dependency and VMT is critical for California to achieve its climate goals and highlights what policy and programmatic solutions are available to help achieve these reductions. The report offers three recommendations to help reduce traffic and statewide VMT:

- Fully align the transportation planning process with California’s established climate goals, which will rule out the vast majority of freeway expansions;
- Manage the network by implementing an equitable roadway pricing system; and
- Optimize existing infrastructure by using parts of existing roadways to reconnect communities and provide more safe, efficient, sustainable mobility options.

Read the report here

<https://climate100.nextgenpolicy.org/california-at-a-crossroads-unleashing-climate-progress-in-transportation-planning/>

CALIFORNIA LEGISLATIVE ACTIVITIES

The Legislature has adjourned until January 3, 2024.

Key Federal Activities

FUNDING ACTIVITIES

NEW RULE WOULD ALLOW POINT OF SALE REBATES FOR EVs

On October 6, the U.S. Department of the Treasury and Internal Revenue Service issued new guidance for vehicle purchasers that will allow point of sale rebates for new and previously owned vehicles. Starting January 1, 2024, consumers can choose to transfer their new clean vehicle credit of up to \$7,500 and their previously owned clean vehicle credit of up to \$4,000 to a car dealer, effectively lowering the vehicle’s purchase price by providing consumers with an upfront down payment on their clean vehicle at the point of sale, rather than having to wait to claim their credit on their tax return. Comments on the proposed regulation are due by December 11.

More information is available at

<https://home.treasury.gov/news/press-releases/jy1783>