



# Clean Transportation Policy Update

October 22 – November 19, 2024

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

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## Key State Activities

### REGULATORY ACTIVITIES

#### **CARB ADOPTS UPDATES TO LOW CARBON FUEL STANDARD**

On November 8, the California Air Resources Board (CARB) approved amendments to the Low Carbon Fuel Standard (LCFS) by a vote of 12-2. The LCFS is designed to reduce air pollution and GHG emissions by setting a declining carbon intensity target for transportation fuels used in the State. Producers that generate emissions above the established benchmark must purchase credits, and participants can generate credits for producing and using fuels that fall below it. The update tightens the targets to reduce the carbon intensity by 30 percent by 2030 and 90 percent by 2045. Several constituencies, including some environmental, environmental justice, and consumer advocates, were opposed to the amendments because of the likely increase in production of biofuels from cow manure or soybeans, rather than transitioning to electrification options. The Board also adopted a resolution to direct staff to begin developing a methane rule next year to regulate emissions from dairy farms and other livestock. Funding generated by the LCFS supports investments in zero-emission vehicles and infrastructure, and other clean transportation options.

Additional information is available at <https://ww2.arb.ca.gov/our-work/programs/low-carbon-fuel-standard>

## ADVANCED CLEAN TRUCKS REGULATION UPDATE

On October 24, CARB approved amendments to the Advanced Clean Trucks (ACT) rule. The amendments clarify that all medium- and heavy-duty trucks sold starting with model year 2036 must be zero-emission, in alignment with the Advanced Clean Fleets Rule. The amendments also give truck manufacturers three years – rather than one year – to comply if they have less than the required number of credits, which are earned when vehicles are delivered to dealerships for sale.

On September 24, CARB Executive Officer Steven Cliff submitted a memo to the Board analyzing the availability of medium- and heavy-duty vehicles in California for model year 2024. The analysis concludes that manufacturers are well-suited to comply with the ACT regulation's requirements for model year 2024 and that there are more than enough available ACT credits manufacturers could purchase, if necessary, to sell dealers what is needed.

For more information, please visit <https://ww2.arb.ca.gov/our-work/programs/advanced-clean-trucks>

## ADVANCED CLEAN FLEETS RULE ACTIVITIES

Several meetings have been held and are scheduled related to the Advanced Clean Fleets (ACF) regulation. These include:

- December 10 – Meeting #5 of the Rule Provision Truck Regulation Implementation Group
- November 4 – Meeting #5 of the Infrastructure Truck Regulation Implementation Group
- November 1 – ACF Exemptions and Extensions webinar
- October 3 – ACF workshop on proposed amendments, which included: a definition of transitional utility-specialized vehicles; modifying eligibility criteria for a ZEV Purchase Exemption for a new traditional utility-specialized vehicle without regard to the model year of the vehicle being replaced; changes to the Daily Usage exemption; and minor changes to the transit fleet vehicle definition and other needed updates and clarifications

Information about these meetings is available at <https://ww2.arb.ca.gov/our-work/programs/advanced-clean-fleets/advanced-clean-fleets-meetings-events>

## 2025 MOBILE SOURCE STRATEGY IN DEVELOPMENT

On October 23, CARB staff held the second public webinar to discuss the 2025 Mobile Source Strategy (MSS). The strategy will identify potential pathways for mobile source reductions needed to meet CARB's air quality, climate, and community risk reduction mandates, including modeling levels of clean technologies needed and regulatory and programmatic concepts to achieve cleaner technologies. At the meeting, staff discussed the numerous categories of vehicles and equipment, as well as the beginnings of scenario development. Staff provided a summary of each category's emission, current control programs, and available technologies and emission reduction potential. In the Winter/Spring of 2025, CARB will release a draft document and host a third webinar.

Another draft, webinar and Board hearing will take place in the Fall 2025/Winter 2026. CARB will submit the final MSS to the Legislature in the Winter of 2026.

More information is available at <https://ww2.arb.ca.gov/resources/documents/2025-mobile-source-strategy>

## 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)

CARB is expected to adopt the FY 2024-25 Funding Plan for Clean Transportation Incentives at its November 21 meeting. For FY 2024-25, the Legislature only appropriated \$34.9 million from the Air Quality Improvement Fund to the Air Quality Improvement Program. No General Funds or Greenhouse Gas Reduction Funds (GGRF) were appropriated to CARB for FY 2024-25. The plan allocates these investments as follows:

- Innovative Small e-Fleet Pilot Project - \$14.9 million
- Clean Off-Road Equipment Project - \$14.9 million
- Zero-Emission Truck Loan Pilot - \$5 million

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

#### Low Carbon Transit Operations Program (Caltrans)

In October, Caltrans awarded \$206 million for 149 local clean transportation projects to help expand bus and rail service, help transit agencies purchase zero-emission vehicles and infrastructure, and support reduced transit fare programs. In the South Coast region, some of these awards included:

- SBCTA - \$600,000 to continue to provide free Metrolink passes for riders, focusing on stations along the Arrow and San Bernardino Line
- Victor Valley Transit Authority - \$1.1 million to purchase three replacement zero-emission fuel cell electric buses
- OCTA - \$10.3 million to purchase 40 hydrogen fuel cell electric buses
- LA Metro - \$51.3 million for operations benefiting Metro's E-Line light-rail service

The draft guidelines for the FY 24-25 LCTOP are now available. The anticipated timeline is as follows:

- LCTOP release of the updated allocation request package – January 2025
- LCTOP allocation request workshops – February
- LCTOP Call for Projects opens – March
- LCTOP allocation requests due to Caltrans – May
- Caltrans and CARB approve the list of projects and submit to State Controller's Office (SCO)– September
- SCO releases approved amounts to recipients – December

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

### Transit and Intercity Rail Capital Program (CalSTA)

On October 23, CalSTA announced the 2024 awards for Cycle 7 of the Transit and Intercity Rail Capital Program (TIRCP). Caltrans awarded more than \$1.3 billion for 27 projects, estimated to reduce 4.3 million metric tons of CO<sub>2</sub>e and deploy 235 zero-emission vehicles across the state. In the South Coast region, the allocations were as follows:

- City of Irvine - \$4.43 million for the Irvine CONNECT Clean Transit Service project to purchase 12 City-operated electric cutaway buses
- City of Santa Monica - \$53.28 million for The POWER of Transportation: Clean Air, Access and Opportunity project to expand service on the Big Blue Bus, including the procurement of 73 zero-emission buses and charging infrastructure
- Foothill Transit - \$16.89 million for the Intercity Connectors: More Riders, Less Mess, Happy Life! project to procure 30 zero-emission hydrogen fuel cell buses, implement a traffic signal priority line, and infrastructure upgrades
- LA Metro - \$231 million for the Southeast Gateway Line project to establish a new light-rail line connecting southeast Los Angeles County to downtown Los Angeles
- OCTA - \$40.5 million for the Mead Valley Metrolink Station/Mobility Hub project for environmental revalidation, design, right-of-way acquisition, construction management, and building of a new Metrolink station in Mead Valley
- Southern California Regional Rail Authority (SCRRA) - \$44.8 million for the Eastern Maintenance Facility Development project to construct two new service and inspection tracks to improve service on the Inland Empire-Orange County Line and the San Bernardino Line
- SunLine Transit Agency - \$612,200 for the Bringing Easy Ticketing Solutions to the Coachella Valley project to install an open loop, contactless payment system on all SunLine service vehicles
- University of California, Los Angeles (UCLA) - \$19.85 million for the UCLA/Westwood Zero-Emission Transit Service Expansion: Deploying Wireless Charging at Scale project to fully electrify UCLA's Bruin Bus and Medical Center bus fleets while expanding charging services and implementing inductive wireless charging infrastructure on campus, including procuring eight zero-emission buses

Additional information is available at <https://calsta.ca.gov/subject-areas/transit-intercity-rail-capital-prog>

### **CEC's 2024-25 INVESTMENT PLAN UPDATE FOR CLEAN TRANSPORTATION PROGRAM**

On October 1, the California Energy Commission (CEC) released the revised Staff Report for the 2024-25 Investment Plan Update for the Clean Transportation Program that establishes funding allocations with a focus on zero-emission vehicle infrastructure. The plan allocates \$95.2 million in funding as follows:

- Light-duty charging electric infrastructure - \$40 million
- Medium- and heavy-duty electric charging infrastructure - \$38.2 million
- Light-, medium- and heavy-duty hydrogen refueling infrastructure - \$15 million
- Workforce training and development - \$2 million

The plan also includes Greenhouse Gas Reduction Fund (GGRF) and General Fund allocations proposed through FY 2027-28, which totals \$1.3 billion; however, available amounts may differ as future budgets are finalized. The CEC is expected to approve the final plan in December.

For more information, please visit <https://www.energy.ca.gov/publications/2024/2024-2025-investment-plan-update-clean-transportation-program>

## CA AWARDS MILLIONS IN FEDERAL EV INFRASTRUCTURE FUNDING

In September, the CEC and California Department of Transportation (Caltrans) awarded more than \$32 million in federal funds to install, operate, and maintain 458 DC fast chargers along interstates and highways across the state. The funding comes from the \$5 billion National Electric Vehicle Infrastructure (NEVI) Formula Program. California expects to receive a total of \$384 million from the program over the next several years. Awards in the South Coast region include:

- Sustainable Energies CA, LLC - \$1.86 million for 20 fast chargers along sections of Interstates 8, 15, and 805 in Riverside and San Diego Counties
- Sustainable Energies CA, LLC - \$1.2 million for 16 fast chargers in Los Angeles, Riverside, and San Bernardino Counties
- Sustainable Energies CA, LLC - \$1.8 million for 24 fast chargers along sections of Interstates 110, 710, 605, and 105 in Los Angeles County

The anticipated timeline for NEVI-Solicitation #2 is as follows:

- Release of Solicitation #2: November/December 2024
- Applications due: February/March 2025
- Notice of Proposed Awards posting: May/June 2025
- CEC meeting to approve: September/October 2025

For more information, please visit <https://www.energy.ca.gov/news/2024-09/california-awards-32-million-federal-funding-deploy-over-450-fast-chargers-along>

## CALIFORNIA LEGISLATIVE ACTIVITIES

The Legislature has adjourned until December 2, when it will convene for an organizational session and a Special Session, which the Governor announced on November 7. It will reconvene for the 2025-26 legislative session on January 6, 2025.

## **Key Federal Activities**

### **FEDERAL ELECTION IMPACTS ON CLEAN TRANSPORTATION**

The Republican victory in the White House and majority shift in both the Senate and House of Representatives likely will have impacts on clean transportation policies and funding at the national and state levels. In mid-November, Governor Newsom traveled to Washington, D.C., to meet with Biden Administration officials to urge U.S. EPA to grant the eight pending California waivers before the end of the term, which include waivers for California's Advanced Clean Fleets rule, Advanced Clean Cars II rule, and the Heavy-Duty NOx Omnibus regulation. If and when some or all of these waivers are granted, the next Administration has pledged to revoke or rollback these waivers, which will impede Section 177 States from adopting California's zero-emission vehicle regulations. Some news outlets and leading clean transportation policy experts have reported that the incoming Administration is expected to challenge California's authority under the federal Clean Air Act to impose stricter clean air standards, as well pursue other measures that would negatively impact the progress on light- and heavy-duty ZEV adoption nationally, including clawing back EV and infrastructure funding from the Inflation Reduction Act, eliminating EV tax credits, and repealing federal vehicle emission standards. President-elect Trump has nominated Lee Zeldin, a former Congressman from New York and 2022 Gubernatorial candidate, to be the next U.S. EPA Administrator.

## **LEGISLATIVE ACTIVITIES**

### **BILLS INTRODUCED TO LIMIT CA's AUTHORITY UNDER CLEAN AIR ACT**

On September 12, two bills were introduced in Congress that would limit California's authority to establish vehicle emissions standards under the federal Clean Air Act and eliminate the ability of other states to adopt California's standards. Known as the "Stop CARB Act" (Stop California from Advancing Regulatory Burden Act of 2024), S.5038, introduced by Senator Mike Lee (R-UT), and H.R.9574, introduced by Congressman Troy Nehls (R-TX), would: repeal the waiver exemption for California in Section 209 of the Clean Air Act; repeal Section 177 of the Clean Air Act, which allows other states to adopt California's standards; and nullify any active or pending waivers.

Bill information is available at <https://www.congress.gov/bill/118th-congress/senate-bill/5038/text>  
and

<https://www.congress.gov/bill/118th-congress/house-bill/9574/text>

## FUNDING ACTIVITIES

### DERA AWARDS ANNOUNCED

On October 7, U.S. EPA announced it had awarded nearly \$125 million to 70 projects under the Diesel Emissions Reduction Act (DERA) National Grants Program to accelerate the upgrade or retirement of older diesel engines to zero-emission technologies. This includes the replacement or retrofit of existing diesel engines, vehicles and equipment. The only agency to receive funding in the South Coast region was the South Coast Air Quality Management District, which received \$4.5 million to replace 22 Class 8 diesel drayage trucks with zero-emission trucks.

More information is available at <https://www.epa.gov/dera/national-dera-awarded-grants>

## RESEARCH ACTIVITIES

### RESEARCH PREDICTS WIDESPREAD EV ADOPTION BY 2035

A new report by Edison Electric Institute, a trade group for investor-owned utilities, shows that approximately 78.5 million EVs will be on the nation's roadways by 2035, a seventeen-fold increase compared to 4.5 million in 2023. This would translate into more than 26 percent of vehicles of the nearly 300 million total vehicles expected to be on the road (cars and light-duty trucks) being EVs. The report also forecasts that:

Annual sales of EVs will be about 12.2 million in 2035, reaching nearly 72 percent of annual total light-duty vehicle sales in 2035.

- More than 42.2 million charge ports will be needed to support the projected 78.5 million EVs. This includes Level 2 chargers at home, workplaces, and in public, as well as DC fast chargers.
- Approximately 325,000 DC fast charger ports will be needed to support the projected number of EVs.
- America's electric companies are making significant investments to expand access to EV charging, including investing more than \$5.3 billion in charging infrastructure and other EV programs.

The report is available at <https://www.eei.org/-/media/Project/EEI/Documents/Issues-and-Policy/Electric-Transportation/EV-Forecast-Infrastructure-Report.pdf?la=en&hash=FF7F1A5913E3B48E8F92FA26E2AFB79FDBE0E89C>