



Clean Transportation Policy Update

March 16 – April 19, 2023

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AB 1609 (Garcia)

Summary

This bill would impose an additional annual \$4 charge on each motor vehicle registration, which could potentially double the amount of funding allocated to the MSRC. The revenues would be continuously appropriated for distribution to air pollution control districts and air quality management districts based upon the amount of the charges collected from motor vehicles registered within each air district. The revenues would be required to be used for the reduction of air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies, or for the attainment or maintenance of state or federal ambient air quality standards or the reduction of toxic air contaminant emissions from motor vehicles. The charge would be increased annually based on the California Consumer Price Index. Additionally, existing law authorizes an air pollution control district or air quality management district to levy a surcharge of up to \$6 on the registration fees for motor vehicles registered in that air district and requires the DMV to collect and distribute the revenues to the air districts. Until January 1, 2034, a \$2 increment of that surcharge is to be used for the reduction of air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies, or for the attainment or maintenance of state or federal ambient air quality standards or the reduction of toxic air containment emissions from motor vehicles, and this bill would authorize that increment to be used for these purposes indefinitely. Because this bill would result in a higher tax, it will require 2/3 of the Legislature to pass.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1609

REGULATORY ACTIVITIES

ADVANCED CLEAN FLEETS UPDATE

The California Air Resources Board (CARB) released its 15-day changes for the Advanced Clean Fleets (ACF) Rule on March 23, which contains the proposed language the Board will vote on. A draft of the Board resolution is slated to be released on April 21. The Board will vote on adopting the rule at its April 27-28 Board meeting.

Additional information is available at

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

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 24, CARB will hold a public work group meeting to develop the FY 2023-24 Funding Plan for Clean Transportation Incentives. The Funding Plan will outline CARB's proposed investments from the zero-emission vehicle funding package for Low Carbon Transportation Investments, as well as funds from the Air Quality Improvement 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)

The allocation request schedule for the FY 2022-23 Low Carbon Transit Operations Program (LCTOP) is as follows:

- Mid-June 2023 – Caltrans and CARB authorize the list of approved projects and submit to the State Controller's Office
- July 1, 2023 – State Controller's Office releases approved LCTOP 2022-23 Award Announcement

For more information, please visit

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

Transit and Intercity Rail Capital Program (CalSTA)

CalSTA is scheduled to make award announcements for the 2023 Transit and Intercity Rail Capital Program (TIRCP) on April 24.

Additional information can be found at

<https://calsta.ca.gov/subject-areas/transit-intercity-rail-capital-prog>

RESEARCH ACTIVITIES

REPORT ON GASOLINE “SUPERUSERS” IN CA

A new report by Coltura titled, “Gasoline Superusers 2.0: Supporting Gasoline-Burdened Families’ Transition to EVs to Maximize Climate and Equity Benefits,” examines prioritizing the biggest gasoline users (“Gasoline Superusers”) as a more efficient way to transition to EVs and advance equity. Nearly one-third of the gasoline consumed by California drivers is used by just 10 percent of the drivers. Some of the report’s findings include:

- Prioritizing Superusers maximizes the gasoline displacement impact of EVs
 - California Superusers burn 28 percent of the gasoline used by consumers in light-duty private vehicles – more than the bottom 56 percent of gasoline users combined.
 - The average Superuser uses 3.5 times more gasoline than the average non-Superuser – 1,260 gallons per year vs. 354 gallons per year.
 - Switching all of California’s 5.4 million biggest gasoline users (roughly those in the top 20 percent) to EVs would cut gasoline use by 43 percent.
 - Cutting vehicle emissions by 50 percent would require 9 million EVs if the biggest gasoline users switched first, but 24 million EVs if the biggest gasoline users switched last.
 - Currently, lower mileage drivers are adopting EVs. The average EV driver only drives about 10,200 miles per year versus Superusers who drive on average 24,000 miles per year.
- Lower-income Superusers see the greatest relative financial benefit from transitioning to EVs
 - The majority of California’s Superuser households (56 percent) are below the median household income.
 - Superusers spend on average about \$500 per month on gasoline and about \$300 per month on vehicle maintenance and repairs.
 - Lower-income Superusers spend on average about 15 percent of household income on gasoline and an additional 9 percent on vehicle maintenance and repairs.
 - Transitioning to an EV shifts volatile fuel and maintenance costs to more predictable electricity and financing expenditures.

The report is available at

<https://coltura.org/gasoline-superusers-2-report/>

CALIFORNIA LEGISLATIVE ACTIVITIES

UPCOMING HEARINGS IN THE SENATE AND ASSEMBLY

Senate – The following hearing can be monitored online at:

<https://www.senate.ca.gov/calendar>

- **April 20** – Budget and Fiscal Review Subcommittee No. 2 on Resources, Environmental Protection and Energy: CalEPA, CARB

- **April 25** – Transportation Committee hearing on SB 425 (fuel cell electric pickup trucks), AB 507 (EV charging station infrastructure)

Assembly – The following hearing can be monitored online at:

<https://www.assembly.ca.gov/schedules-publications/assembly-daily-file>

- **April 24** – Transportation Committee hearing on AB 1012 (lifecycle analysis for mobile source regulations), AB 1609 (DMV fees), AB 1525 (Transportation Agency allocations in priority populations)

LEGISLATION

CLEAN VEHICLES AND INCENTIVES

AB 579 (Ting)

Summary

Beginning on January 1, 2035, this bill would require 100 percent of all newly purchased or contracted school buses of a school district, county office of education, or charter school to be zero-emission vehicles, where feasible.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB579

AB 591 (Gabriel)

Summary

The Electric Vehicle Charging for All Act would mandate all new and retrofitted EV chargers (other than those in private residences) include universal connectors and be publicly accessible to all types of EVs. The bill also would require an EV charging station that requires payment of a fee to allow the fee to be paid by credit card.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB591

AB 627 (Jackson)

Summary

Beginning January 1, 2035, this bill would prohibit the operation of a heavy-duty diesel vehicle within the city limits of any city identified by CARB as containing a disadvantaged community and meeting specified air pollution criteria with respect to diesel particulate matter. The bill also would require the South Coast Air District to establish a statewide program to provide grants to operators of diesel-fueled heavy-duty trucks to replace a diesel-fueled truck with a new truck using a specified power source or to retrofit the truck by replacing the diesel engine with a power source using a qualifying technology. Qualifying technologies includes hydrogen fuel cell, compressed natural gas, or battery electric technology.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB627

AB 673 (Bennett)

Summary

This bill would, except for the Clean Transportation Program and moneys allocated from the Alternative and Renewable Fuel and Vehicle Technology Fund, require the CEC, when considering providing funding for projects for the construction and operation of hydrogen-fueling medium- and heavy-duty stations, to evaluate whether the project needs to also include access for light-duty vehicles.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB673

AB 772 (Jackson)

Summary

This bill would require the CEC to require that each single-family residence constructed after January 1, 2025, include a rapid compact EV charger and that each multifamily residence constructed after January 1, 2025, include sufficient rapid compact EV chargers to serve at least 10 percent of its residential capacity at any given time. The bill also would require an electrical corporation and local publicly owned electric utility after January 1, 2025, and upon receiving a request from a homeowner in its service territory, to install an EV charger at the homeowner's property within a reasonable time.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB772

AB 1267 (Ting)

Summary

This bill would require that CARB, beginning on January 1, 2025, ensure an additional incentive, to be known as a "superuser incentive," is awarded under a zero-emission vehicle incentive program (Clean Cars 4 All, Clean Vehicle Rebate Project, Clean Vehicle Assistance Program) to a recipient who is a gasoline superuser, as defined. CARB would be required to set the amount of the incentive at a level that maximizes the displacement of gasoline and the reduction of emissions criteria pollutants and GHGs per dollar spent. CARB also would be required to develop and implement a strategy to identify drivers who are gasoline superusers and are low or moderate income and expedite the replacement of the vehicles of those drivers.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB1267

SB 233 (Skinner)

Summary

Beginning in model year 2027, this bill would require all new electric vehicles sold in California be bidirectional capable, including light-duty vehicles and school buses, and all new bidirectional-capable electric vehicles sold in California be interoperable with one or more other models of bidirectional electric vehicle service equipment that use the same standard protocols. The bill also would require that all electric vehicle service equipment installed after January 1, 2027, be bidirectional capable except publicly available electric

vehicle service equipment, direct current fast chargers, and other electric vehicle service equipment that the CEC determines is not likely to have a significant beneficial bidirectional-capable use case.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB233

SB 301 (Portantino)

Summary

This bill would establish the Zero-Emission Aftermarket Conversion Project and would offer a rebate of up to \$2,000 to convert a vehicle to zero-emission.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB301

SB 425 (Newman)

Summary

As part of the Clean Vehicle Rebate Project, this bill would require CARB to provide rebates for fuel cell electric pickup trucks that are \$1,000 more than the rebates provided for other fuel cell electric vehicles.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB425

SB 507 (Gonzalez)

Summary

The Equitable EV Charging Act would require the CEC to assess the EV charging needs of underserved and low-income communities.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB507

SB 529 (Gonzalez)

Summary

The Electric Vehicles for All Act would create a dedicated grant program to deploy EV car sharing programs at affordable housing facilities in California.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB529

TRANSPORTATION PLANNING, OPERATIONS, AND FUNDING

AB 6 (Friedman)

Summary

This bill would require CARB to provide each region of the state with GHG emission reduction targets for the automobile and light-duty truck sector for 2035 and 2045, respectively, and makes other changes to strengthen CARB's oversight of Sustainable Communities Strategies.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB6

AB 7 (Friedman)

Summary

Beginning on January 1, 2025, this bill would require the State Transportation Agency's transportation selection process for specified funding sources, to incorporate specific principles from the 2021 federal Infrastructure Investment and Jobs Act. The specified funding sources include: the State Highway Account; the Road Maintenance and Rehabilitation Account; a local transportation fund established by a county; the Highway Safety, Traffic Reduction, Air Quality and Port Security Fund of 2006 (Prop. 1B); the Highway Users Tax Account; and the Trade Corridor Enhancement Account.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB7

AB 69 (Waldron)

Summary

This bill would authorize Greenhouse Gas Reduction Fund (GGRF) money to be allocated for an investment in a traffic signal synchronization component that is part of a roadway improvement project requiring multiple signals, including, but not limited to, multimodal redevelopment projects, rail trail projects, urban renewal projects, or a project near transit facilities, if the component is designed and implemented to achieve cost-effective reductions in GHG emissions and includes specific emissions reduction targets and metrics to evaluate the project's effect.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB69

AB 241 (Reyes)

Summary

The purpose of this bill is to reauthorize AB 8 (2013), which created the Clean Transportation Program, the Air Quality Improvement Program, and the Enhanced Fleet Modernization Program. Specifically, this bill would:

- Expand the purpose of the Clean Transportation Program to include developing and deploying innovative technologies that transform California's fuel and vehicle types to help reduce criteria air pollutants and air toxics. The bill also would provide that the goals

of the program shall be to advance the state's clean transportation, equity, air quality, and climate emission policies and would require the CEC to ensure program investments support specified requirements. After January 1, 2025, the CEC would be required to expend at least 50 percent of the money appropriated to the program on programs and projects that directly benefit or serve residents of disadvantaged and low-income communities and low-income Californians, and would require at least 50 percent of funding for tangible location-based investments to be expended in disadvantaged and low-income communities.

- Provide that the purpose of the Air Quality Improvement Program is to fund air quality improvement projects relating to zero-emission fuel and vehicle technologies and that the primary purpose of the program is to fund projects to reduce criteria air pollutants in the logistics, trucking, and port sectors, improve air quality in nonattainment basins, and improve the air quality impacts of zero-emission transportation fuels and vehicles, vessels, and equipment technologies.
- Extend the imposition of vehicle registration fees, vessel registration fees, specified service fees for identification plates, and smog abatement fees until January 1, 2035.

This is a companion bill to SB 84.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB241

AB 1012 (Quirk-Silva)

Summary

This bill would require CARB, if it proposes a regulation to regulate a mobile source, to prepare a lifecycle analysis, as defined, of any technology required by the regulation.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1012

AB 1525 (Bonta)

Summary

The Equity First Transportation Funding Act would require a minimum of 60 percent of all eligible transportation dollars from the State Transportation Agency be allocated to projects that are located in and provide benefits to priority populations.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1525

SB 32 (Jones)

Summary

This bill would suspend the Low Carbon Fuel Standard regulations for one year. It also would suspend the imposition of the tax on motor vehicle fuels for one year. All the savings realized based on the suspension of these regulations would be passed on to the end consumer.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB32

SB 84 (Gonzalez)

Summary

The purpose of this bill is to reauthorize AB 8 (2013), which created the Clean Transportation Program, the Air Quality Improvement Program, and the Enhanced Fleet Modernization Program. Specifically, this bill would:

- Expand the purpose of the Clean Transportation Program to include developing and deploying innovative technologies that transform California's fuel and vehicle types to help reduce criteria air pollutants and air toxics. The bill would also provide that the goals of the program shall be to advance the state's clean transportation, equity, air quality, and climate emission policies and would require the CEC to ensure program investments support specified requirements. After January 1, 2025, the CEC would be required to expend at least 50 percent of the money appropriated to the program on programs and projects that directly benefit or serve residents of disadvantaged and low-income communities and low-income Californians, and would require at least 50 percent of funding for tangible location-based investments to be expended in disadvantaged and low-income communities.
- Provide that the purpose of the Air Quality Improvement Program is to fund air quality improvement projects relating to zero-emission fuel and vehicle technologies and that the primary purpose of the program is to fund projects to reduce criteria air pollutants in the logistics, trucking, and port sectors, improve air quality in nonattainment basins, and improve the air quality impacts of zero-emission transportation fuels and vehicles, vessels, and equipment technologies.
- Extend the imposition of vehicle registration fees, vessel registration fees, specified service fees for identification plates, and smog abatement fees until January 1, 2035.

This is a companion bill to AB 241.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB84

SB 563 (Archuleta)

Summary

This bill would designate an air pollution control district or an air quality management district as an independent special district for purposes of receiving state funds or funds disbursed by the state, including federal funds.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB563

SB 670 (Gonzalez)

Summary

This bill would require state and local transportation agencies to create a single model for Vehicle Miles Traveled (VMT) mapping to be used for transportation planning and funding.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB670

CLIMATE CHANGE

AB 9 (Muratsuchi)

Summary

Existing law requires that statewide GHG emissions are reduced to at least 40 percent below the 1990 levels by December 31, 2030. This bill would instead require CARB to ensure that statewide GHG emissions are reduced to at least 55 percent below the 1990 level by December 31, 2030.

This is a companion bill to SB 12.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB9

SB 12 (Stern)

Summary

Existing law requires that statewide GHG emissions are reduced to at least 40 percent below the 1990 levels by December 31, 2030. This bill would instead require CARB to ensure that statewide GHG emissions are reduced to at least 55 percent below the 1990 level by December 31, 2030.

This is a companion bill to AB 9.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB12

Key Federal Activities

ADMINISTRATIVE ACTIVITIES

GUIDANCE ON FEDERAL EV INCENTIVES ISSUED

On March 31, the U.S. Treasury Department issued a proposed rule to guide the allocation of tax credits for EVs under the federal Inflation Reduction Act. Vehicles eligible for a tax credit must undergo final assembly in North America and not exceed a Manufacturers Suggested Retail Price of \$80,000 for a van, pickup truck, or sport utility vehicle, or \$55,000 for any other vehicle. To be eligible for a \$7,500 credit, clean vehicles must meet sourcing requirements for both the critical minerals and battery components contained in the vehicle. Vehicles that meet one of the two requirements are eligible for a \$3,750 credit. The limits on the tax credits will take effect on April 18, but the Treasury Department will still take comments on the rule through June 16 to inform a final rule to collect feedback on issues such as how to best distinguish processing of critical minerals and manufacturing of battery components.

Additional information is available at

<https://www.irs.gov/newsroom/irs-issues-guidance-and-updates-frequently-asked-questions-related-to-the-new-clean-vehicle-critical-mineral-and-battery-components>

HEAVY-DUTY WAIVERS APPROVED

On March 31, U.S. EPA approved two waivers of preemption under the Clean Air Act, enabling California to enforce its stricter standards for heavy-duty vehicles. These included:

- The Advanced Clean Trucks Regulation, which requires that manufacturers produce and sell increasing quantities of medium- and heavy-duty zero-emission vehicles and near-zero emission vehicles in California. Manufacturers are required to increase new truck sales to 55 percent (Class 2b-3), 75 percent (Class 4-8), and 40 percent (semi-tractors) to be zero-emissions by 2035. This waiver request also includes the following regulations:
 - The Zero-Emission Airport Shuttle Bus Regulation, which establishes steadily increasing zero-emission airport shuttle fleet composition requirements for airport shuttle fleet owners who service the 13 largest California airports.
 - The Zero-Emission Powertrain Certification Regulation, which establishes certification requirements and optional emission standards for 2021 and subsequent model year medium- and heavy-duty zero-emission vehicles and the zero-emission powertrains installed in such vehicles.
- The 2018 Heavy-duty 2018 Warranty Amendments, which extend the emissions warranty periods for 2022 and subsequent model year on-road heavy-duty diesel engines and for 2022 and subsequent model year diesel vehicles with a gross vehicle weight rating exceeding 14,000 pounds powered by such engines.

For more information, please visit

<https://www.epa.gov/regulations-emissions-vehicles-and-engines/california-waiver-requests-heavy-duty-vehicle-emission>

LIGHT AND HEAVY-DUTY VEHICLE EMISSION STANDARDS ISSUED

On April 12, U.S. EPA issued a proposed rule for model years 2027-2032 vehicle emissions standards for light- and medium-duty vehicles, addressing GHGs, particulate matter and nitrogen oxides. Between 2027 and 2055, the total projected net benefits of the light- and medium-duty proposal is expected to be between \$850 billion and \$1.6 trillion, and is expected to avoid 7.3 billion tons of carbon dioxide through 2055. EPA projects that this regulation will lead to 67 percent of new light-duty vehicles and 46 percent of medium-duty vehicles being electric by the time the rule is fully implemented in 2032. There will be a virtual public hearing held on May 9 and 10 on the proposed standards.

U.S. EPA also released the proposed rule for Phase 3 of GHG emissions standards for heavy-duty vehicles. EPA is proposing stronger carbon dioxide standards for MY 2027 heavy-duty vehicles that go beyond the current standards. EPA also is proposing an additional set of carbon dioxide standards that would begin to apply in MY 2028, with progressively lower standards each model year through 2032. The projected net benefits of the heavy-duty proposal range from \$180 billion to \$320 billion, and is estimated to avoid 1.8 billion tons of carbon dioxide through 2055. EPA will host a virtual public hearing on May 2 and May 3.

Additional information can be found at

<https://www.epa.gov/regulations-emissions-vehicles-and-engines/proposed-rule-multi-pollutant-emissions-standards-model>
and

<https://www.epa.gov/regulations-emissions-vehicles-and-engines/proposed-rule-greenhouse-gas-emissions-standards-heavy>

FUNDING ACTIVITIES

FTA ANNOUNCES BILLIONS FOR PUBLIC TRANSPORTATION

On April 13, the Federal Transit Administration (FTA) published the details about the formula funding designed to help communities operate buses, trains, and ferries within their jurisdictions. A total of \$14 billion is being invested this year in states and transit agencies to help improve public transportation, meeting local goals such as upgrading stations and tracks, transitioning to cleaner buses, planning and designing new transit corridors, and providing specialized services for seniors and riders with disabilities. This year's transit formula funding represents a 28 percent increase over previous years before the Bipartisan Infrastructure Law was adopted.

For more information, please visit

<https://www.federalregister.gov/documents/2023/04/14/2023-07761/fta-fiscal-year-2023-apportionments-allocations-and-program-information>

LEGISLATIVE ACTIVITIES

E-BIKE TAX CREDIT REINTRODUCED

On March 22, Representatives Earl Blumenauer (OR-3), Jimmy Panetta (CA-19), Mike Thompson (CA-04), and Adam Schiff (CA-30) reintroduced the Electric Bike Incentive Kickstart for the Environment (E-BIKE) Act to encourage the use of electric bicycles through a consumer tax credit. The consumer tax credit covers 30 percent of the cost of the e-bike, up to \$1,500, applies to new e-bikes that cost less than \$8,000, and is fully refundable, allowing lower-income residents to claim the credit.

For more information, please visit

<https://blumenauer.house.gov/media-center/press-releases/rep-blumenauer-panetta-thompson-and-schiff-reintroduce-e-bike-act>