



Clean Transportation Policy Update

January 18, 2017- February 14, 2018

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ADMINISTRATION ACTIVITIES

GOVERNOR'S PROPOSED 2018-19 CAP-AND-TRADE EXPENDITURE PLAN

On January 26, Governor Brown released his proposed cap-and-trade expenditure plan. The plan outlines \$1.25 billion in discretionary spending from the Greenhouse Gas Reduction Fund, with at least 35% to benefit disadvantaged and low-income communities. Approximately \$1.37 billion will be available for programs funded through the 60% continuous appropriation that funds high-speed rail, the Transit and Intercity Rail Capital Program, the Low Carbon Transit Operations Program, and the Affordable Housing and Sustainable Communities Program.

With respect to low carbon transportation, the cap-and-trade expenditure plan allocates:

- Clean Vehicle Rebate Project – (Air Resources Board [ARB]) - \$175 million
- Clean Trucks, Buses & Off-Road Freight Equipment (ARB) - \$160 million
- Enhanced Fleet Modernization Program, School Buses and Transportation Equity Projects (ARB) - \$100 million
- Low Carbon Fuel Production (California Energy Commission [CEC]) - \$25 million

The plan is available at

<http://ebudget.ca.gov/2018-19/pdf/BudgetSummary/ClimateChange.pdf>



21865 Copley Drive
Diamond Bar, CA 91765
909.396.3269

GOVERNOR'S EXECUTIVE ORDER FOR 5 MILLION ZEVs

In addition to releasing his cap-and-trade expenditure plan on January 26, Governor Brown issued Executive Order B-48-18, which calls for 5 million zero-emission vehicles (ZEVs) on California's roadways by 2030 (an increase from the current goal of 1.5 million ZEVs by 2025). The order seeks to establish a sustained commitment to ZEV rebate programs and to replace high-polluting vehicles in disadvantaged communities, with a focus on expanding ZEV infrastructure. To accomplish these goals, the FY 2018-19 budget includes a five-fold increase in ZEV infrastructure investments, and the Governor's Executive Order anticipates a tripling in investments over the next seven years in order to support this rapid growth of ZEV deployment.

The Executive Order can be found at

<https://www.gov.ca.gov/2018/01/26/governor-brown-takes-action-to-increase-zero-emission-vehicles-fund-new-climate-investments/>

REGULATORY ACTIVITIES

ARB APPROVES MEDIUM- AND HEAVY-DUTY GHG RULE

On February 8, ARB approved the Phase 2 GHG emission standards for medium- and heavy-duty engines and vehicles beginning with model year 2020 vehicles. Covered vehicles include tractors (Class 7-8), vocational vehicles (Class 2b-8), and pickups and vans (Class 2b-3). The standards harmonize with federal Phase 2 standards adopted by U.S. EPA and NHTSA in 2016. It is estimated that these standards will result in more than 200 million metric tons of CO₂ equivalent cumulative reductions in emissions in California. In November 2017, U.S. EPA proposed to exempt truck trailers and glider kits, also known as truck frames, from the truck rules; however ARB said it will preserve its authority to regulate emissions from these vehicles as well as truck trailers. ARB's action could set up potential legal conflict with the federal Administration.

More information is available at

https://www.arb.ca.gov/regact/2018/phase2/phase2.htm?utm_medium=email&utm_source=govdelivery#anchor

LCFS HEARING POSTPONED UNTIL APRIL

The Board hearing on the amendments to the Low Carbon Fuel Standard (LCFS) has been postponed from March to April. The Initial Statement of Reasons (ISOR) is slated to be released in early March.

For more information, please visit

<https://www.arb.ca.gov/fuels/lcfs/lcfs.htm>

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 (ARB)

In early February, ARB held a series of statewide workshops to discuss the guidelines for the Clean Cars 4 All Program (CC4A) and the Enhanced Fleet Modernization Program (EFMP), both under the umbrella of the Low Carbon Transportation Program. The CC4A Program will essentially replace the EFMP Plus-Up Pilot Project, and is designed to replace high polluting vehicles with cleaner, more efficient vehicles. Over the next few months, ARB will draft final proposals for the guidelines, and hold public workshops to solicit feedback on the proposals. The guidelines are slated to be heard by the Board in July. More information about the workshops is available here:

<https://www.arb.ca.gov/msprog/mailouts/msc1801/msc1801.pdf>

For more information about the Low Carbon Transportation Program, please visit

<https://www.arb.ca.gov/msprog/aqip/aqip.htm>

Transit and Intercity Rail Capital Program (CalSTA)

The schedule for the 2018 Transit and Intercity Rail Capital Program is as follows:

- February 12 – CalSTA published a summary of applications
- April 30 – CalSTA publishes the list of approved projects
- May 16-17 – Presentation of the project list to the California Transportation Commission (anticipated)
- By July 1 - CalSTA approves the initial five-year program of projects for the program

More information can be found at

<http://www.dot.ca.gov/dgmt/sptircp.html>

Low Carbon Transit Operations Program (Caltrans)

The FY 2017-18 Low Carbon Transit Operations Program timeline is as follows:

- March 30 – Transit agencies submit allocation requests to Caltrans
- May – Caltrans and ARB approve list of projects and submit list to the State Controller’s Office (SCO)
- By June 30 – SCO releases approved project amounts to recipients

For more information, please visit

<http://www.dot.ca.gov/dgmt/splctop.html>

Affordable Housing and Sustainable Communities Program (SGC)

Awards for the Strategic Growth Council’s (SGC)’s 2016-17 Affordable Housing and Sustainable Communities Program will be announced in June.

More information is available at

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

Transformative Climate Communities Program (SGC)

Award recipients for the 2017-18 Transformative Climate Communities Program for planning grants and for implementation grants were approved at the SGC’s January 29 meeting. For the planning grants, only one of the three recipients is located within the South Coast Air District: the Housing Authority of the City of Los Angeles for the Watts Rising Collaborative. For the implementation grants, several communities in the air district received awards including:

- City of East Los Angeles - \$170,000
- City of Riverside - \$170,000
- Coachella Valley Association of Governments (for multiple cities) - \$170,000
- City of Moreno Valley - \$93,960
- Gateway Cities Council of Governments (for multiple cities) - \$170,000

More information is available at

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

CAP-AND-TRADE DRAFT FUNDING GUIDELINES AVAILABLE

On February 2, ARB published the 2018 funding guidelines discussion document which outlines the proposed revisions to the funding guidelines for agencies that administer California climate investments. The guidelines have been revised in response to recent legislative priorities identified in AB 398 and the FY 17-18 appropriation of cap-and-trade proceeds, which included

programs not addressed in the draft 2017 funding guidelines. The release of the draft revised funding guidelines and workshops will take place this spring.

The discussion document is available at

<https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/funding-guidelines-discussiondoc-2018.pdf>

WORKSHOPS FOR HEAVY-DUTY VEHICLE INCENTIVES

ARB and local air districts will be holding a series of statewide workshops to discuss new grant funds available to reduce emissions in communities most affected by air pollution. Funds are available for voluntary incentive grants through the Carl Moyer Program for fleets to replace or repower heavy-duty engines – both on- and off-road – and to support clean vehicle infrastructure. The purpose of the workshops is to collect feedback to help inform air districts' project outreach and project identification processes for these funds including: what types of cleaner vehicles and equipment would most effectively reduce air pollution exposure in local communities; and what Moyer program guideline changes applicable to these funds will help bring about the types of projects that are needed within these communities. The South Coast workshop will be held on February 22 at the City of Commerce City Hall.

More information is available at

<https://www.arb.ca.gov/msprog/cap/capmtgs.htm>

OTHER NEWS

SCAQMD COMMITTEE CONSIDERS A QUARTER-CENT SALES TAX TO CUT POLLUTION

On February 12, the South Coast Air Quality Management District's (SCAQMD) Legislative Committee voted to advance the proposal for a quarter-cent sales tax to improve air quality, which would first involve a survey of residents and then a submittal to the Legislature to consider. Proponents of the sales tax say it could generate \$700 million a year to help electrify trucks involved in the goods movement industry. The proposal will now go to the Governing Board to consider.

For more information, please visit

<http://www.aqmd.gov/docs/default-source/Agendas/legislative/2018-leg-agenda-february-12.pdf?sfvrsn=4>

UPDATE ON “GAS TAX REPEAL” BALLOT MEASURES

Travis Allen, an Orange County Assembly member and gubernatorial candidate and the backer of one of two measures to overturn SB 1, announced that he was endorsing John Cox’s (another gubernatorial candidate) measure to eliminate SB 1 instead. Allen’s proposed initiative was held up in a legal proceeding and failed to meet the deadline to qualify for the ballot. Cox’s measure already has received 25% of the signatures needed to qualify for the November ballot. In his State of the State speech on January 25, Governor Brown said that he would do everything in his power to defeat any measure that gets on the ballot to repeal the gas tax.

More information is available at

<http://www.sos.ca.gov/elections/ballot-measures/initiative-and-referendum-status/circulating-initiatives-25percent-signatures/>

CALIFORNIA LEGISLATIVE ACTIVITIES

UPCOMING HEARINGS IN THE SENATE AND ASSEMBLY

Assembly – The following hearing can be heard online at

<http://assembly.ca.gov/dailyfile>

- March 21, 9:30 a.m. – The Assembly Budget Subcommittee No. 3 on Resources and Transportation will hold an informational hearing with ARB representatives on cap-and-trade and related topics.

Senate – The following hearings can be heard online at

<http://senate.ca.gov/dailyfile>

- February 20, 1:00 p.m. - The Senate Transportation and Housing Committee will hold an oversight hearing, “Autonomous Vehicles: Opportunities and Challenges.”
- March 2, 10:00 a.m. – The Senate Transportation and Housing Committee will hold an informational hearing, “Impacts of Senate Bill 1” at Anaheim City Hall.
- March 22, 9:30 a.m. – The Environmental Quality Committee and Budget Subcommittee No. 2 on Resources, Environmental Protection, Energy and Transportation will hold a hearing with ARB representatives on the Greenhouse Gas Reduction Fund.

LEGISLATION

CLEAN FUEL VEHICLES AND TECHNOLOGY**AB 33 (Quirk)****Summary**

This bill requires the California Public Utilities Commission (CPUC), in consultation with ARB and CEC, to consider authorizing utilities to offer programs and investments in electric vehicle service equipment installed in residential garages.

This is a 2-year bill.

Complete Bill Information

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB33

AB 193 (Cervantes)**Summary**

This bill would require ARB to establish the Clean Reused Vehicle Rebate Project, as part of the Air Quality Improvement Program, to provide rebates for: the acquisition of eligible used vehicles (those eligible under the Clean Vehicle Rebate Project); the replacement or refurbishment of an electric battery and related components for an eligible used vehicle or a vehicle service contract for the battery or related components; or a vehicle service contract to cover unexpected vehicle repairs not covered by the manufacturer's warranty related to unique problems in eligible used vehicles.

This is a 2-year bill.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB193

AB 1745 (Ting)**Summary**

Beginning January 1, 2040, this bill would prohibit the Department of Motor Vehicles from registering a new motor vehicle unless it is a ZEV.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1745

AB 1184 (Ting)**Summary**

This bill requires ARB to report to the Legislature by January 1, 2019, the funding levels necessary to support continuous, year-round operation of each of its ZEV and near-ZEV incentive programs, as well as any changes necessary to these programs to increase the market penetration of ZEVs.

This is a 2-year bill.

Complete Bill Information

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1184

AB 2061 (Frazier)**Summary**

This bill would authorize a near-ZEV or a ZEV to exceed certain specified formula weight limits, up to a 2,000 pound maximum, by an amount equal to the difference between the weight of the vehicle attributable to the fueling system carried by that vehicle and the weight of a comparable diesel tank and fueling system.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2061

AB 2127 (Ting)**Summary**

This bill would require the CEC, in consultation with ARB and the CPUC, to create a statewide assessment of electric vehicle charging infrastructure needed to support the levels of electric vehicle adoption needed for the state to reduce emissions of greenhouse gases to 40% below 1990 levels by 2030.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2127

SB 1000 (Lara)**Summary**

This bill states the intent of the Legislature to enact legislation to promote neutrality and interoperability in charging stations and ZEVs.

Currently, this is a spot bill.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB1000

SB 1014 (Skinner)**Summary**

This bill requires the CPUC, in consultation with ARB, to establish the Clean Miles Standard and Incentive Program for ZEVs used by participating prearranged transportation services for compensation for a transportation network company with the goal to ZEV increase passenger miles used on behalf of transportation network companies so all passenger miles are provided by ZEVs by December 31, 2028. The bill also would require any future appropriations for the CVRP to reserve up to \$30 million for rebates or other incentives for applicants who purchase ZEVs to provide prearranged transportation services using a transportation network company's online-enabled application or platform to connect with passengers, as long as the ZEV will replace a vehicle powered by burning fossil fuels.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB1014

CLIMATE INVESTMENTS**SB 1119 (Newman)****Summary**

This bill relates to the Low Carbon Transit Operations Program (LCTOP) and expands the eligibility requirements for transit fare subsidies. It would allow the current requirement that at least 50% of the money that transit agencies receive from the LCTOP be spent on certain projects be satisfied if these projects include: transit fare subsidies, including student transit passes; transit connections to major employment areas, education centers or medical facilities for residents in disadvantaged or low-income communities; and technology improvements that reduce GHGs, including the purchase of zero-emission buses and infrastructure.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB1119

TRANSPORTATION OPERATIONS & FUNDING**AB 91 (Cervantes)****Summary**

Beginning July 1, 2018, this bill would prohibit a high-occupancy vehicle lane from being established in Riverside County unless that lane is established only during the hours of heavy commuter traffic. Any existing

HOV lanes would be required to be modified to operate under these same conditions.

This is a 2-year bill.

Complete Bill Information

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB91

AB 1756 (Brough)

Summary

This bill would repeal the Road Repair and Accountability Act of 2017 (SB 1).

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1756

DEFENDING CALIFORNIA'S POLICIES

SB 49 (de León and Stern)

Summary

This bill is called the California Environmental, Public Health, and Workers Defense Act of 2017, and would:

- Make current federal clean air, climate, clean water, worker safety, and endangered species standards enforceable under state law, even if the federal government rolls back and weakens those standards
- Direct state environmental, public health, and worker safety agencies to take all actions within their authorities to ensure standards in effect and being enforced today continue to remain in effect
- Ensure California does not backslide as a result of rollbacks by the federal Administration, since federal laws in these areas set “baselines” but allow states to adopt more stringent standards

This bill is part of the “Preserve California” legislative package designed to insulate the state from rollbacks in federal environmental regulations and public health protections.

This is a 2-year bill.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB49

Key Federal Activities

FEDERAL LEGISLATIVE ACTIVITIES

REVISED PROPOSED FUEL ECONOMY STANDARDS TO BE RELEASED IN MARCH

The National Highway Safety Administration (NHTSA) is working on revised fuel economy standards for cars and light-duty trucks for model years 2022-2025, which the Acting Administrator announced will be released on March 30. The new standards are expected to roll back the ambitious standards enacted by the Obama Administration that would require all vehicles to average 54.5 MPG by 2025. It is being reported that the Administration will roll back the standard back to 37.7 MPG based on the decision that heavier vehicles are safer.

On a related note, U.S. EPA is expected to come out with its recommendations on the 2022-2025 light-duty GHG vehicle standards (which were deemed by the Obama Administration to be achievable) by April 1, after the agency re-opened the Midterm Review of these standards last year.

More information is available at

<https://www.nhtsa.gov/laws-regulations/corporate-average-fuel-economy>