



Clean Transportation Policy Update

January 21 – February 17, 2021

Key State Activities

REGULATORY ACTIVITIES

PROJECT 800 FORUM HELD

On January 21, the California Air Resources Board (CARB) held a forum to kick-off Project 800, an initiative aimed at supporting the deployment of zero-emission trucks serving the ports by setting a goal of 800 zero-emission drayage truck orders in 2021. The forum provided an opportunity for manufacturers, utilities, NGOs, CARB staff and other senior California government officials to discuss the technology development and deployment updates on zero-emission trucks and charging infrastructure. The forum highlighted that there are already six heavy-duty zero-emission truck manufacturers that offer new zero-emission Class 8 trucks in the commercial market today, and more models are coming in the year ahead. Presentations also focused on the state's current and emerging policies and incentives to support the sector. There was also an evening panel featuring environmental justice and frontline community leaders who discussed the harmful and growing health impacts from diesel trucks in communities located near truck corridors including ports and warehouses.

Additional information can be found at

<https://content.govdelivery.com/accounts/CARB/bulletins/2b59347>

NEWEST EMISSION INVENTORY MODEL AVAILABLE

In mid-January, CARB released EMFAC2021 (v1.0.0) (EMission FACTors), which is the latest emission inventory model that CARB uses to assess emissions from on-road motor vehicles including cars, buses and trucks in California. The model reflects CARB's current

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understanding of statewide and regional vehicle activities, emissions and recently adopted regulations such as the Advanced Clean Trucks rule and Heavy-Duty Omnibus regulation.

For more information, please visit

<https://ww2.arb.ca.gov/our-work/programs/mobile-source-emissions-inventory/road-documentation/msei-modeling-tools-emfac>

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 February 5, a work group meeting was held to discuss implementation of the Clean Vehicle Rebate Project (CVRP). Topics discussed included: an update on available funding; an update on funding for public fleets through the Department of General Services; and planned expansion for 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)

The State Controller's Office is slated to announce the FY 2020-21 Low Carbon Transit Operations Program eligibility list soon.

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 Strategic Growth Council (SGC) is expected to adopt the Round 6 Program Guidelines for the 2019-20 Affordable Housing and Sustainable Communities (AHSC) Program at its February 24 meeting. The rest of the schedule is as follows:

- February 26 – Notice of Funding Availability released
- June – Applications are due
- October 28 – SGC adopts Round 6 awards

More information is available at

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

2022-25 CAP-AND-TRADE INVESTMENT PLAN WORKSHOP

On February 23, CARB will hold the first workshop on the development of the Fourth Investment Plan for Fiscal Years 2022-23 through 2024-25 for the Cap-and-Trade Program. Every three years, the Department of Finance, in consultation with CARB and other state agencies, is required to submit an Investment Plan to the Legislature to guide the investment of cap-and-trade auction proceeds. The final plan is due to the Legislature in January 2022.

Additional information can be found at

<https://ww2.arb.ca.gov/upcoming-workshop-california-climate-investments-fourth-triennial-investment-plan>

RESEARCH ACTIVITIES

CA ZEV MARKET DEVELOPMENT STRATEGY RELEASED

In early February, the Governor's Office of Business and Economic Development released the "California Zero-Emission Market Development Strategy," aimed at meeting the zero-emission vehicle targets established in the Governor's Executive Order N-79-20. The strategy is designed to accelerate large scale, affordable, and equitable ZEV market development and is centered around four market pillars: vehicles, infrastructure, end users, and workforce development. The market pillars inform the strategy's roadmap for the roles and responsibilities for each of the public and private market players. The strategy outlines the opportunities and priorities to build the infrastructure network, bring more vehicle types to market in all vehicle classes and applications, increase economic development and high-road jobs, build a skilled workforce, and enable consumers and fleets to adopt ZEVs.

To access the strategy, please visit

<https://business.ca.gov/industries/zero-emission-vehicles/zev-strategy/>

CALIFORNIA LEGISLATIVE ACTIVITIES

UPCOMING HEARINGS IN THE SENATE AND ASSEMBLY

Senate – None scheduled to date on relevant bills or topics.

Assembly – The following hearing can be monitored online at:

<https://www.assembly.ca.gov/dailyfile>

- March 3 – Budget Subcommittee No. 3 on Climate Crisis, Resources, Energy, and Transportation hearing on CARB's Cap-and-Trade Program

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

AB 117 (Boerner Horvath)

Summary

This bill relates to the Clean Vehicle Rebate Project and would allow incentives for purchasing electric bikes to be eligible under the program. The bill would require CARB, by July 1, 2022, to establish, implement and administer, until January 1, 2028, the Electric Bicycle Rebate Pilot Project to provide rebates for purchases of electric bicycles. The bill would appropriate \$10 million from the Greenhouse Gas Reduction Fund for the pilot project.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB117

AB 363 (Medina)

Summary

This bill would require CARB to adopt an online application process for submitting grant applications for the Carl Moyer Program by January 1, 2023. It also would require CARB and local air districts administering the program to use an online application process.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB363

AB 365 (O'Donnell)

Summary

This bill would exempt the purchase of new and used zero- and near-zero-emission drayage trucks from the state's sales and use tax requirements.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB365

AIR QUALITY POLICY

AB 426 (Bauer-Kahn)

Summary

Known as the Air Quality Analysis Act, this bill would authorize local air districts to adopt and implement regulations to require air pollution data collection within their districts to enable the calculation of health risks from toxic air contaminants. The data could be collected both from area-wide stationary sources of air pollution and from mobile sources associated with those stationary sources. For example, air districts would be allowed to collect data from indirect sources of pollution, such as warehouses and distribution centers.

Complete Bill Information

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB426

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 ADMINISTRATION ACTIVITIES

U.S. EPA REQUESTS PAUSE IN CLEAN CARS LITIGATION

At the beginning of February, U.S. EPA requested that the U.S. Court of Appeals for the District of Columbia freeze the lawsuits over the Trump Administration's rollback of California's Clean Cars Standards so the new administration can have time to consider its next steps. The request comes following the January 20 Executive Order signed by President Biden directing the heads of agencies to review, and potentially rescind, all environmental rules finalized under the previous administration. In related news, at the beginning of February, Toyota and Fiat Chrysler joined GM and Nissan's recent move to abandon their support for the Trump Administration's rollback of the Clean Cars regulation.

For more information, please visit

https://www.eenews.net/assets/2021/02/02/document_cw_01.pdf

BILL INTRODUCED FOR ZERO-EMISSION BUSES

On January 28, Congresswoman Julia Brownley (D-CA) introduced the “Green Bus Act of 2021,” which establishes a national goal for transit agencies to transition to zero-emission buses by requiring that all new buses using federal funds be zero-emission beginning in 2029. It also increases the federal cost share for zero-emission buses from 80 percent to 90 percent to help transit agencies purchase zero-emission buses. It requires the U.S. Department of Transportation to issue a best-practices report on zero-emission bus programs to help states and transit operators share lessons learned as transit agencies transition towards zero-emission fleets. It also gives preference to zero-emission bus grant applications under the Federal Transit Administration’s grant programs for transit agencies that have completed full fleet transition plans.

A bill summary is available at

<https://juliabrownley.house.gov/wp-content/uploads/2021/01/Green-Bus-Act.pdf>

E-BIKE BILL INTRODUCED

On February 9, Congress members Jimmy Panetta (D-CA) and Earl Blumenauer (D-OR) announced they would be introducing the Electric Bicycle Incentive Kickstart for the Environment (E-BIKE) Act to encourage the use of electric bicycles through a consumer tax credit. The 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, enabling lower-income consumers to claim the credit.

For more information, please visit

<https://panetta.house.gov/media/press-releases/congressman-panetta-introduces-e-bike-act-encourage-use-electric-bicycles-and>

GREEN ACT REINTRODUCED

On February 5, Democrats in the House of Representatives reintroduced the Growing Renewable Energy and Efficiency Now (GREEN) Act. Sponsored by Rep. Mike Thompson (D-Napa) and his colleagues on the House Ways and Means Subcommittee on Select Revenue Measures, the bill expands the federal tax code to incentivize clean energy technologies and faster deploy zero-emission vehicles. Under this bill, General Motors and Tesla’s electric vehicles would once again qualify for the federal EV tax credit. Under current law, after a manufacturer sells 200,000 ZEVs, the allowable credit, (currently \$7,500 maximum based on battery size) transitions down. (GM and Tesla have each surpassed 200,000 vehicles sold.) The bill expands the cap to 600,000 vehicles sold with a slightly

reduced maximum allowable credit of \$7,000. After 600,000 sales, the transition period begins. The bill also incentivizes building energy efficiency upgrades, updates standards, supports a green workforce and puts a price on greenhouse gases.

More information can be found at

<https://mikethompson.house.gov/newsroom/press-releases/chairman-thompson-ways-and-means-democrats-introduce-green-act>

FEDERAL RESEARCH ACTIVITIES

STUDY SHOWS ZEVs RESULT IN CONSUMER SAVINGS AND LESS POLLUTION

“Clean Cars, Clean Air, Consumer Savings,” is a new report by the Environmental Defense Fund that shows the significant opportunity that clean cars present for public health, the environment, and jobs. The report evaluates the benefits associated with pollution standards and complementary societal investments that ensure that all new passenger vehicles sold by 2035 are ZEV. Key findings include:

- By 2030, the buyer of a new battery electric vehicle will save more than \$7,200 over the life of the car compared to a gasoline-powered car. A new 2030 battery electric vehicle also will deliver nearly \$8,000 in additional societal benefits as a result of reduced climate and particulate pollution, which will increase the total net benefits to more than \$15,000 per vehicle.
- By 2040, ZEVs will reduce annual climate pollution by 600 million metric tons and also significantly reduce smog and particulate pollution.
- The reductions in smog and particulate pollution will prevent as many as 5,000 premature deaths each year by 2040 – and a total of 98,000 lives saved by 2050.
- By 2050, ZEVs will deliver more than \$100 billion in net societal benefits each year and provide \$1.6 trillion in cumulative net benefits to Americans by 2050 – almost 10% of the U.S. gross domestic product.

To read the report, please visit

<http://blogs.edf.org/climate411/files/2021/01/FINAL-National-White-Paper-Protective-Clean-Car-Standards-1.26.21.pdf>

TRANSPORTATION ELECTRIFICATION SCORECARD SHOWS CA LEADS THE NATION ON EVs

The American Council for an Energy Efficient Economy’s new report, “The State Transportation Electrification Scorecard,” evaluates the progress that state legislatures and agencies are making to implement policies to scale up deployment of light- and heavy-duty electric vehicles and supporting infrastructure. The scorecard ranked California number 1 and named it the national leader in enabling the use of EVs for several reasons. First, it is the only state to set deadlines for electrifying transit buses, heavy trucks, and commercial vehicles. California also is one of the few to offer assistance for lower-income drivers to

replace older, high-polluting cars with zero- or near-zero-emissions vehicles, and leads the way in its efforts to deploy chargers in economically distressed and environmental justice communities.

The scorecard is available at

<https://www.aceee.org/electric-vehicle-scorecard>