



AB 126 (Reyes/Gonzalez): Clean Transportation Program Modernization

SUMMARY

AB 126 modernizes & reauthorizes the Clean Transportation Program (CTP) at the California Energy Commission (CEC), the Air Quality Improvement Program (AQIP) at the California Air Resources Board (CARB), and the Enhanced Fleet Modernization Program (EFMP) at the Bureau of Automotive Repair & CARB.

This bill is a product of three party negotiations and secures \$2.125 billion for zero-emission vehicle & infrastructure deployment.

BACKGROUND

In 2007, the Legislature passed AB 118 (Núñez), which established CTP at the CEC, AQIP at CARB and EFMP at the Bureau of Automotive Repair.

The programs established by AB 118 (CTP, AQIP, and EFMP) are currently funded by small fees on vehicle registrations, smog abatement, and special identification plates. These programs have generated significant and statewide investment required in helping transition the transportation sector towards adopting zero-emission vehicles, infrastructure and clean mobility options.

These fees were last reauthorized by AB 8 (Perea, 2013), however CTP, AQIP, & EFMP have not received any major updates since they were last reauthorized.

Modernizing these programs and reauthorizing the fees that support the programs is critical because the dedicated funding that supports these programs will sunset on January 1, 2024. Maintaining ongoing and reliable funding is critical to continue incentivizing and deploying the infrastructure and vehicles needed to curb the largest source of emissions in the state.

THIS BILL

AB 126 modernizes CTP, AQIP, & EFMP by:

- Dedicating 15% of the overall CTP funds for hydrogen infrastructure (inclusive of all vehicle types) until 2030.
- Requiring 50% of the funding in CTP to go towards low-income & disadvantaged communities
- Requiring grantees to report on the carbon intensity & greenhouse gas emissions intensity of the fuels funded under this program.
- Prioritizing ZE heavy-duty vehicle deployment in AQIP.
- Requiring the CEC, CARB, and the DMV to report back to the Legislature alternative funding mechanisms that incorporate economic equity.
- Reauthorizing the fees that support CTP, AQIP, & EFMP at their current levels until 2035.

AMENDMENTS

AB 126 was recently amended as a result of a “three party” negotiation between the Assembly, Senate and Administration. In comparison to the previous version amendments

- Modify the set aside for hydrogen infrastructure from 10% to no less than 15% and ensures these investments are consistent with the California Air Resources Board’s scoping plan
- Requires the commission to release a competitive grant at least annually and 90 days after the start of the fiscal year
- Puts in place data reporting requirements for both hydrogen refueling stations and electric vehicle charging station grant recipients to improve operability
- Includes a scoring application preference for hydrogen projects that utilize the least carbon-intensive proposed fuel consistent with the federal clean hydrogen federal tax credit
- Requires the Energy commission to by January 1, 2025 to set standards for how stations shall notify customers about the availability and accessibility of publicly available charging infrastructure

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CONTACT

Brandon García
Senior Consultant for Asm Reyes

Brandon.Garcia@asm.ca.gov

(916)-319-2050

Trevor Taylor

Legislative Director for Senator Gonzalez

Trevor.Taylor@sen.ca.gov

(916)-651-4033