



SB 726 (Gonzalez) Revitalizing the Clean Transportation Program

SUMMARY

SB 726 revitalizes the State's Clean Transportation Program (CTP) by prioritizing equity and aligning the program with the state's current environmental targets.

In addition, SB 726 will ensure that the various state programs and entities driving clean transportation efforts, are aligned and coordinated in advancing the State's climate and environmental goals.

EXISTING LAW

In 2007, AB 118 (Nunez, Chapter 750, Statutes of 2007) enacted a suite of groundbreaking programs that promoted the deployment of clean vehicle, fueling infrastructure, and fuel technologies to reduce air pollution and greenhouse gas (GHG) emissions statewide. These programs are funded by small fees on tire sales, vehicle and boat registrations, smog abatement, and special identification license plates.

In 2013, AB8 (Perea, Chapter 401, Statutes of 2013.) reauthorized, updated, and expanded the programs introduced in AB-118, including the CTP. The CTP generates \$100M annually, which is awarded to projects advancing thirteen different clean transportation goals, ranging from demonstration and deployment projects that optimize alternative fuels and vehicles to alternative fuel infrastructure projects. As of May 2020, nearly \$900M has been awarded from the CTP to advance the technologies and markets necessary to transform California's fuel, fueling infrastructure and vehicles.

Since AB8 became law, California has set increasingly ambitious GHG emissions and pollution reductions goals. Further, in 2020, the Governor announced a new Executive Order (N-79-20) that sets ambitious targets for zero-emission vehicle (ZEV) deployment:

- 5 million ZEVs on the road by 2030
- 100% of in-state sales of new passenger cars and trucks be zero-emission by 2035

- 100% of medium- and heavy-duty vehicles in California be zero-emission by 2045 where feasible.

Further, existing law, AB 179 (Cervantes, Chapter 737, 2017), explicitly requires the California Transportation Commission (CTC), which allocates funds to different transportation projects, to meet at least twice per year with the California Air Resources Board (ARB) to coordinate the implementation of transportation programs and policies with an eye to the emissions that those projects produce. However, coordination to align funding programs, such as the CTP, with state emissions goals and ZEV goals has not been explicitly addressed amongst the various implementing agencies including the ARB, CTC, State Energy Resources Conservation and Development Commission (CEC), and California Public Utilities Commission.

BACKGROUND/PROBLEM

The CTP sunsets on January 1, 2024, but the Governor's budget of 2021 has proposed to extend these fees until July 1, 2046, and securitize \$1Billion of future revenue from some these fees to advance the goals of the CTP. This is a critical step to continue the CTP, and provides a critical opportunity to reassess how the existing programs should be updated to reflect the current state of technology, the market, and Californian's new emissions-reductions goals.

In order to support these goals and ensure smart and equitable deployment of CTP funds, the CTP must be updated and realigned. Furthermore, the role of the CTP and other funding programs in reaching these goals must be aligned and coordinated between state agencies in order to drive meaningful, non-duplicative progress.

SOLUTION

SB 726 will make changes to the CTP to ensure investments in clean technologies continue to be



effective, equitable, and in line with current GHG and pollution-emission reduction goals.

SB 726 will also address the gap in coordinated, holistic interagency planning by requiring the ARB and the CEC , in coordination with other relevant state agencies, to jointly develop a comprehensive transportation sustainability strategy. The bill will also require the governor to appoint a lead agency to oversee the implementation of ZEV deployment strategies identified in the transportation sustainability strategy.

SUPPORT

CALSTART (sponsor)

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