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SB 84 (Gonzalez) Clean Transportation Program Reauthorization and Revitalization

SUMMARY

Senate Bill (SB) 84 will revitalize and extend California's existing Clean Transportation Program (CTP) by prioritizing equity and aligning the program with California's current environmental and emissions targets.

SB 84 will also reauthorize, for an additional eleven years, the existing fees that fund the CTP, the Air Quality Improvement Program (AQIP), and the Enhanced Fleet Modernization Program (EFMP), which have supported critical investments and programs for nearly two decades that advance the technologies and markets necessary to decarbonize the state's transportation sector.

EXISTING LAW

Assembly Bill (AB) 118 (Nunez, Chapter 750, Statutes of 2007), which contained 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. These fees provide approximately \$173 million annually for incentive programs.

AB 8 (Perea, Chapter 401, Statutes of 2013) reauthorized, updated, and expanded the programs introduced in AB 118 (Nunez), including the CTP. The CTP currently receives approximately \$100 million 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. AB 2836 (E. Garcia, Chapter 355, Statutes of 2022) extended provisions of the Carl Moyer Memorial Air Quality Standards Attainment Program to January 1, 2034, including the existing fees on tires. AB 2836 (E. Garcia) also extended the authority of air districts to levy additional funding in their region to support projects to reduce air pollution from vehicles and equipment.

BACKGROUND/PROBLEM

California has taken historic steps to address the existential and inequitable impacts of climate change, by setting ambitious commitments to reduce emissions 40% below 1990 levels by 2030,¹ and 85% by 2045, along with a commitment to ensure 100% renewable and carbon-free energy by 2045.² These goals also include 5 million Zero Emission Vehicles (ZEVs) on the road by 2030;³ 100% of new passenger vehicles sales to be ZEVs by 2035; and move to 100% of medium- and heavy-duty trucks and buses to zero-emissions by 2045.⁴

The transportation sector is the single largest emissions contributor in California, accounting for almost half of

¹https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB32f

²https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1279

³ <https://www.library.ca.gov/wp-content/uploads/GovernmentPublications/executive-order-proclamation/39-B-48-18.pdf>

⁴ <https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-79-20-Climate.pdf>

statewide emissions⁵ and 90% of harmful diesel particulate matter pollution.⁶ Decarbonizing transportation in California will require an immense undertaking that will necessitate consistent and long-term funding commitments for programs that can spur the transformative changes that are needed to meet our climate and emissions targets.

Over the last two decades, the CTP has proven itself as one of the most important programs in this time sensitive state-wide effort. The CTP program has been funded since 2007 through fees on smog abatement, and vehicle and vessel registration.⁷ As of April 2022, the CEC has invested more than \$1 billion into the CTP program, with just some of the highlights⁸ being:

- Installation or planned 17,631 chargers for plug-in electric vehicles (EVs). Funded 79 publicly available hydrogen fueling stations with an additional 74 stations funded; and on track to meet the state's 100 and 200 station goals.
- Created a commercial vehicle fleet incentive project to help deploy the electric and hydrogen infrastructure.
- Provided clean transportation workforce training for more than 20,000 trainees and 277 businesses.
- Funded 86 planning and implementation grants for communities and fleets adopting ZEV technologies.
- Launched the California EV Infrastructure Project to incentivize light-duty EV charging infrastructure.

Unfortunately, the dedicated funding that supports the CTP will sunset on January 1, 2024, leaving these critical programs unfunded and unable to continue to help Californians and the transportation sector with the planning and execution of our zero emission transition. Maintaining ongoing and reliable funding for these programs is critical to continue incentivizing and deploying the infrastructure and vehicles needed to curb the largest source of emissions in the state.

⁵https://ww2.arb.ca.gov/sites/default/files/classic/cc/inventory/2000_2020_g_h_inventory_trends.pdf

⁶<https://www.energy.ca.gov/about/core-responsibility-fact-sheets/transforming-transportation>

⁷<https://lao.ca.gov/Publications/Report/4708#:~:text=Proposes%20Reauthorization%20of%20Vehicle%20Fees,thirds%20vote%20of%20the%20Legislature>

⁸https://esd.dof.ca.gov/Documents/bcp/2324/FY2324_ORG3900_BCP6730.pdf

Additionally, in order to support these goals and ensure smart and equitable deployment of CTP funds, the CTP statutes must be updated and realigned to reflect the current state of technology, the market, and Californian's new emissions reductions goals.

Finally, while the CEC's most recent CTP Investment Plan⁹ will place an important emphasis on equity, it does not go far enough in requiring a substantial and long-term commitment to ensuring CTP funds are directed to the communities who need them the most.

SOLUTION

SB 84 will ensure the critical state efforts currently underway in the CTP do not cease to exist, by extending the existing fees that fund the program, at their current levels, through 2035. This change will guarantee continued support for the CTP, AQIP, and EFMP for the next eleven years and ensure these valuable programs can continue to help drive Californian's transportation transition.

The bill will also make programmatic changes to the CTP to ensure investments in clean technologies continue to be effective, equitable, and in line with current GHG and pollution reduction goals. This includes requiring 50% of CTP funds to be spent on programs and projects that directly benefit or serve residents of disadvantaged and low-income communities. SB 84 will also ensure the CTP program prioritizes projects that advance the deployment of medium- and heavy-duty vehicles and that fill deployment gaps for light-duty vehicle infrastructure.

SUPPORT

CALSTART (Sponsor)

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⁹<https://www.energy.ca.gov/publications/2022/2022-2023-investment-plan-update-clean-transportation-program-0>