

ASSEMBLY BILL

No. 96

Introduced by Assembly Member O'Donnell

December 7, 2020

An act to amend Section 39719.2 of the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

AB 96, as introduced, O'Donnell. California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include in its regulation of emissions of greenhouse gases the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature.

The California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program, upon appropriation from the Greenhouse Gas Reduction Fund, funds zero- and near-zero-emission truck, bus, and off-road vehicle and equipment technologies and related projects. The program provides that projects eligible for funding include, among others, technology development, demonstration, precommercial pilots, and early commercial deployments of zero- and near-zero-emission medium- and heavy-duty truck technology, and requires, until December 31, 2021, no less than 20% of funding made

available for that purpose to support early commercial deployment of existing zero- and near-zero-emission heavy-duty truck technology. The program defines “zero- and near-zero-emission” for its purposes.

This bill would extend the requirement that 20% of funding be made available to support early commercial deployment of existing zero- and near-zero-emission heavy-duty truck technology until December 31, 2026. The bill would further require at least 20% of that funding support early commercial deployment of existing near-zero-emission heavy-duty truck technology. The bill would create a separate definition for “near-zero-emission” and revise the definition for “zero-emission,” as provided.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 39719.2 of the Health and Safety Code,
2 as amended by Section 1 of Chapter 100 of the Statutes of 2020,
3 is amended to read:

4 39719.2. (a) The California Clean Truck, Bus, and Off-Road
5 Vehicle and Equipment Technology Program is hereby created,
6 to be administered by the state board in conjunction with the State
7 Energy Resources Conservation and Development Commission.
8 The program, from moneys appropriated from the fund for the
9 purposes of the program, shall fund development, demonstration,
10 precommercial pilot, and early commercial deployment of zero-
11 and near-zero-emission truck, bus, and off-road vehicle and
12 equipment technologies. Priority shall be given to projects
13 benefiting disadvantaged communities pursuant to the requirements
14 of Sections 39711 and 39713.

15 (b) Projects eligible for funding pursuant to this section include,
16 but are not limited to, the following:

17 (1) (A) Technology development, demonstration,
18 precommercial pilots, and early commercial deployments of zero-
19 and near-zero-emission medium- and heavy-duty truck technology,
20 including projects that help to facilitate clean goods movement
21 corridors. ~~Until~~

22 (B) ~~Until December 31, 2021,~~ 2026, no less than 20 percent of
23 funding made available for purposes of this paragraph shall support
24 early commercial deployment of existing zero- and

1 near-zero-emission heavy-duty truck technology. *At least 20*
2 *percent of the funding described in this subparagraph shall support*
3 *early commercial deployment of existing near-zero-emission*
4 *heavy-duty truck technology.*

5 (2) Zero- and near-zero-emission bus technology development,
6 demonstration, precommercial pilots, and early commercial
7 deployments, including pilots of multiple vehicles at one site or
8 region.

9 (3) Zero- and near-zero-emission off-road vehicle and equipment
10 technology development, demonstration, precommercial pilots,
11 and early commercial deployments, including vehicles and
12 equipment in the port, agricultural, marine, construction, and rail
13 sectors.

14 (4) Purchase incentives, which may include point-of-sale, for
15 commercially available zero- and near-zero-emission truck, bus,
16 and off-road vehicle and equipment technologies and fueling
17 infrastructure to support early market deployments of alternative
18 technologies and to increase manufacturer volumes and accelerate
19 market acceptance.

20 (5) Projects that support greater commercial motor vehicle and
21 equipment freight efficiency and greenhouse gas emissions
22 reductions, including, but not limited to, advanced intelligent
23 transportation systems, autonomous vehicles, grid integration and
24 integrated storage solutions, charging management demonstration
25 and analytics, and other freight information and operations
26 technologies.

27 (c) The state board, in consultation with the State Energy
28 Resources Conservation and Development Commission, shall
29 develop guidance through the existing Air Quality Improvement
30 Program funding plan process for the implementation of this
31 section that is consistent with the California Global Warming
32 Solutions Act of 2006 (Division 25.5 (commencing with Section
33 38500)) and this chapter.

34 (d) The guidance developed pursuant to subdivision (c) shall
35 do all of the following:

36 (1) Outline performance criteria and metrics for deployment
37 incentives. The goal shall be to design a simple and predictable
38 structure that provides incentives for truck, bus, and off-road
39 vehicle and equipment technologies that provide significant
40 greenhouse gas reduction and air quality benefits.

1 (2) (A) Ensure that program investments are coordinated with
2 funding programs developed pursuant to the California Alternative
3 and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon
4 Reduction Act of 2007 (Chapter 8.9 (commencing with Section
5 44270) of Part 5).

6 (B) The State Energy Resources Conservation and Development
7 Commission shall advise the state board on how to allocate money
8 for vehicle charging infrastructure consistent with the commission's
9 investment plan strategies on charging infrastructure.

10 (3) Promote projects that assist the state in reaching its climate
11 goals beyond 2030, consistent with Section 38566.

12 (4) Promote investments in medium- and heavy-duty trucking,
13 including, but not limited to, vocational trucks, short-haul and
14 long-haul trucks, buses, and off-road vehicles and equipment,
15 including, but not limited to, port equipment, agricultural
16 equipment, marine equipment, and rail equipment.

17 (5) Implement purchase incentives for eligible technologies to
18 increase the use of the cleanest vehicles in disadvantaged
19 communities.

20 (6) Allow for remanufactured and retrofitted vehicles to qualify
21 for purchase incentives if those vehicles meet warranty and
22 emissions requirements, as determined by the state board.

23 (7) Establish a competitive process for the allocation of moneys
24 for projects funded pursuant to this section.

25 (8) Leverage, to the maximum extent feasible, federal or private
26 funding.

27 (9) Ensure that the results of emissions reductions or benefits
28 can be measured or quantified.

29 (10) Ensure that activities undertaken pursuant to this section
30 complement, and do not interfere with, efforts to achieve and
31 maintain federal and state ambient air quality standards and to
32 reduce toxic air contaminants.

33 (e) In evaluating potential projects to be funded pursuant to this
34 section, the state board shall give priority to projects that
35 demonstrate one or more of the following characteristics:

36 (1) Benefit disadvantaged communities pursuant to Sections
37 39711 and 39713 or communities with a community emissions
38 reduction program implemented pursuant to Section 44391.2.

39 (2) The ability to leverage additional public and private funding.

40 (3) The potential for cobenefits or multiple-benefit attributes.

1 (4) The potential for the project to be replicated.

2 (5) Regional benefit, with focus on collaboration between
3 multiple entities.

4 (6) Support for technologies with broad market and emissions
5 reduction potential.

6 (7) Support for projects addressing technology and market
7 barriers not addressed by other programs.

8 (8) Support for enabling technologies that benefit multiple
9 technology pathways.

10 (f) In implementing this section, the state board, in consultation
11 with the State Energy Resources Conservation and Development
12 Commission, shall create an annual framework and plan. The
13 framework and plan shall be developed with public input and may
14 use existing investment plan processes and workshops as well as
15 existing state and third-party research and technology roadmaps.
16 The framework and plan shall do all of the following:

17 (1) Articulate an overarching vision for technology development,
18 demonstration, precommercial pilot, and early commercial
19 deployments, with a focus on moving technologies through the
20 commercialization process.

21 (2) Outline technology categories and performance criteria for
22 technologies and applications that may be considered for funding
23 pursuant to this section. This shall include technologies for
24 medium- and heavy-duty trucking, including, but not limited to,
25 vocational trucks, short-haul and long-haul trucks, buses, and
26 off-road vehicles and equipment, including, but not limited to, port
27 equipment, agricultural equipment, construction equipment, marine
28 equipment, and rail equipment.

29 (3) Describe the roles of the relevant agencies and the process
30 for coordination.

31 (g) For purposes of this section, ~~“zero and near-zero-emission”~~
32 *the following definitions apply:*

33 (1) *“Near-zero-emission” means vehicles, fuels, and related*
34 *technologies that reduce greenhouse gas emissions and improve*
35 *air quality when compared with conventional or fully*
36 *commercialized alternatives. Near-zero-emission vehicles shall*
37 *include vehicles that meet or exceed a 0.02 grams per brake*
38 *horsepower-hour (g/bhp-hr) low oxides of nitrogen emissions*
39 *standard.*

1 (2) “Zero-emission” means vehicles, fuels, and related
2 technologies that reduce greenhouse gas emissions and improve
3 air quality when compared with conventional or fully
4 commercialized alternatives, as defined by the state board in
5 consultation with the State Energy Resources Conservation and
6 Development Commission. ~~“Zero—and near-zero-emission”~~
7 “Zero-emission” may include, but is not limited to, zero-emission
8 ~~technology,~~ *technology* and enabling technologies that provide a
9 pathway to emissions ~~reductions, advanced or alternative fuel~~
10 ~~engines for long-haul trucks, and hybrid or alternative fuel~~
11 ~~technologies for trucks and off-road equipment.~~ *reductions.*

12 (h) (1) In addition to the requirements of Section 44258.4,
13 commencing with the funding plan for the 2019–20 fiscal year of
14 the Air Quality Improvement Program (Article 3 (commencing
15 with Section 44274) of Chapter 8.9 of Part 5), the state board shall
16 include a three-year investment strategy that includes the immediate
17 fiscal year and a forecast of estimated funding needs for the
18 subsequent two fiscal years for zero- and near-zero-emission
19 heavy-duty vehicles and equipment commensurate with meeting
20 the goals of this chapter and the goals of the state.

21 (2) The three-year investment strategy shall do all of the
22 following:

23 (A) Describe the role of public investments in supporting the
24 demonstration and deployment of advanced technologies.

25 (B) Provide an assessment of available funding and the
26 investment needed.

27 (C) Provide a description of the state board’s portfolio of
28 investments.

29 (3) The state board, in consultation with the State Energy
30 Resources Conservation and Development Commission, shall
31 include in the investment strategy information related to milestones
32 achieved by the state’s schoolbus incentive programs and the
33 projected need for funding taking into consideration the state’s
34 schoolbus inventory, turnover, and useful life.