#### AMENDED IN ASSEMBLY MARCH 22, 2021

CALIFORNIA LEGISLATURE-2021-22 REGULAR SESSION

# No. 111

### **Introduced by Assembly Member Boerner Horvath**

December 17, 2020

An act relating to transportation, and making an appropriation therefor. An act to add Section 65075 to the Government Code, to amend Section 25229 of the Public Resources Code, to add Sections 457 and 9623 to the Public Utilities Code, and to amend Section 2192 of the Streets and Highways Code, relating to transportation.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 111, as amended, Boerner Horvath. San Diego Association of Governments: LOSSAN Rail Corridor: study. *Transportation: zero-emission vehicles*.

(1) Existing law requires the Department of Transportation to develop and update every 5 years the California Transportation Plan. Under existing law, the plan describes the state's transportation policies and system performance objectives, includes broad transportation strategies and recommendations, considers certain topics relating to the movement of people and freight, and addresses how the state will achieve maximum feasible emissions reductions to attain a statewide reduction of greenhouse gas emissions to 40% below 1990 levels by December 31, 2030, and other air quality standards.

This bill would require the Secretary of the Transportation Agency, in consultation with certain state entities, to implement a Safe and Clean Truck Infrastructure Program to support the construction and operation of zero-emission medium- and heavy-duty vehicle parking and electric vehicle charging and hydrogen refueling infrastructure on public and

private properties, and to encourage the use of zero-emission vehicles. The bill would require the program, by January 1, 2024, to conduct an assessment outlining regional zero-emission medium- and heavy-duty vehicle parking and refueling deficiencies and strategies to address those deficiencies.

(2) Existing law, except as provided, allocates revenues deposited in the Trade Corridors Enhancement Account for infrastructure projects and allocates certain federal funds for infrastructure projects, including truck corridor improvements to mitigate emissions from trucks.

This bill would provide that the construction and operation of zero-emission truck parking, and supporting electric vehicle charging and hydrogen refueling networks, that the Secretary of the Transportation Agency has identified as part of the Safe and Clean Truck Infrastructure Program is an infrastructure project eligible for this funding.

(3) Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission), working with the State Air Resources Board and the Public Utilities Commission (PUC), to prepare and update every 2 years a statewide assessment of electric vehicle charging infrastructure needed to support the levels of electric vehicle adoption required for the state to meet the goals of putting 5 million zero-emission vehicles on California roads by 2030 and of reducing emissions of greenhouse gases to 40% below 1990 levels by 2030.

This bill would additionally require the assessment to consider hydrogen refueling network infrastructure needed to facilitate meeting these goals.

(4) Under existing law, the PUC has regulatory authority over public utilities, including electrical corporations, while local publicly owned electric utilities are under the direction of their governing boards.

This bill would require the PUC, in consultation with the Energy Commission and the state board, to establish a rate structure to promote the adoption of zero-emission vehicles and zero-emission freight equipment meeting certain requirements and a rate structure that incentivizes hydrogen production by electrolysis using electricity from eligible renewable energy resources, as defined. The bill would require electrical corporations to file an advice letter to implement those rate structures. The bill would require the Energy Commission, in consultation with the PUC and the state board, to develop model rate structures consistent with those established for electrical corporations that a local publicly owned electric utility may adopt.

Under existing law, a violation of the Public Utilities Act or an order, decision, rule, direction, demand, or requirement of the PUC is a crime.

Because some of the above provisions would be codified in the Public Utilities Act and a violation of an order, decision, rule, direction, demand, or requirement of the PUC implementing those provisions would be a crime, this bill would impose a state-mandated local program.

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Under existing law, the San Diego Association of Governments is the transportation planning agency for the San Diego County region.

This bill would appropriate \$5,000,000 from the General Fund to the San Diego Association of Governments to conduct a study of higher speed and safety alternatives for the Los Angeles-San Diego-San Luis Obispo passenger rail corridor in the County of San Diego. As a condition of receiving the funding, the bill would require the San Diego Association of Governments to conduct the study, as specified, and would require the San Diego Association of Governments to submit a report to the Legislature and specified committees of the Legislature summarizing the results of the study.

Vote:  $\frac{2}{3}$ -majority. Appropriation: yes-no. Fiscal committee: yes. State-mandated local program: no-yes.

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

1 SECTION 1. The Legislature finds and declares all of the 2 following:

3 (a) Freight equipment accounts for one-half of statewide diesel 4 particulate matter emissions, which are both a toxic air 5 contaminant and a contributor to black carbon, a short-lived 6 climate pollutant.

7 (b) Freight operations also account for 45 percent of the

8 statewide nitrogen oxides emissions and 6 percent of the statewide

9 greenhouse gas emissions.

1 (c) Transporting freight reliably and efficiently by zero-emission

2 equipment everywhere feasible, and near-zero-emission equipment
3 powered by clean, low-carbon renewable fuels everywhere else,

4 *is necessary to protect public health.* 

5 (d) It is imperative to accelerate actions to reduce emissions

6 from the freight transportation system, consistent with Executive

7 Order N-79-20, by transitioning all drayage trucks to zero emission

8 by 2035, all off-road vehicles and equipment to zero emission by

9 2035 where feasible, and all medium- and heavy-duty vehicles to 10 zero emission by 2045 for all operations where feasible.

11 (e) California's economy relies on the efficient movement of 12 freight along sustainable and well maintained freight 13 transportation infrastructure.

(f) According to the California Sustainable Freight Action Plan,
issued in July 2016, the state's freight sector accounted for over
\$740,000,000,000, or 32 percent of California's gross domestic
product in 2014, while also comprising five million, or 33 percent
of, jobs in the state the same year.

(g) A skilled workforce with multicore curriculum training is a
 key factor in economic competitiveness as the freight sector
 transitions towards a zero emission future.

(h) As California leads investment and development of these
technologies that support a sustainable freight transport system,
it must recognize that the transition to advanced technologies will
require the development of a skilled workforce with project labor
agreements to operate and maintain these new technologies and
systems.

28 SEC. 2. Section 65075 is added to the Government Code, to 29 read:

30 65075. (a) The Secretary of the Transportation Agency, in 31 consultation with the California Transportation Commission, 32 Department of Transportation, State Air Resources Board, State 33 Energy Resources Conservation and Development Commission, 34 Public Utilities Commission, and metropolitan planning organizations, shall implement a Safe and Clean Truck 35 36 Infrastructure Program to support the construction and operation 37 of zero-emission medium- and heavy-duty vehicle parking, and 38 electric vehicle charging and hydrogen refueling infrastructure, 39 on public and private properties, and encourage use of 40 zero-emission vehicles.

1 (b) The Safe and Clean Truck Infrastructure Program shall 2 conduct an assessment, on or before January 1, 2024, outlining 3 regional zero-emission medium- and heavy-duty vehicle parking 4 and refueling deficiencies and strategies to address these 5 deficiencies. The assessment shall include, but is not limited to, 6 all of the following:

7 (1) The current and future planned public and private truck
8 parking facilities to determine statewide gaps around areas the
9 California Freight Mobility Plan has identified as the freight
10 network.

(2) Strategies to deploy zero-emission medium- and heavy-duty
vehicle technologies and zero-emission off-road vehicle and
equipment technologies whenever feasible.

(3) Short- and long-term zero-emission electric vehicle charging
and hydrogen refueling strategies for the freight transportation
system, including, but not limited to, warehouses, distribution
centers, seaports, railyards, commercial airports, and freight trade
corridors.

19 (4) Locations for fast access zero-emission medium- and20 heavy-duty truck-only lanes or routes.

(5) Issues related to funding needed for upstream infrastructure
 buildouts for medium- and heavy-duty electric vehicle charging
 and hydrogen refueling stations.

(c) In accordance with the assessment developed pursuant to 24 25 subdivision (b), the California Transportation Commission, in 26 consultation with the Department of Transportation, State Air 27 Resources Board, State Energy Resources Conservation and 28 Development Commission, Public Utilities Commission, and 29 metropolitan planning organizations, shall facilitate the 30 construction and operation of zero-emission truck parking, and 31 supporting electric vehicle charging and hydrogen refueling 32 networks, to address the identified infrastructure and electric 33 vehicle charging and hydrogen refueling needs, including, but not 34 limited to, identified needs for zero-emission medium- and 35 heavy-duty vehicle parking, electric vehicle charging and hydrogen 36 refueling, and dedicated lanes or corridors for main thoroughfares 37 entering and leaving all seaports and intermodal railyards in the 38 state, as well as warehouse and distribution centers.

39 SEC. 3. Section 25229 of the Public Resources Code is 40 amended to read:

1 25229. (a) The commission, working with the State Air 2 Resources Board and the Public Utilities Commission, shall prepare 3 a statewide assessment of the electric vehicle charging and 4 hydrogen refueling network infrastructure needed to support the 5 levels of light-, medium-, and heavy-duty electric vehicle and hydrogen fuel cell vehicle adoption required for the state to meet 6 7 its goals of putting at least five million zero-emission vehicles on 8 California roads by 2030, and of reducing emissions of greenhouse 9 gases to 40 percent below 1990 levels by 2030. (b) The assessment shall expand on the commission's electric 10 vehicle charging and hydrogen refueling network infrastructure 11 12 projections to consider all necessary *electric vehicle* charging and 13 hydrogen refueling network infrastructure, including, but not limited to, the chargers, make-ready electrical equipment, and 14 15 supporting hardware and software, all vehicle categories, road, highway, and offroad electrification, port and airport electrification, 16 17 and other programs to accelerate the adoption of-electric 18 zero-emission vehicles to meet the goals described in subdivision 19 (a). The assessment shall examine existing and future infrastructure 20 needs throughout California, including in low-income communities. 21 (c) The commission shall regularly seek data and input relating 22 to electric vehicle charging and hydrogen refueling network infrastructure from stakeholders, including, but not limited to, the 23 Public Utilities Commission, the State Air Resources Board, 24 25 electrical corporations, local publicly owned electric utilities, state 26 and local transportation and transit agencies, charging infrastructure 27 companies, environmental groups, and automobile manufacturers. 28 (d) The commission shall update the assessment at least once 29 every two years. 30 SEC. 4. Section 457 is added to the Public Utilities Code, to 31 read: 32 457. (a) (1) The Public Utilities Commission shall, in

consultation with the Energy Commission and State Air Resources
 Board, establish an electric rate structure to promote the adoption
 of zero-emission vehicles and zero-emission freight equipment
 access the state that does all of the following:

36 across the state that does all of the following:

37 (A) Prohibits any type of peak load surcharges or demand

38 charges for electric charging of medium-duty, heavy-duty, or other

39 freight equipment regardless of rate structure or facility type.

40 Electric charging and operation shall be excluded from demand

1 charges for vehicles and equipment including, but not limited to,

2 shore power for ocean-going vessels, cargo handling equipment,

3 *transport refrigeration units, locomotives, drayage trucks, and* 4 *other heavy-duty trucks.* 

5 (*B*) Incentivizes mechanisms that favor use of renewable energy 6 and grid resilience, including, but not limited to, incorporation of

vehicle grid integration, time-of-use rates, and local microgrid
technologies.

9 (C) Provides an equal or lower cost of fueling relative to 10 statewide commercial average electric rates.

(2) The commission shall, in consultation with the Energy
Commission and the State Air Resources Board, establish an
electric rate structure that incentivizes hydrogen production by
electrolysis through the use of electricity generated by an eligible
renewable energy resource as defined in Section 399.12.

16 (b) An electrical corporation shall file an advice letter to 17 implement the rate structures established by the commission 18 pursuant to subdivision (a). The commission shall approve the 19 advice letter or specify changes to be made by the electrical 20 corporation to comply with the rate structures to be filed in a new 21 advice letter.

22 SEC. 5. Section 9623 is added to the Public Utilities Code, to 23 read:

24 9623. The Energy Commission, in consultation with the
25 commission and State Air Resources Board, shall establish model
26 rate structures that comply with the requirements of Section 457

27 and that local publicly owned electric utilities may adopt to

28 promote the adoption of zero-emission vehicles and zero-emission29 freight equipment and for the production of hydrogen by

30 electrolysis using electricity from an eligible renewable energy

31 resource as defined in Section 399.12.

32 SEC. 6. Section 2192 of the Streets and Highways Code is 33 amended to read:

34 2192. (a) The following revenues shall be allocated for 35 infrastructure projects pursuant to this section:

36 (1) The revenues deposited in the Trade Corridors Enhancement

37 Account pursuant to Section 2192.4, except for those revenues in

38 the account that were appropriated by Senate Bill 132 of the

39 2017–18 Regular Session (Chapter 7 of the Statutes of 2017).

1 (2) An amount of federal funds equal to the amount of revenue 2 apportioned to the state under Section 167 of Title 23 of the United 3 States Code from the national highway freight programs, pursuant 4 to the federal Fixing America's Surface Transportation Act ("FAST 5 Act," Public Law 114-94). (b) The funding described in subdivision (a) shall be available 6 7 upon appropriation for allocation by the California Transportation 8 Commission for infrastructure improvements in this state on 9 federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, and along other 10 corridors that have a high volume of freight movement, as 11 12 determined by the commission and as identified in the state freight 13 plan developed pursuant to Section 13978.8 of the Government 14 Code. Projects eligible for funding shall be included in an adopted 15 regional transportation plan. Projects within the boundaries of a metropolitan planning organization shall be included in an adopted 16 17 regional transportation plan that includes a sustainable communities 18 strategy determined by the State Air Resources Board to achieve 19 the region's greenhouse gas emissions reduction targets. In 20 developing guidelines for implementing this section, the 21 commission shall (1) apply the guiding principles, to the maximum 22 extent practicable, in the California Sustainable Freight Action 23 Plan released in July 2016 pursuant to Executive Order B-32-15, and (2) consult the state freight plan and the applicable port master 24 25 plan. 26 (c) Eligible projects for these funds include, but are not limited

27 to, all of the following:

28 (1) Highway improvements to more efficiently accommodate 29 the movement of freight, particularly for ingress and egress to and 30 from the state's land ports of entry, rail terminals, and seaports, 31 including navigable inland waterways used to transport freight 32 between seaports, land ports of entry, and airports, and to relieve 33 traffic congestion along major trade or goods movement corridors. 34 (2) Freight rail system improvements to enhance the ability to 35 move goods from seaports, land ports of entry, and airports to 36 warehousing and distribution centers throughout California, 37 including projects that separate rail lines from highway or local 38 road traffic, improve freight rail mobility, and other projects that

39 improve the safety, efficiency, and capacity of the rail freight 40 system.

1 (3) Projects to enhance the capacity and efficiency of ports, 2 except that funds available under this section shall not be allocated 3 to a project that includes the purchase of fully automated cargo 4 handling equipment. For the purposes of this paragraph, "fully 5 automated" means equipment that is remotely operated or remotely 6 monitored, with or without the exercise of human intervention or 7 control. Nothing in this paragraph shall prohibit the use of funds 8 available pursuant to this section for a project that includes the 9 human-operated zero-emission purchase of equipment. 10 human-operated near-zero-emission equipment, and infrastructure 11 supporting that human-operated equipment. Furthermore, nothing 12 in this section shall prohibit the purchase of devices that support 13 that human-operated equipment, including equipment to evaluate 14 the utilization and environmental benefits of that human-operated 15 equipment.

(4) Truck corridor improvements, including dedicated truckfacilities or truck toll facilities, including the mitigation of theemissions from trucks or these facilities.

(5) Border access improvements that enhance goods movement
between California and Mexico and that maximize the state's
ability to access funds made available to the state by federal law.

(6) Surface transportation, local road, and connector road
improvements to effectively facilitate the movement of goods,
particularly for ingress and egress to and from the state's land ports
of entry, airports, and seaports, to relieve traffic congestion along
major trade or goods movement corridors.

(7) The construction and operation of zero-emission truck
parking, and supporting electric vehicle charging and hydrogen
refueling networks, that the Secretary of the Transportation Agency
has identified as part of the Safe and Clean Truck Infrastructure
Program created pursuant to Section 65075 of the Government

32 *Code*.

33 (d) Projects funded with revenues identified in paragraph (1)34 of subdivision (a) shall be consistent with Article XIX of the

35 California Constitution.

36 (e) (1) In adopting the program of projects to be funded with 37 funds described in subdivision (a), the commission shall evaluate 38 the total potential economic and noneconomic benefits of the 39 program of projects to California's economy, environment, and 40 public health. The evaluation shall specifically assess localized

1 impacts in disadvantaged communities. The commission shall 2 consult with the agencies identified in Executive Order B-32-15

2 consult with the agencies identified in Executive Order B-32-153 and metropolitan planning organizations in order to utilize the

4 appropriate models, techniques, and methods to develop the

5 parameters for evaluating the program of projects. The commission

6 shall allocate the funding from subdivision (a) for trade7 infrastructure improvements as follows:

8 (A) Sixty percent of the funds shall be available for projects 9 nominated by regional transportation agencies and other public 10 agencies, including counties, cities, and port authorities, in 11 consultation with the department. The commission shall provide 12 reasonable geographic targets for funding allocations without 13 constraining what an agency may propose or what the commission 14 may approve.

(B) Forty percent of the funds shall be available for projects
nominated by the department, in consultation with regional
transportation agencies.

25 (f) (1) The commission shall adopt guidelines, including a 26 transparent process to evaluate projects and to allocate the funding 27 described in subdivision (a) for trade infrastructure improvements 28 in a manner that (1) addresses the state's most urgent needs, (2) 29 balances the demands of various land ports of entry, seaports, and 30 airports, (3) places emphasis on projects that improve trade corridor 31 mobility and safety while reducing emissions of diesel particulates, 32 greenhouse gases, and other pollutants and reducing other negative community impacts, especially in disadvantaged communities, (4) 33 34 makes a significant contribution to the state's economy, (5) 35 recognizes the key role of the state in project identification, (6) 36 supports integrating statewide goods movement priorities in a corridor approach, and (7) includes disadvantaged communities 37 38 measures, as established by the California Environmental 39 Protection Agency pursuant to Section 39711 of the Health and 40 Safety Code, and other tools the commission determines, for

1 evaluating benefits or costs for disadvantaged communities and

2 low-income communities. Project nominations shall include either

3 a quantitative or qualitative assessment of the benefits the project

4 is expected to achieve relative to the evaluation criteria.

5 (2) The guidelines adopted pursuant to paragraph (1) may 6 include streamlining of project delivery by authorizing regional 7 transportation agencies and other public agencies to seek 8 commission approval of a letter of no prejudice that allows the 9 agency to expend its own funds for a project programmed in a 10 future year of the adopted program of projects, in advance of 11 allocation of funds to the project by the commission, and to be 12 reimbursed at a later time for eligible expenditures. A letter of no 13 prejudice shall only be available to local or regional transportation 14 agencies for moneys that have been identified for future allocation 15 to the applicant agency. Moneys designated for the program shall

16 only be reimbursed when there is funding available in an amount

17 sufficient to make the reimbursement.

(g) In addition, the commission shall also consider the followingfactors when allocating these funds:

20 (1) "Velocity," which means the speed by which large cargo21 would travel from the land port of entry or seaport through the22 distribution system.

(2) "Throughput," which means the volume of cargo that would
move from the land port of entry or seaport through the distribution
system.

(3) "Reliability," which means a reasonably consistent and
predictable amount of time for cargo to travel from one point to
another on any given day or at any given time in California.

(4) "Congestion reduction," which means the reduction inrecurrent daily hours of delay to be achieved.

(h) For purposes of this section, the following terms have thefollowing meanings:

33 (1) "Disadvantaged communities" are those communities34 identified by the California Environmental Protection Agency

35 pursuant to Section 39711 of the Health and Safety Code.

36 (2) "Low-income communities" are census tracts with median 37 household incomes at or below 80 percent of the statewide median 38 income or with median household incomes at or below the

39 threshold designated as low income by the Department of Housing

and Community Development's list of state income limits adopted 1 2 pursuant to Section 50093 of the Health and Safety Code. 3 (i) It is the intent of the Legislature for the commission to adopt 4 an initial program of projects utilizing the state and federal funds 5 described in subdivision (a) for eligible projects as soon as practicable and no later than May 17, 2018. 6 7 SEC. 7. No reimbursement is required by this act pursuant to 8 Section 6 of Article XIII B of the California Constitution because 9 the only costs that may be incurred by a local agency or school 10 district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty 11 12 for a crime or infraction, within the meaning of Section 17556 of 13 the Government Code, or changes the definition of a crime within 14 the meaning of Section 6 of Article XIIIB of the California 15 Constitution. SECTION 1. (a) The sum of five million dollars (\$5,000,000) 16 17 is hereby appropriated from the General Fund to the San Diego 18 Association of Governments to conduct a study of higher speed 19 and safety alternatives for the LOSSAN Rail Corridor in the County 20 of San Diego, with a focus on alternatives for relocating the 21 alignment of the LOSSAN Rail Corridor off the Del Mar Bluffs. 22 (b) As a condition of receiving funding pursuant to this section, 23 the San Diego Association of Governments shall agree to conduct the study and to do all of the following as part of the study: 24 25 (1) Conduct an alternative alignment analysis, including 26 preliminary engineering. 27 (2) Conduct a safety and speed assessment of existing corridor 28 conditions. 29 (3) Identify the feasibility, impacts, benefits, and costs of 30 alternative alignments and improvements, including operating and 31 maintenance costs. 32 (4) Develop service plans for all operators. 33 (5) Develop an implementation plan for service and capital 34 improvements. 35 (6) Identify future alignment extensions. 36 (7) Engage in public outreach. 37 (8) Submit a report summarizing the results of the study on or before January 1, 2024, to the Legislature and to the Senate 38 Committee on Transportation, Assembly Committee on

- 39 Committee on Transportation, Assembly Committee on
   40 Transportation, Senate Committee on Budget and Fiscal Review,
  - 98

Assembly Committee on Budget, Senate Committee on
 Appropriations, and Assembly Committee on Appropriations.

3 (c) A report to be submitted pursuant to paragraph (8) of

4 subdivision (a) shall be submitted in compliance with Section 9795

5 of the Government Code.

6 (d) For purposes of this section, "LOSSAN Rail Corridor" means

7 the Los Angeles-San Diego-San Luis Obispo passenger rail

8 corridor.

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