

AMENDED IN ASSEMBLY AUGUST 19, 2014

AMENDED IN ASSEMBLY JUNE 18, 2014

AMENDED IN SENATE MAY 6, 2014

AMENDED IN SENATE APRIL 21, 2014

AMENDED IN SENATE MARCH 24, 2014

SENATE BILL

No. 1204

Introduced by Senators Lara and Pavley

February 20, 2014

An act to add Section ~~39719~~ 39719.2 to the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 1204, as amended, Lara. California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program.

Existing law requires all moneys, except for fines and penalties, collected by the State Air Resources Board from the auction or sale of allowances as part of a market-based compliance mechanism relative to reduction of greenhouse gas emissions, commonly known as cap and trade revenues, to be deposited in the Greenhouse Gas Reduction Fund, and to be used, upon appropriation by the Legislature, for specified purposes.

This bill would create the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program, to be funded from cap and trade revenues, to fund zero- and near-zero emission truck, bus, and off-road vehicle and equipment technologies and related projects, as specified, with priority to be given to certain projects, including projects that benefit disadvantaged communities. The program would

be administered by the state board, in conjunction with the State Energy Resources Conservation and Development Commission. The bill would require the state board, in consultation with the commission, to create a ~~multiyear~~ *an annual* framework and plan, and to develop guidance through the existing Air Quality Improvement Program Funding Plan process for implementation of the program.

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~~ 39719.2 is added to the Health
 2 and Safety Code, to read:
 3 ~~39719.~~
 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 purposes
 9 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 located
 13 in disadvantaged communities pursuant to the requirements of
 14 Sections 39711 and 39713.
 15 (b) Projects funded by the program shall be limited to the
 16 following:
 17 (1) Technology development, demonstration, precommercial
 18 pilots, and early commercial deployments of zero- and near-zero
 19 emission medium- and heavy-duty truck technology, including
 20 projects that help to facilitate clean goods-movement corridors.
 21 *Until January 1, 2018, no less than 20 percent of funding made*
 22 *available for purposes of this paragraph shall support early*
 23 *commercial deployment of existing zero- and near-zero emission*
 24 *heavy duty truck technology.*
 25 (2) Zero- and near-zero emission bus technology development,
 26 demonstration, precommercial pilots, and early commercial
 27 deployments, including pilots of multiple vehicles at one site or
 28 region.

1 (3) Zero- and near-zero emission off-road vehicle and equipment
2 technology development, demonstration, precommercial pilots,
3 and early commercial deployments, including vehicles and
4 equipment in the port, agriculture, marine, construction, and rail
5 sectors.

6 (4) Purchase incentives, including point-of-sale, for
7 commercially available zero- and near-zero emission truck, bus,
8 and off-road vehicle and equipment technologies and fueling
9 infrastructure to support early market deployments of alternative
10 technologies and to increase manufacturer volumes and accelerate
11 market acceptance.

12 ~~(5) Nonvehicle-based projects that support greater freight~~
13 ~~efficiency and greenhouse gas emissions reductions, including,~~
14 ~~but not limited to, advanced intelligent transportation systems,~~
15 ~~autonomous vehicles, and other freight information and operations~~
16 ~~technologies.~~

17 *(5) Projects that support greater commercial motor vehicle*
18 *freight efficiency and greenhouse gas emissions reductions,*
19 *including, but not limited to, advanced intelligent transportation*
20 *systems, autonomous vehicles, and other freight information and*
21 *operations technologies.*

22 (c) The state board, in consultation with the State Energy
23 Resources Conservation and Development Commission, shall
24 develop guidance through the existing Air Quality Improvement
25 Program Funding Plan process for the implementation of this
26 section that is consistent with the California Global Warming
27 Solutions Act of 2006 (Division 25.5 (commencing with Section
28 38500)) and this chapter.

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

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

36 (2) Ensure that program investments are coordinated with
37 funding programs developed pursuant to Chapter 8.9 (commencing
38 with Section 44270) of Part 5.

39 (3) Promote projects that assist the state in reaching its climate
40 goals beyond 2020, consistent with Sections 38550 and 38551.

- 1 (4) Promote investments in medium- and heavy-duty trucking,
2 including, but not limited to, vocational trucks, short haul and long
3 haul trucks, buses, and off-road vehicles and equipment, including,
4 but not limited to, port equipment, agricultural equipment, marine
5 equipment, and rail equipment.
- 6 (5) Structure purchase incentives for eligible technologies to be
7 sufficient to increase use of the cleanest vehicles in disadvantaged
8 communities.
- 9 (6) Allow for remanufactured and retrofitted vehicles to qualify
10 for purchase incentives if those vehicles meet warranty and
11 emissions requirements, as determined by the state board.
- 12 (7) Establish a competitive process for the allocation of funds
13 for projects funded pursuant to this program.
- 14 (8) Leverage, to the maximum extent feasible, federal or private
15 funding.
- 16 (9) Ensure that the results of emissions reductions or benefits
17 can be measured or quantified.
- 18 (10) Ensure that activities undertaken pursuant to this program
19 complement, and do not interfere with, efforts to achieve and
20 maintain federal and state ambient air quality standards and to
21 reduce toxic air contaminants.
- 22 (11) Establish sustainability goals to minimize project impacts
23 to natural resources, especially with respect to state and federal
24 lands.
- 25 (e) Eligible projects to be funded by the program do not include
26 projects required to be undertaken pursuant to state or federal law,
27 district rules or regulations, memoranda of understanding with a
28 governmental entity, or other legally binding agreements. The state
29 board may, however, fund studies, technology development, and
30 demonstration projects focused on improving performance and
31 financial payback, multivehicle and early commercial scale
32 deployments, and deployment of early commercially available
33 advanced vehicles and equipment.
- 34 (f) In evaluating potential projects to be funded pursuant to this
35 section, the state board shall give priority to projects that
36 demonstrate one or more of the following characteristics:
- 37 (1) Benefit to disadvantaged communities pursuant to Sections
38 39711 and 39713.
- 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 emission
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 (g) To assist in the implementation of this section, the state
11 board, in consultation with the State Energy Resources
12 Conservation and Development Commission, shall create an annual
13 framework and plan. The framework and plan shall be developed
14 with public input and may utilize existing investment plan
15 processes and workshops as well as existing state and third-party
16 research and technology roadmaps. The framework and plan shall
17 do all of the following:

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

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

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

32 (h) For the purpose of this section, “zero- and near-zero
33 emission” means vehicles, fuels, and related technologies that
34 reduce greenhouse gas emissions and improve air quality when
35 compared with conventional or fully commercialized alternatives,
36 as defined by the state board in consultation with the State Energy
37 Resources Conservation and Development Commission. “Zero-
38 and near-zero emission” may include, but is not limited to, zero
39 emission technology, enabling technologies that provide a pathway
40 to emission reductions, advanced or alternative fuel engines for

- 1 long haul trucks, and hybrid or alternative fuel technologies for
- 2 trucks and off-road equipment.

O