

AMENDED IN SENATE JUNE 16, 2015

AMENDED IN ASSEMBLY MAY 5, 2015

AMENDED IN ASSEMBLY APRIL 15, 2015

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 857

**Introduced by Assembly Member Perea
(Coauthor: Assembly Member O'Donnell)**

February 26, 2015

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

LEGISLATIVE COUNSEL'S DIGEST

AB 857, as amended, Perea. 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 the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances 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, as specified, with priority given to certain projects, including projects that benefit disadvantaged communities. The program, until January 1, 2018, requires no less than 20% of the funding made available for the purposes of technology development, demonstration, precommercial pilots, and early commercial deployments of zero- and near-zero-emission medium- and heavy-duty truck technology support early commercial deployment of existing zero- and near-zero-emission heavy-duty truck technology.

This bill, between January 2, 2018, and January 1, 2023, inclusive, *annually* would require no less than 50% or \$100,000,000, whichever is greater, of the moneys—~~appropriated~~ *allocated* for technology development, demonstration, precommercial pilots, and early commercial deployments of zero- and near-zero-emission medium- and heavy-duty truck technology be allocated *and spent* to support the commercial deployment of existing zero- and near-zero-emission heavy-duty truck technology that meets or exceeds a specified emission standard.

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 is amended to read:
- 3 39719.2. (a) The California Clean Truck, Bus, and Off-Road
- 4 Vehicle and Equipment Technology Program is hereby created,
- 5 to be administered by the state board in conjunction with the State
- 6 Energy Resources Conservation and Development Commission.
- 7 The program, from moneys appropriated from the fund for the
- 8 purposes of the program, shall fund development, demonstration,
- 9 precommercial pilot, and early commercial deployment of zero-
- 10 and near-zero-emission truck, bus, and off-road vehicle and
- 11 equipment technologies. Priority shall be given to projects
- 12 benefiting disadvantaged communities pursuant to the requirements
- 13 of Sections 39711 and 39713.
- 14 (b) Projects eligible for funding pursuant to this section include,
- 15 but are not limited to, the following:
- 16 (1) Technology development, demonstration, precommercial
- 17 pilots, and early commercial deployments of zero- and

1 near-zero-emission medium- and heavy-duty truck technology,
2 including projects that help to facilitate clean goods-movement
3 corridors.

4 (A) Until January 1, 2018, no less than 20 percent of funding
5 made available for the purposes of this paragraph shall support
6 early commercial deployment of existing zero- and
7 near-zero-emission heavy-duty truck technology.

8 (B) (i) Between January 2, 2018, and January 1, 2023, inclusive,
9 *annually* no less than 50 percent or one hundred million dollars
10 (\$100,000,000), whichever is greater, of the moneys ~~appropriated~~
11 *allocated* for the purposes of this paragraph shall be allocated *and*
12 *spent* to support the commercial deployment of existing zero- and
13 near-zero-emission heavy-duty truck technology that meets or
14 exceeds an emission standard of 0.02 grams per brake
15 horsepower-hour oxides of nitrogen, as described in the optional
16 low oxides of nitrogen emission standards in Section 1956.8 of
17 Title 13 of the California Code of Regulations.

18 (ii) (I) A heavy-duty truck with an internal combustion engine
19 receiving moneys appropriated pursuant to this subparagraph shall
20 use not less than 10 percent renewable fuel beginning January ~~1,~~
21 2, 2018.

22 (II) The state board may increase the minimum percentage of
23 renewable fuel required for moneys appropriated pursuant to this
24 subparagraph in subsequent years if the state board makes a finding
25 that a higher percentage is technologically feasible and the State
26 Energy Resources Conservation and Development Commission
27 makes a finding that there is a sufficient supply of renewable
28 energy fuel available. An increase adopted pursuant to this
29 subclause shall apply prospectively to moneys awarded after the
30 increase is adopted by the state board.

31 (III) The percentage in effect at the time the moneys are awarded
32 to a heavy-duty truck with an internal combustion engine pursuant
33 to this subparagraph shall not change that award.

34 (IV) The owner or responsible official of a heavy-duty truck
35 with an internal combustion engine receiving moneys appropriated
36 pursuant to this subparagraph shall document the required
37 renewable content by volume of fuel dispensed to the vehicle for
38 the internal combustion engine, as determined by the state board.

39 (2) Zero- and near-zero-emission bus technology development,
40 demonstration, precommercial pilots, and early commercial

1 deployments, including pilots of multiple vehicles at one site or
2 region.

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

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

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

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

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

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

33 (2) Ensure that program investments are coordinated with
34 funding programs developed pursuant to the California Alternative
35 and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon
36 Reduction Act of 2007 (Chapter 8.9 (commencing with Section
37 44270) of Part 5).

38 (3) Promote projects that assist the state in reaching its climate
39 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
3 long-haul trucks, buses, and off-road vehicles and equipment,
4 including, but not limited to, port equipment, agricultural
5 equipment, marine equipment, and rail equipment.
6 (5) Implement purchase incentives for eligible technologies to
7 increase the 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 moneys
13 for projects funded pursuant to this section.
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 section
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 (e) In evaluating potential projects to be funded pursuant to this
23 section, the state board shall give priority to projects that
24 demonstrate one or more of the following characteristics:
25 (1) Benefit disadvantaged communities pursuant to Sections
26 39711 and 39713.
27 (2) The ability to leverage additional public and private funding.
28 (3) The potential for cobenefits or multiple-benefit attributes.
29 (4) The potential for the project to be replicated.
30 (5) Regional benefit, with focus on collaboration between
31 multiple entities.
32 (6) Support for technologies with broad market and emissions
33 reduction potential.
34 (7) Support for projects addressing technology and market
35 barriers not addressed by other programs.
36 (8) Support for enabling technologies that benefit multiple
37 technology pathways.
38 (f) To assist in the implementation of this section, the state
39 board, in consultation with the State Energy Resources
40 Conservation and Development Commission, shall create an annual

1 framework and plan. The framework and plan shall be developed
2 with public input and may utilize existing investment plan
3 processes and workshops as well as existing state and third-party
4 research and technology roadmaps. The framework and plan shall
5 do all of the following:

6 (1) Articulate an overarching vision for technology development,
7 demonstration, precommercial pilot, and early commercial
8 deployments, with a focus on moving technologies through the
9 commercialization process.

10 (2) Outline technology categories and performance criteria for
11 technologies and applications that may be considered for funding
12 pursuant to this section. This shall include technologies for
13 medium- and heavy-duty trucking, including, but not limited to,
14 vocational trucks, short-haul and long-haul trucks, buses, and
15 off-road vehicles and equipment, including, but not limited to, port
16 equipment, agricultural equipment, construction equipment, marine
17 equipment, and rail equipment.

18 (3) Describe the roles of the relevant agencies and the process
19 for coordination.

20 (g) For purposes of this section, the following terms have the
21 following meanings:

22 (1) ~~“Heavy-duty Effective January 2, 2018, “Heavy-duty truck”~~
23 means a vehicle that has a gross vehicle weight rate (GVWR) of
24 26,001 pounds or more.

25 (2) “Zero- and near-zero-emission” means vehicles, fuels, and
26 related technologies that reduce greenhouse gas emissions and
27 improve air quality when compared with conventional or fully
28 commercialized alternatives, as defined by the state board in
29 consultation with the State Energy Resources Conservation and
30 Development Commission. “Zero- and near-zero-emission” may
31 include, but is not limited to, zero-emission technology, enabling
32 technologies that provide a pathway to emissions reductions,
33 advanced or alternative fuel engines for long-haul trucks, and
34 hybrid or alternative fuel technologies for trucks and off-road
35 equipment.