

Date of Hearing: July 1, 2024

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY

Cottie Petrie-Norris, Chair

SB 934 (Gonzalez) – As Amended June 19, 2024

SENATE VOTE: 31-3

SUBJECT: Zero-emission freight infrastructure: interagency coordination: report

SUMMARY: Requires the California State Transportation Agency (CalSTA) and the California Energy Commission (CEC) to jointly convene an interagency Zero-Emission Freight Central Delivery Team (Central Delivery Team) to lead the statewide coordination of zero-emission (ZE) freight infrastructure planning and implementation, including carrying out specified actions.

Specifically, **this bill:**

- 1) Requires the CalSTA and CEC to jointly convene an interagency Central Delivery Team comprised of representatives from state agencies, including, but not limited to, the Department of Transportation (Caltrans), the California Transportation Commission (CTC), the California Air Resources Board (CARB), the California Public Utilities Commission (CPUC), and the Governor's Office of Business and Economic Development (GO-Biz).
- 2) Requires the Central Delivery Team to:
 - a. Work with ZE freight infrastructure stakeholders to strategically select specific project locations using a corridor-based approach that prioritizes the top freight corridors identified in the Clean Freight Corridor Efficiency Assessment (heretofore referred to as the Assessment);
 - b. Coordinate actions between state agencies, utility companies, and other ZE freight infrastructure stakeholders;
 - c. Develop a process for nongovernmental stakeholders, such as impacted communities, community-based organizations, equity advocates, public health advocates, air quality advocates, tribal nations, and environmental justice advocates, to be included in ZE station location planning and implementation;
 - d. Identify lead entities from regional transportation planning agencies, metropolitan planning organizations, ports, utilities, state agencies, and other ZE freight infrastructure stakeholders that are necessary to build ZE stations quickly;
 - e. Identify available funding sources and public-private partnership models and post that information on CalSTA's internet website;
 - f. Develop standardized ZE station development models, including zoning and building permits that can be replicated for each station across a priority freight corridor, based on local municipality guidelines, and post that information on CalSTA's internet website;

- g. Work with community colleges and ports that provide training programs to support training of freight industry workers, as necessary; and
 - h. Promote the timely and equitable implementation of ZE freight infrastructure throughout the state.
- 3) Requires the Central Delivery Team to prepare and submit a report to the Legislature, on or before March 1, 2026, and once every five years thereafter, that:
- a. Describes the actions taken by the Central Delivery Team since the last submitted report;
 - b. Identifies best practices regarding ZE freight infrastructure planning and implementation;
 - c. Makes policy recommendations needed to facilitate the deployment of ZE freight infrastructure; and
 - d. Includes an assessment of the state's progress towards meeting the number of ZE needed to support ZE freight goals.

EXISTING LAW:

- 1) Requires Caltrans to, every five years beginning December 31, 2015, prepare a state and regional long-range transportation plan that must, among other requirements, include a minimum 20-year forecast of the impacts of advanced and emerging technologies on infrastructure, access and transportation systems; addresses how the state will achieve maximum feasible emissions reductions; and explains how the plan supports attaining all ambient air quality standards while taking into account alternative fuels and new vehicle technology. This is known as the California Transportation Plan. (Government Code §§ 65070-65073)
- 2) Requires CalSTA to prepare a state freight plan that provides a comprehensive plan to govern the immediate and long-range planning activities and capital investments of the state with respect to the movement of freight. This plan is known as the California Freight Mobility Plan (CFMP). Also requires CalSTA to establish a freight advisory committee (FAC) consisting of a representative cross section of public and private sector freight stakeholders, including representatives of ports, shippers, carriers, freight-related associations, the freight industry workforce, the CTC, Caltrans, the CPUC, the State Lands Commission, the CARB, regional and local governments, and environmental, safety, and community organizations. Tasks the FAC to discuss and advise CalSTA on freight-related priorities, issues, projects, and funding needs; communicate and coordinate regional priorities with other organizations; and participate in the development of the state freight plan. (Government Code § 13978.8)
- 3) Requires the CTC, in coordination with the CARB, CPUC, CEC, and GO-Biz, to develop the Assessment, on or before December, 2023, to identify priority freight corridors, the infrastructure needed to support the deployment of medium- and heavy-duty (MHD) zero-emission vehicles (ZEVs), and barriers and solutions to their deployment. Requires the CTC, CARB, and CEC to incorporate, to the extent feasible and applicable, the

Assessment's findings and recommendations into their respective programs and guideline documents related to freight infrastructure and technology. Also requires development of the CTP to incorporate the Assessment's findings and recommendations. (Government Code § 14517)

- 4) Makes projects that employ advanced and innovative technology to improve the flow of freight, including public infrastructure that enables ZE or near-ZE goods movement, eligible for state revenues deposited into the Trade Corridors Enhancement Account and certain federal funds apportioned to the state from national highway freight programs. (Streets and Highways Code § 2192)
- 5) Authorizes the CEC to implement the Clean Transportation Program (CTP), which provides investments to public agencies, California federally recognized tribes, tribal organizations, vehicle and technology entities, business and projects, public-private partnerships, workforce training partnerships and collaboratives, fleet owners, consumers, recreational boaters, and academic institutions to develop and deploy innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change policies. (Health and Safety Code § 44272)
- 6) Requires 100% of in-state sales of new passenger cars and trucks to be ZE by 2035, and 100% of MHD vehicles to be ZE by 2045 for all operations where feasible and by 2035 for drayage trucks. Also requires 100% of off-road vehicles and equipment to be ZE by 2035 where feasible. (Governor's Order N-79-20)

FISCAL EFFECT: According to the Senate Committee on Appropriations, this bill will incur ongoing costs across the variety of named agencies within the bill, including almost \$360,000 ongoing costs at the CEC, \$232,000 ongoing costs at CARB, and \$100,000 or lower ongoing costs each at Caltrans, the CPUC, and GO-Biz. The majority of these costs would be for new hires to participate on the Central Delivery Team. The bill was recently amended to place CalSTA in a lead agency role and the CTC in an advisory role, so the cost to the state of this new policy has not yet been considered.

BACKGROUND:

California's zero-emission freight goals – California's transportation sector is currently the largest source of greenhouse gas (GHG) emissions in the state. According to CARB's 2022 Scoping Plan, the sector also accounts for 80% of statewide NO_x emissions and 30% of fine particulate matter emissions.¹ Within the transportation sector, MHD vehicles account for approximately 20% of the state's GHG emissions.² These vehicles are much more diverse than light-duty vehicles, ranging broadly in size from large pickup trucks to heavy-duty long-haul trucks. The frequent use of MHD vehicles in the state can be largely attributed to the state's busy ports and freight system. The Ports of Los Angeles and Long Beach together make up the largest container port complex in the nation. Combined, those two ports move approximately 40% of all containerized cargo entering the U.S. each year and about 30% of all containerized exports.³ The

¹ CARB; *2022 Scoping Plan*; November 2022.

² University of California Institute of Transportation Studies; "Driving California's Transportation Emissions to Zero"; April 2021; <https://escholarship.org/uc/item/3np3p2t0>

³ gCaptain; "Ports of Los Angeles and Long Beach Expand Gate Hours to Alleviate Congestion"; September 2021; <https://gcaptain.com/ports-of-los-angeles-and-long-beach-expand-gate-hours-to-alleviate-congestion/>

state has parallel goals to achieve net zero GHG emissions and 100% ZE transportation, where feasible, by 2035 for passenger vehicles and drayage trucks and by 2045 for MHD vehicles.^{4,5} Transitioning the transportation sector to ZE technologies is therefore critical to achieving the state’s climate goals and clean air standards.

Moving the needle with MHD ZEVs and infrastructure – To support achievement of the state’s clean transportation targets, the state has committed a variety of funding resources for stakeholders, including vehicle incentives, infrastructure incentives, and state funding programs, and created partnerships to get federal funding opportunities. For example, since 2010, CARB has offered point-of-sale rebates to offset the upfront cost of fuel cell electric and battery electric trucks, including Class 8 heavy-duty tractors, under the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP).⁶ Similarly, on the infrastructure side for MHD ZEVs, the CEC has offered grants for electric chargers, hydrogen fueling stations, and ZE port infrastructure under the CTP.⁷

While the state has exceeded interim milestones – the Governor announced that one in six new MHD vehicles bought in California in 2023 were ZEVs, 2 years ahead of schedule⁸ – the number of MHD ZEVs on the road (3,800 at the end of 2023⁹) and the amount of associated infrastructure installed (a little more than 10,000 public and private charging and hydrogen ZEV fueling stations¹⁰) remain an order(s) of magnitude lower than that which is needed by 2030, which raises concerns that California is not doing enough to meet its goals. In the most recent EV Charging Infrastructure Assessment published in 2024, the CEC projects a total of 109,000 depot chargers and 5,500 en route chargers are needed to serve 155,000 MHD ZEVs in 2030, but notes that the state expects rapid electrification of MHD ZEVs in the upcoming years partly because of expanded offerings from manufacturers and new regulations to drive the adoption of MHD ZEVs.¹¹ These new regulations include CARB’s Advanced Clean Fleets (ACF) regulation, which sets ZE purchase requirements for certain fleets of MHD vehicles, and the Advanced Clean Truck regulation, which requires manufacturers to sell increasing percentages of MHD ZEVs in California over time to match the expected demand induced by ACF.

The Clean Freight Corridor Efficiency Assessment – In response to SB 671 (Gonzalez, Chapter 769, Statutes of 2021), the CTC in December 2023 released the Assessment,¹² which identifies freight corridors, or segments of corridors, the infrastructure needed to support the deployment of MHD ZEVs, and barriers and potential solutions to their deployment. The Assessment identified three major barriers to achieving a near-term ZE freight network along California’s six major freight corridors, and possible solutions to address each of these barriers. One of the

⁴ AB 1279 (Muratsuchi, Chapter 337, Statutes of 2022)

⁵ Executive Order N-79-20

⁶ CARB; “Clean Truck & Bus Vouchers (HVIP)”; <https://ww2.arb.ca.gov/new-california-requirements-road-and-road-heavy-duty-vehicles>

⁷ CEC; “CEC Approves \$1.9 Billion Plan to Expand Zero-Emission Transportation Infrastructure”; February 2024; <https://www.energy.ca.gov/news/2024-02/cec-approves-19-billion-plan-expand-zero-emission-transportation-infrastructure>

⁸ San Francisco Chronicle; “Zero-emission truck sales doubled in California from 2022 to 2023”; June 2024; <https://www.sfchronicle.com/politics/article/california-zev-sales-double-19499027.php>

⁹ Of these, the majority are transit and school buses; the dashboard estimates 578 and 379 vehicles are delivery vans and tractor trucks, respectively. CEC; “Medium- and Heavy-Duty Zero-Emission Vehicles in California”; <https://www.energy.ca.gov/data-reports/energy-almanac/zero-emission-vehicle-and-infrastructure-statistics-collection/medium>

¹⁰ CEC; “Medium- and Heavy-Duty Zero-Emission Vehicle Charging and Hydrogen Infrastructure (Beta)”; <https://experience.arcgis.com/experience/f951c1433f804daea7f4c33c271aa935/>

¹¹ CEC; *Assembly Bill 2127 Second Electric Vehicle Charging Infrastructure Assessment – Revised Staff Report*; January 2024.

¹² CTC; *SB 671 Clean Freight Corridor Efficiency Assessment*; December 2023.

barriers identified was the complex ecosystem of potential stakeholders that require coordination, including local permitting agencies, utility companies, ports, state agencies, private entities, community-based advocates, and impacted communities. The Assessment proposed creating a state-level Central Delivery Team to manage and facilitate coordination among the many agencies and stakeholders involved in siting and deploying infrastructure.

COMMENTS:

- 1) *Author's statement.* According to the author, "California has ambitious climate and air quality goals that will require the transportation sector to convert to zero-emission vehicle (ZEV) technology. Most recently, the California Air Resources Board issued the Advanced Clean Fleets (ACF) regulation, which will require certain freight fleets to convert to ZEVs starting as early as 2024 for drayage trucks. However, one of the major impediments to the successful transition to heavy-duty ZEVs is the lack of charging and refueling infrastructure, especially for medium- and heavy-duty vehicles. In fact, it takes between 6 and 8 years on average to develop a heavy-duty ZEV station, not accounting for electrical grid upgrades that could take up to 10 or more years according to the California Public Utilities Commission. In addition, varying local permitting requirements, minimal use and awareness of streamlining opportunities by local municipalities, and backlogs of projects in approval and inspection processes contribute to further delays. This is why the California Transportation Commission's Clean Freight Corridor Assessment recommended the creation of a state-level Central Delivery Team to facilitate the infrastructure build out needed to meet the state's climate goals and regulations. Senate Bill 934 builds off this recommendation by creating a Central Delivery Team for Freight Zero-Emission Vehicles at the California Energy Commission and California State Transportation Agency to take a leadership role in the deployment of ZEV infrastructure for freight vehicles. The Team will coordinate actions among different stakeholders and agencies, identify available funding sources, and develop standardized station development models, among other items."
- 2) *Enacting a Central Delivery Team.* This bill seeks to implement a recommended solution in the CTC's Assessment and create a team of state-level facilitators led by CalSTA and the CEC to manage the complex ecosystem of stakeholders involved in planning and deploying ZE freight infrastructure. The Central Delivery Team would have a hand in a range of responsibilities, including selecting project locations, developing a process for involvement by nongovernmental stakeholders, identifying available funding sources, creating standardized ZE station development models, and supporting training program development at community colleges and ports. Arguably, the role and responsibilities of the Central Delivery Team may overlap with those of other agency or interagency endeavors. For example, a number of state agency resources already offer publicly accessible information to funding sources (e.g., GO-Biz's ZEV Funding Resources webpage¹³) and development models for MHD ZE infrastructure and deployment (e.g., GO-Biz's EV Charging and Hydrogen Station Permitting Guidebooks^{14,15}), support the development and expansion of ZE infrastructure workforce development and training

¹³ GO-Biz; "ZEV Funding Resources"; <https://business.ca.gov/industries/zero-emission-vehicles/zev-funding-resources/>

¹⁴ GO-Biz; "Electric Vehicle Charging Station Permitting Guidebook"; December 2019.

¹⁵ GO-Biz; "Hydrogen Station Permitting Guidebook"; December 2019.

programs at community colleges and ports (e.g., CEC's CTP¹⁶), and assess the state's progress towards meeting the number of ZE stations needed to support ZE freight goals (biennial EV Charging Infrastructure Assessment¹⁷). There are also existing and planned cross-collaborative freight-related stakeholder working groups, including the FAC and the Governor's Infrastructure Strike Team.^{18,19} Nonetheless, achieving the goals of the Central Delivery Team will be an important step towards meeting the state's climate targets. To the extent that this bill provides greater cooperation and coordination between state agencies, local agencies, and external stakeholders, this bill may help to consolidate resource requests and spur a collective momentum to deploying ZE freight infrastructure.

- 3) *Remaining concerns.* While public-private partnerships will be fundamental to the successful deployment of ZE freight infrastructure, the Central Delivery Team, as established by this bill, would have no authority to direct the actions of any of the many state, local, and private entities involved in the endeavor. The Central Delivery Team can convene and cajole the parties, but only the Chief Executive has the weight to push the many regulators and interest groups to cooperate and coordinate at the pace necessary to achieve the MHD ZEV transition in a timely way.

Additionally, the current version of this bill requires reporting on the Central Delivery Team's progress and policy recommendations once every five years. The state has set ambitious climate goals which will require the rapid electrification of the state's freight sector in upcoming years. As such, it may be prudent to compel more frequent updates to the Legislature so that salient policy recommendations may be shared and enacted expeditiously.

- 4) *Prior legislation.*

SB 671 (Gonzalez) required the CTC, in coordination with the CARB, CPUC, CEC, and GO-BIZ to develop the Assessment. Also made projects that employ advanced and innovative technology to improve the flow of freight eligible for certain state revenues and federal funds, as specified. Status: Chapter 769, Statutes of 2021.

SB 643 (Archuleta) required the CEC, in consultation with CARB and the CPUC, to prepare every three years, until January 1, 2030, a statewide assessment of the fuel cell electric vehicle (EV) fueling infrastructure and fuel production needed to support the adoption of MHD ZEVs at levels necessary for the state to meet its climate goals. Status: Chapter 646, Statutes of 2021.

AB 2127 (Ting) required the CEC to conduct a statewide assessment every two years of EV charging infrastructure needed to support the levels of EV adoption required for the state to meet its goals of putting at least five million ZEVs on the road and reducing GHG emissions. Status: Chapter 364, Statutes of 2018.

¹⁶ CEC; "Workforce Training and Development"; <https://www.energy.ca.gov/programs-and-topics/programs/clean-transportation-program/clean-transportation-funding-areas-3>

¹⁷ Ting, Chapter 364, Statutes of 2018

¹⁸ Government Code § 13978.8

¹⁹ Executive Order N-8-23

AB 14 (Lowenthal) required CalSTA to prepare a state freight plan and establish a FAC consisting of a representative cross section of public and private sector freight stakeholders, including the CTC, Caltrans, the CPUC, the State Lands Commission, and CARB. Status: Chapter 223, Statutes of 2013.

- 5) *Double referral*. This bill was previously heard in the Assembly Committee on Transportation on June 18th, 2024, where it passed with an 11-0-4 vote.

REGISTERED SUPPORT / OPPOSITION:

Support

California Environmental Voters (formerly CLCV)
California Transportation Committee
California Trucking Association
Calstart, Inc.
Chargepoint, Inc.
Cleaneart4kids.org
Pacific Merchant Shipping Association
Union of Concerned Scientists
Zeem Solutions, Inc.

Opposition

None on file.

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