

Date of Hearing: March 19, 2018

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 2006 (Eggman) – As Amended March 14, 2018

**SUBJECT:** Agricultural Worker Clean Transportation Investment Program

**SUMMARY:** Creates the Agricultural Worker Clean Transportation Investment Program to fund the deployment of near-zero-emission vehicles (NZEVs) and zero-emission vehicles (ZEVs) used for agricultural vanpooling of disadvantaged or low-income communities.

Specifically, **this bill:**

- 1) Creates the Agricultural Worker Clean Transportation Investment Program, to be administered by the California Air Resources Board (ARB), to fund the deployment of NZEVs and ZEVs used for agricultural vanpools serving disadvantaged or low-income communities.
- 2) Projects eligible to receive funding include, but are not limited to, any of the following:
  - a) The purchase, lease-purchase, or replacement of NZEVs or ZEVs used for agricultural vanpools.
  - b) The maintenance or modification of NZEVs or ZEVs used as agricultural vanpools.
  - c) The purchase and installation of electric vehicle charging stations and infrastructure associated with the use of NZEVs or ZEVs used as agricultural vanpools.
- 3) Requires ARB to allocate a minimum of 50% of available funds for projects that service low-income communities.
- 4) Requires ARB to determine the appropriate amount of required matching funds based on the applicant's ability to provide matching funds. ARB may waive this requirement if it causes excessive hardship to the applicant.
- 5) Provides that moneys from the Greenhouse Gas Reduction Fund (GGRF), upon appropriation by the Legislature, be used to implement the program.
- 6) Allows eligible applicants to be public or private entities operating agricultural vanpools.
- 7) Defines "agricultural vanpool" as a vehicle with a seating capacity of 10 to 15 riders that is used for the transportation of agricultural workers to and from agricultural sites and operations.
- 8) Defines "agricultural workers" as people employed to plant, cultivate, or harvest crops in one of the state's agricultural regions.
- 9) Defines a "near-zero-emission vehicle" as a vehicle that utilizes hybrid or zero-emission technologies, enables technologies that provide a pathway to zero-emissions operations, or incorporates other technologies that significantly reduce criteria pollutants, toxic air

contaminants, and greenhouse gas emissions, as determined by ARB in consultation with the State Energy Resources Conservation and Development Commission, consistent with meeting the state's mid-and long-term air quality standards and climate goals.

- 10) Defines a "zero-emission vehicle" as a vehicle that produces no emissions of criteria pollutants, toxic air contaminants, and greenhouse gases when stationary or operating, as determined by the ARB.
- 11) Defines "disadvantaged community" as a community identified by CalEnviroScreen.
- 12) Defines "low-income community" as census tracts with median household incomes at or below 80 percent of the statewide median income or with household incomes at or below the threshold designated as low income by the Department of Housing and Community Development's list of state income limits.

**EXISTING LAW:**

- 1) Establishes the Global Warming Solutions Act of 2006, [AB 32 (Núñez), Chapter 244, Statutes of 2006] that requires ARB to establish programs to reduce greenhouse gas (GHG) emissions to 1990 levels by 2020 including the use of market-based mechanisms (cap-and-trade) to comply with these regulations.
- 2) Requires ARB to ensure that statewide GHG emissions are reduced to at least 40% below the 1990 level by 2030.
- 3) Establishes the Charge Ahead California Initiative (Initiative) to provide incentives that increase the availability ZEVs and NZEVs, particularly in disadvantaged and low-and-moderate-income communities.
- 4) Establishes the Clean Energy & Pollution Reduction Act, pursuant to SB 350 (de León), Chapter 547, Statutes of 2015, to among other things decrease barriers and increase access to clean transportation options for low-income residents, including those in disadvantaged communities.
- 5) Establishes the Air Quality Improvement Program (AQIP), administered by ARB, to fund programs that support the production, distribution, and sale of alternative fuels and vehicle technologies, as well as air emissions reduction efforts. The two primary programs adopted by ARB pursuant to AQIP are the Clean Vehicle Rebate Project (CVRP) and the Hybrid and Zero Emissions Truck and Bus Voucher Incentive Program (HVIP).
- 6) Establishes the GGRF in the State Treasury, requires all moneys, except for fines and penalties, collected pursuant to a market-based mechanism be deposited in the fund and requires the Department of Finance, in consultation with ARB and any other relevant state agency, to develop, as specified, an investment plan for the moneys deposited in the GGRF.

**FISCAL EFFECT:** Unknown

**COMMENTS:** California has established a number of policies, goals, and programs to improve air quality and reduce GHG emissions. Most notably, AB 32 established the goal of reducing GHG emissions to 1990 levels by the year 2020 and, more recently, SB 32 (Pavley), Chapter

248, Statutes of 2016, established the more aggressive goal of reducing emissions 40% below 1990 levels by 2030. Along with establishing emissions reduction goals, AB 32 allowed for the establishment, by regulation, of cap-and-trade, that includes the use of market-based mechanisms with funds deposited into GGRF used exclusively to fund emission reduction programs.

Using GGRF funds and under the direction of SB 1275 (de León) and SB 350 (de León), ARB has invested in light-duty pilot projects, including the Agricultural Worker Vanpools in the San Joaquin Valley pilot, to promote the deployment of clean transportation and charging infrastructure in disadvantaged communities and incentivize car sharing/vanpooling efforts.

The Agricultural Worker Vanpools pilot project provides clean transportation vanpools for agricultural workers in San Joaquin Valley's disadvantaged communities. Eligible technologies include zero-emission, plug-in hybrid, or hybrid passenger vehicles and shuttle vans, and vehicle conversions must be HVIP- or CVRP-eligible. Installation of electric vehicle supply equipment for appropriate multi-unit dwellings and other appropriate locations may also be considered for funding. All projects must be in disadvantaged communities, reduce GHG emissions and provide a minimum match funding of 25%. ARB's FY 2016-17 Funding Plan allocated \$3 million for the pilot project.

For FY 2017-18, ARB staff has proposed \$3 million for the Agricultural Worker Vanpools pilot and will prioritize funding within the San Joaquin Valley and expand this program to other disadvantaged agricultural regions if appropriate. ARB is currently administering a competitive grant solicitation for the available \$6 million, \$3 million of which needs to be spent on projects in the San Joaquin Valley, and applications are due March 23, 2018. This competitive solicitation is open to federal, State, or local government entities, other California-based public entities, or non-profit organizations that have tax-exempt status.

The author has introduced this bill to codify the pilot as a statewide grant program that captures all low-income and disadvantaged communities. The author states that "California's agricultural workers are the backbone of the agricultural economy, and yet most come from extremely impoverished backgrounds. They often lack clean, safe, reliable transportation options that can transport them to the state's remote agricultural sites. As a result, many resort to driving antiquated, high-polluting, and unregistered vehicles because it is the only means to get to work. The Charge Ahead Initiative created several clean vehicle access pilot projects for disadvantaged communities, including a vanpool pilot project for agricultural workers living in the San Joaquin Valley. While a great pilot project, it is overly restrictive on which communities are eligible for funding in the San Joaquin Valley. Furthermore, other low-income and disadvantaged communities throughout the state are not eligible for funding at all. This bill will ensure that all communities have access to this grant program so they too can enjoy clean, safe, and reliable transportation options."

Writing in support and as sponsor of the bill, California Vanpool Authority notes that the Agricultural Worker Vanpools pilot project is overly restrictive on what communities are eligible for funding in the San Joaquin Valley and stress that other low-income and disadvantaged communities throughout the state are not eligible for funding at all, despite the great need.

*Committee comments:* While increasing clean vanpool options for all communities is a laudable goal, it might be premature to establish a program in perpetuity for a pilot that has yet to realize any outcomes or results.

*Double referral:* This bill will be referred to the Assembly Natural Resources Committee should it pass out of this committee.

*Previous legislation:* AB 32 (Núñez), Chapter 488, Statutes of 2006, required ARB to develop a plan of how to reduce emissions to 1990 levels by the year 2020 and also required ARB to ensure that, to the extent feasible, GHGs reduction requirement and programs direct public and private investment toward the most disadvantaged communities.

AB 118 (Núñez), Chapter 750, Statutes of 2007, established the AQIP.

SB 1275 (de León), Chapter 530, Statutes of 2014, established the Charge Ahead Initiative, to provide incentives to increase the availability of zero-emission vehicles and near-zero-emission vehicles, particularly to low-income and moderate-income consumers and disadvantaged communities.

SB 350 (de León), Chapter 547, Statutes of 2015, among other things, required ARB to study barriers for low-income customers to access zero-emission and near zero-emission transportation options.

SB 32 (Pavley), Chapter 249, Statutes of 2016, required ARB to ensure that statewide GHG emissions are reduced at least 40% below 1990 levels by 2030.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

California Vanpool Authority (Sponsor)  
American Lung Association  
A. Oseguera Company, Inc.  
Association of Monterey Bay Area Governments  
Buenaventura Ranch LLC  
California Environmental Justice Alliance  
Fresno Council of Governments  
Imperial County Transportation Commission  
Leadership Counsel for Justice and Accountability  
Lucky Ag, Inc.  
Madera County Transportation Commission  
Preferred Produce  
Premium Packing, Inc.  
San Joaquin Council of Governments  
Tulare County Association of Governments  
Valley Pride, Inc.

### **Opposition**

None on file

**Analysis Prepared by:** Cynthia Alvarez / TRANS. / (916) 319-2093