

Date of Hearing: April 5, 2021

ASSEMBLY COMMITTEE ON TRANSPORTATION

Laura Friedman, Chair

AB 992 (Cooley) – As Amended March 25, 2021

SUBJECT: California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program

SUMMARY: Adds peer-to-peer truck sharing platform demonstration as an eligible project under the Clean Truck Program.

EXISTING LAW:

- 1) Creates the Clean Truck Program administered by the California Air Resources Board (CARB) in conjunction with the State Energy Resources Conservation and Development Commission (CEC).
- 2) Establishes the Greenhouse Gas Reduction Fund (GGRF) in the State Treasury and requires all money collected pursuant to cap and trade, with limited exceptions, to be deposited into the fund.
- 3) Upon appropriation of money from GGRF, requires the Clean Truck Program to fund development, demonstration, pre-commercial pilot, and early commercial deployment of zero- and near-zero emission truck, bus, and off-road vehicle equipment technologies.
- 4) Establishes the Air Quality Improvement Program (AQIP), administered by CARB, with the primary purpose of funding, upon appropriation by the Legislature, air quality improvement projects relating to fuel and vehicle technologies.
- 5) Requires CARB, in consultation with CEC, to develop guidance through the existing AQIP funding plan process, which includes public workshops, for the implementation of the Clean Truck Program.

FISCAL EFFECT: Unknown

COMMENTS: Peer-to-peer truck sharing allows business the opportunity to list and rent underutilized vehicles to peers. Fluid Trucks, this bill's sponsor offers 24/7 access to trucks vans, and SUVs. According to the company's website, the rental platform enables small and mid-sized businesses, as well as consumers, to rent commercial vehicles in only a few minutes with their mobile devices. Truck rentals could be utilized for a variety of circumstances such as moving households, running errands requiring large items, or for Amazon Flex drivers to make their deliveries.

Vehicles available under peer-to-peer truck sharing platforms can include independently purchased commercial vehicles or fleets. For example, in October 2020, Lightning Systems, a provider of electrified urban commercial fleets, announced that Fluid Truck would incorporate 600 Lightning Electric vehicles onto their platform, with availability starting in late 2020. These all-electric, zero-emission vehicles will be deployed in major urban areas across the United States.

To provide funding for eligible vehicles under the Clean Truck Program, CARB established the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), which provides point-of-sale voucher discounts to purchasers of certain types of vehicles. Under HVIP, a purchaser is defined as “the fleet that will purchase or lease the eligible vehicle and operate the vehicle for at least three years. Vehicles under common ownership or control that share a common Taxpayer identification number (TIN) or California Carrier Identification Number (CA #) are considered part of a single fleet. A purchaser is not a manufacturer, dealership, or leasing company that enters into any agreement with another party to operate the vehicle.”

The sponsors of this bill cite CARB’s one owner/one operator requirement for HVIP as a barrier to participation for potential purchasers. They claim large companies with substantial vehicle fleets are able to make the financial investment in a zero-emission truck and can meet the one operator requirement. However, small- to medium-sized businesses cannot justify the investment without the opportunity to recoup some of that expense by renting the vehicle out when it would otherwise be sitting idle.

According to the author, “AB 992 will help California achieve its GHG reduction goals, reduce the use of high polluting vehicles for last mile deliveries, and improve the air quality for local communities and drivers by ensuring that small businesses and independent delivery truck drivers have access to a wide variety of zero-emission trucks. Peer-to-peer sharing platforms can help get more zero-emission trucks on the road. Purchasers who list their vehicles on a platform are able to take advantage of resource sharing of their investment, while making the vehicle broadly available to a diverse group of small and medium sized businesses. AB 992 will allow for a demonstration where users place their vehicle on a truck sharing platform, which will permit the vehicle to be used instead of sitting idle, replacing vehicle miles traveled of a gasoline or diesel vehicle with a ZEV or hybrid vehicle.”

In support, Fluid Trucks writes, “Peer-to-peer truck sharing platforms like Fluid Truck are instrumental in getting more zero-emission trucks on the road in California. Purchasers who list their vehicles on the platform are able to take advantage of resource sharing of their investment, while making the vehicle broadly available to a diverse group of small and medium businesses. Additionally, the truck sharing model provides access to these ZEVs at a lower cost, enabling diverse entrepreneurs to enter the growing delivery and logistics industry.”

Committee comments: A demonstration of peer-to-peer truck sharing would allow CARB to determine if this model is an appropriate fit for existing incentive programs and what guidelines, reporting, or data collection may need to be changed to allow for its eligibility.

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

Related and previous legislation: AB 214 (The Budget Act of 2021) appropriates \$150,000,000 from the Greenhouse Gas Reduction Fund for clean trucks, buses, and off-road freight equipment including HVIP and advanced technology freight demonstration and pilot commercial deployment projects.

SB 1204 (Lara), Chapter 524, Statutes of 2014 creates the Clean Truck and Bus Program, 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, with priority to be given to certain projects, including those that benefit disadvantaged communities.

REGISTERED SUPPORT / OPPOSITION:

Support

Fluid Trucks (sponsor)

Opposition

None on file

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