

Date of Hearing: June 27, 2022

ASSEMBLY COMMITTEE ON TRANSPORTATION

Laura Friedman, Chair

SB 1251 (Gonzalez) – As Amended June 20, 2022

SENATE VOTE: 30-9

SUBJECT: Governor’s Office of Business and Economic Development: Office of the Zero-Emission Vehicle Equity Advocate

SUMMARY: Establishes the Office of the Zero-Emission Vehicle Equity Advocate (ZEV Advocate) within the Governor’s Office of Business Development (GO-Biz) to steer the development of a shared, cross-agency definition of equity, set an equity agenda for the deployment of ZEVs, the supporting infrastructure, workforce development, and publish progress updates, as specified. Specifically, **this bill:**

- 1) Establishes the ZEV Advocate, within GO-Biz and led by an appointee of the Governor with experience in ZEV deployment and a strong connection with grassroots environmental justice organizations, to steer the development of a shared, cross-agency definition of equity, and set an equity agenda for the deployment of light-, medium-, and heavy-duty ZEVs, the supporting infrastructure, and workforce development.
- 2) Requires the ZEV Advocate to serve as a point of contact for stakeholders to provide concerns and suggestions related to the state’s progress in equitably achieving the state’s ZEV deployment goals.
- 3) Requires the ZEV Advocate to provide information and propose policy and procedural changes to relevant state entities, as needed, to ensure consistency among equity definitions, criteria, and targets utilized in the state’s ZEV and infrastructure programs and to ensure best practices, as specified.
- 4) Authorizes the ZEV Advocate to convene meetings or task forces, or both, between state agencies, local government, utilities, labor, community-based organizations, air pollution control districts, air quality management districts, or private sector actors key to advancing zero-emission transportation goals.
- 5) Requires the ZEV Advocate to develop and adopt an equity action plan to provide actionable steps to advance equity in access to ZEVs, infrastructure, and ZEV transportation options in low-income, disadvantaged communities, and historically underserved communities, as specified and requires the plan to include all of the following:
 - a) Guidance on the design and implementation of state funding programs with the aim of ensuring that programs are designed so that funding is allocated to most effectively advance an equitable deployment of ZEVs, as specified;
 - b) Recommendations on funding criteria to be applied to all relevant state agencies to prioritize an equitable advancement of ZEVs, as specified;

- c) Proposals for additional financing tools and policy needs to address community-based transit and transportation solutions that address key gaps and obstacles in access to clean transportation options; and,
- d) Milestones for equity for intervening years on the path toward goals for 2035 and beyond.
- 6) Requires the ZEV Advocate to assess progress towards the equity action plan and publish an update of the progress on each of the activities described by this bill on its internet website on or before January 1, 2025, and every two years thereafter, as specified.
- 7) Requires the ZEV Advocate, in developing the equity action plan, to coordinate and partner with community organizations, local entities, state agencies, and other private and public stakeholders to steer for an equitable zero-emission vehicle deployment.
- 8) Includes a sunset of January 1, 2028.

EXISTING LAW:

- 1) Designates the California Air Resources Board (CARB) as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases (GHGs) and requires CARB to ensure that statewide GHG emissions are reduced to at least 40% below the 1990 level by 2030.
- 2) Designates the California Energy Commission (CEC) as the state agency charged with administering the Alternative and Renewable Fuels and Vehicle Technology Program (now known as the Clean Transportation Program, or CTP), to develop and deploy technologies and alternative and renewable fuels to help attain the state's climate change policies.
- 3) Executive Order N-79-20 sets a goal that 100% of new passenger cars and trucks sold in California be ZEVs by 2035; and, sets a goal that 100% of medium- and heavy-duty vehicles in the state be zero-emission for all operations where feasible.
- 4) Establishes several programs to support the purchase of light-duty ZEVs and near-ZEVs including the Clean Vehicle Rebate Program, the Clean Fuel Rewards Program, the Low Carbon Fuel Standard, the Advanced Clean Car Regulations, and Clean Cars for All.

FISCAL EFFECT: According to the Senate Appropriations Committee:

- Unknown, ongoing annual costs likely in the millions of dollars to establish and operate the office. Costs include support staff for the office as well as operating expenses, and equipment for staff.
- CARB anticipates costs of \$211,000 in Fiscal Year (FY) 2022-23 and \$210,000 in FY 2023-24 and ongoing for an additional staff to support the new office, participate in and support meetings with agencies and other stakeholders, develop CARB contributions to the action plan, and develop and compile the required data (Air Pollution Control Fund).

GO-Biz and the State Energy Resources Conservation and Development Commission do not anticipate fiscal impacts from this bill.

COMMENTS:

Executive Order B-16-12. In 2012, Governor Brown issued EO B-16-2012, which called for 1.5 million ZEVs to be on the road in California by 2025, as a means of helping the state reach its GHG emissions reduction goals.

The EO further included a requirement that, California's state vehicle fleet increase the number of its ZEVs so that at least 10% of fleet purchases of light-duty vehicles be zero-emission by 2015 and at least 25% of fleet purchases of light-duty vehicles be zero-emission by 2020. The EO did not contain any requirements for larger, heavy-duty trucks and buses.

To continue the momentum initiated by the EO, the Governor's Office convened an interagency working group that culminated in the release of the 2013 ZEV Action Plan. The ZEV Action Plan, which was updated in 2016 and 2018, established goals for the advancement of ZEVs and outlined strategies to achieve those goals. The 2016 ZEV Action Plan highlighted a couple priorities for ZEVs, including, "making ZEV technologies commercially viable in targeted applications the medium-duty, heavy-duty and freight sectors."

According to state data, new ZEV purchases for the state routinely outpaced the targets set forth in the EO. However, during the start of the COVID-19 pandemic, purchases of all types of vehicles for the state fleet declined as the state faced an uncertain financial future.

Executive Order N-79-20. In September of 2020, Governor Newsom signed EO N-79-20 which, among other things, established a goal of the state that 100% of in-state sales of new passenger cars and trucks will be zero-emission by 2035, and that 100% of medium- and heavy-duty vehicles in the state be zero-emission by 2045 for all operations where feasible.

Additionally, EO N-79-20 requires GO-Biz, in coordination with CARB and other state agencies, to develop a Zero-Emissions Vehicle Market Development Strategy by January 31, 2021, and update every three years thereafter, that: ensures coordinated and expeditious implementation of the system of policies, programs, and regulations necessary to achieve the goals and orders of the EO; and, outlines state agencies' actions to support new and used ZEV markets for broad accessibility for all Californians. That strategy is available online through GO-Biz's internet website.

Advanced Clean Fleets Regulation Emissions Inventory Workgroup. In November of 2021, the CARB's Advanced Clean Fleets Regulation Emissions Inventory Workgroup made publicly available possible forthcoming regulations regarding ZEVs, including public fleets of California's cities, special districts, and state agencies. According to the information made available, the Public Fleet proposal requires that ZEVs be 50% of purchases for 2024-2026 model years of vehicles, and 100% of purchases for 2027 and every succeeding model year.

Focus on Equity. Most ZEV programs have been utilized by wealthier individuals, understandable when most ZEVs cost upwards of \$60,000. But with prices for some new ZEVs declining over the last several years to below \$30,000 before rebates, and prices for a growing used ZEV market much lower, ZEVs have become much more affordable for lower- and middle-

income households. As ZEV technology has made headway into other markets (e.g. heavy duty vehicles, trains, power generation), new opportunities arise for deploying the technology in a way which benefits disadvantaged communities. It may be an appropriate time to more explicitly consider equity in our ZEV policies.

Currently GO-Biz is coordinating the state's ZEV efforts among the 29 different state departments and agencies that they have identified as having a role in ZEV deployment. Their efforts have resulted in the California Zero-Emission Vehicle Market Development Strategy. In it they recognize that the state needs to focus on equity, pledging to keep equity foremost in their decision-making: "The people suffering the impacts of social, economic, and environmental burdens are also those closest to the solutions. Continual, meaningful engagement and capacity building within priority communities is key to ensuring that the ZEV market provides direct and assured benefits to those most impacted by poor air quality and lack of access to clean mobility and high-road jobs. We actively look for opportunities to implement community-led ideas and share decision-making power; each decision or action should incorporate priority communities' ideas and direct feedback."

Office Placement. Amendments taken in this committee create the Office of the Zero-Emission Vehicle Equity Advocate within GO-Biz rather than the Governor's Office. These amendments will streamline the establishment of this office and allow for deeper integration of the ZEV Advocate within the current rollout structure for ZEVs. The California Zero-Emission Vehicle Market Development Strategy developed by GO-Biz identifies a number of priorities for improvement concerning equity considerations. The placement of the ZEV Advocate within GO-Biz allows for increased capacity to address these considerations and maintains a central location for ZEV coordination across state departments and agencies.

According to the author's office, "currently, the majority of ZEVs belong to wealthier, white Californians living in areas with only moderate or low levels of air pollution. At the same time, low-income, predominantly Black and Brown communities are the communities most likely to be suffering from air pollution, and so most in need of access to non-polluting ZEVs. As California works to reach its ambitious ZEV deployment targets, and plans to invest billions of dollars to accelerate this deployment, it is essential to ensure an equitable ZEV deployment that does not continue to leave behind Californian's most vulnerable populations. By creating a Zero-Emission Equity Advocate, SB 1251 will ensure there is an explicit plan and standard for prioritizing equity in ZEV deployment, will align equity efforts across State agencies, and will create a direct, streamlined path for community groups to provide feedback to state agencies in steering and developing a ZEV future that is accessible to all Californians."

According to the Environmental Defense Fund, supporters of this bill, "SB 1251 will address the current inequity in ZEV deployment by creating the Office of the ZEV Equity Advocate that will: facilitate connection between communities, groups and agencies regarding ZEV equity; help to align equity definitions, planning, and metrics across agencies and programs; make recommendations on new funding and programs to promote a truly equitable ZEV deployment; and evaluate progress towards equitably achieving the State's ZEV goals. Through these actions, SB 1251 will ensure that the State is moving towards effective community-centered ZEV equity goals in the most efficient manner possible."

Related and Prior Legislation: SB 1010 (Skinner) of 2022 requires, on a specified schedule, an increase in the percentage of newly purchased zero-emission light-, medium-, and heavy-duty

vehicles by DGS, as specified, and requires DGS to adopt and implement a plan to increase the usage of the state's ZEVs over time. (Pending on the Senate Floor)

SB 1305 (Laird) of 2022, among other things, requires DGS to maximize the purchase and availability of alternative fuel vehicles in the state vehicle fleet by adopting a procurement method to evaluate those vehicles, as specified. (Pending at the Assembly Desk)

SB 551 (Stern) of 2021 would have created the California Electric Vehicle Authority within the Governor's office to advance electric vehicle and zero-emission charging infrastructure by coordinating with state, regional, and local government entities. (Died on the Assembly Appropriations suspense calendar)

REGISTERED SUPPORT / OPPOSITION:

Support

Acterra
Auto Club of Southern California (AAA)
Automotus INC
California Hydrogen Coalition
California Municipal Utilities Association
Cleantech San Diego
Communities for A Better Environment
Environmental Defense Fund
Evhybridnoire
Fierce Courage Consulting
Fresno Metro Black Chamber of Commerce
Greenlatinos
Los Angeles Cleantech Incubator (Sponsor)
Pacoima Beautiful
City of Santa Monica
The Climate Center
Tritium Dcfc Limited
Watts Clean Air and Energy Committee

Opposition

None on file.

Oppose Unless Amended

California Trucking Association

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