Date of Hearing: March 27, 2023

ASSEMBLY COMMITTEE ON TRANSPORTATION Laura Friedman, Chair AB 1580 (Juan Carrillo) – As Introduced February 17, 2023

SUBJECT: Air pollution: electric vehicle infrastructure

SUMMARY: Requires the State Energy Resources Development and Conservation Commission (also known as the California Energy Commission or CEC) and the Department of Transportation (Caltrans) to develop a State Electric Vehicle Infrastructure Deployment Plan on or before June 30, 2024. Specifically, **this bill**:

- 1) Requires CEC and Caltrans to jointly develop a State Electric Vehicle Infrastructure Deployment Plan and update the plan each January.
- 2) Requires the plan to be consistent with federal requirements and guidance provided by the federal National Electric Vehicle Infrastructure (NEVI) Formula Program established under the federal Infrastructure Investment and Jobs Act of 2021.
- 3) Authorizes CEC and Caltrans to submit the updates to the plan in conjunction with, or as a part of the Clean Transportation Program (CTP) investment plan.
- 4) Requires CEC to notify the Secretary of State of exhaustion of funding from the federal NEVI Formula Program.

EXISTING LAW:

- Creates CTP, administered by CEC, to provide competitive grants, revolving loans, loan guarantees, or loans to various entities to develop and deploy innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change policies. The fees that fund CTP sunset January 1, 2024. (Health and Safety Code (HSC) 44272)
- 2) Requires CEC to develop and adopt an investment plan, in consultation with an advisory body and through a public process, to determine priorities for investment of funds and technologies to achieve the goals of the CTP. (HSC 44272.5)
- 3) Requires CEC to submit to the Legislature a yearly update to the investment plan. (HSC 44272.7)
- 4) Requires CEC, working with the California Air Resources Board (CARB) and the Public Utilities Commission (CPUC), to prepare a statewide assessment of the electric vehicle (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 zero-emission vehicles (ZEV) on California roads by 2030, and of reducing GHG emissions to 40% below 1990 levels by 2030. (Public Resources Code (PRC) 25229)

FISCAL EFFECT: Unknown

COMMENTS: Since 2006, California has set several goals to reduce greenhouse gas (GHG) emissions, address climate change, and improve the public health of its residents. These goals require incremental progress that will ultimately lead to larger emission reductions, including:

- 1) Reduce GHG emissions to 40% below 1990 levels by 2030. SB 32 (Pavley), Chapter 488, Statutes of 2016.
- 2) Reduce short-lived climate pollutant emissions, such as methane, to 40 to 50% below 2013 levels by 2030. SB 1383 (Lara), Chapter 395, Statutes of 2016.
- 3) Achieve a carbon-neutral economy by 2045. (AB 1279 (Muratsuchi), Chapter 337, Statutes of 2022.

Additionally, California has led on the transition to ZEVs, setting specific goals to boost the supply of ZEVs as well as charging and fueling stations, including:

- 1) By 2025:
 - a) 1.5 million ZEVs on the road. (Executive Order (EO) B-16-12)
 - b) Installation of 200 hydrogen-fueling stations and 250,000 battery-electric vehicle chargers, including 10,000 direct-current fast chargers, by 2025. (EO B-48-18)
- 2) By 2030:
 - a) 5 million ZEVs on the road. (EO B-48-18)
 - b) 8 million ZEVs on the road. (California Air Resources Board (CARB) estimate to meet EO N-79-20)
- 3) By 2035:
 - a) Transition 100% of new sales of passenger vehicles and trucks to ZEVs. (EO N-79-20)
 - b) Transition 100 percent of drayage trucks to zero emission. (EO N-79-20)
 - c) Transition 100% of operating off-road vehicles and equipment to zero emission everywhere feasible. (EO N-79-20)
- 4) By 2045:
 - a) Transition 100% of operating medium- and heavy-duty trucks and buses to zero emission everywhere feasible. (EO N-79-20)

The need for a greater amount of ZEV infrastructure is growing rapidly as the number of ZEVs in the state increases. In 2021, the state reached of a total of one million light-duty ZEVs sold in California. In Quarter (Q)1-Q3 of 2022, 17.7% of new vehicle sales were ZEVs. These numbers include both battery-electric vehicles and fuel-cell electric vehicles, with the vast majority being battery-electric. ZEV infrastructure is necessary to address range needs and to encourage the purchase of ZEVs. The state is investing heavily in the deployment of ZEV charging and fueling stations during this early transitional stage.

State needs significantly more EV chargers to meet projected EV needs. Based on the analysis required by AB 2127 (Ting) Chapter 365, Statutes of 2018, CEC projects that approximately 700,000 to 1.2 million public and shared-private chargers will be needed by 2030 to support 5 million to 8 million light-duty ZEVs, respectively. According to the Zero-Emission Vehicle Infrastructure Plan, 80,000 light-duty public and shared-private EV chargers currently operate statewide, with another estimated 17,000 on the way.

National Electric Vehicle Infrastructure (NEVI) Program: On November 15, 2021, President Biden signed into law the Bipartisan Infrastructure Law (BIL), enacted as the Infrastructure Investment and Jobs Act (IIJA), (Pub. L. 117-58). The BIL authorized a new NEVI Program, which includes a total of up to \$7.5 billion in dedicated funding (\$5 billion in formula funds and \$2.5 in discretionary competitive funds) to help make EV chargers accessible to all Americans for local to long-distance trips.

Under the NEVI Program, each state is required to submit an initial EV Infrastructure Deployment Plan (plan) that describes how the state intends to use its apportioned NEVI Formula Program funds in accordance with this guidance. No NEVI Formula Program funds shall be obligated by a State until the Federal Highway Administration (FHWA) approves that state's plan, although staffing and other activities related to the development of a Plan will be eligible for reimbursement (in accordance with 2 CFR Part 200).

The plan should describe how it supports a convenient, affordable, reliable, and equitable statewide and national EV network. The plan should describe how the state intends to use the funds distributed under the NEVI Formula Program to carry out the program in each fiscal year in which funds are made available. The plans should be updated on an annual basis to reflect the state funding plans for that fiscal year. Each state should provide 5-year goals for the duration of the program that include at least one outcome- oriented goal with a quantitative target. This section of the plan should also identify the overall vision and goals specific to the geography, demographics, and network of the state as consistent with the NEVI Formula Program.

Through the NEVI Formula Program, California anticipates to receive \$384 million in federal funding over 5 years to strategically deploy publicly available EV charging infrastructure and establish an interconnected network of EV chargers along key corridors across the state. Caltrans and the CEC developed the California NEVI Deployment Plan and submitted it to the new Federal Joint Office of Energy and Transportation on August 1, 2022. This plan focuses significant efforts on bringing charging infrastructure to communities of concern and rural areas throughout the state. According to its website, Caltrans intends to update the plan each year with continued public and stakeholder engagement.

Committee comments: Federal guidelines recommend that NEVI plans be updated; however, it is not required. This bill ensures that Caltrans and CEC update the plan annually and make it available to the Legislature.

Going forward, the author should coordinate with Caltrans and CEC if necessary to adjust the timelines for the plan update in order to accommodate ongoing work.

Double referral: This bill is double referred to the Assembly Utilities and Energy Committee and will be heard by that Committee as it relates to issues under its jurisdiction.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

Analysis Prepared by: Christine Casey / TRANS. / (916) 319-2093