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**SENATE COMMITTEE ON ENERGY, UTILITIES AND  
COMMUNICATIONS**

**Senator Ben Hueso, Chair**

**2021 - 2022 Regular**

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<b>Bill No:</b>	SB 1258	<b>Hearing Date:</b>	4/18/2022
<b>Author:</b>	Allen		
<b>Version:</b>	3/24/2022 Amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Sarah Smith		

**SUBJECT:** Clean Transportation Program: electric vehicle charging: fleet-operated autonomous vehicles

**DIGEST:** This bill expands the types of projects eligible for funding from the California Energy Commission (CEC) Clean Transportation Program (CTP) to include electric vehicle (EV) infrastructure for certain autonomous vehicle fleets.

**ANALYSIS:**

Existing law:

- 1) Establishes the CTP, which is administered by the CEC to provide grants, loans, and other funding opportunities to develop and deploy innovative fuel and vehicle technologies to support California's climate change policies. (Health and Safety Code §44272(a))
- 2) Specifies criteria the CEC must use to prioritize projects for funding from the CTP. These criteria include, but is not limited to, a project's including a project's ability to reduce certain air pollutants, provide in-state economic benefits, and attract non-state matching funds. The CEC must rank projects based on each project's ability to meet statutory prioritization criteria. (Health and Safety Code §44272(c-d))
- 3) Specifies the types of projects eligible for funding from the CTP, including, but not limited to projects that develop and deploy alternative and renewable fuels, zero-emission vehicle (ZEV) infrastructure and technologies, programs that help commercialize ZEV and alternative fuel vehicles and workforce development projects that transition workers from fossil fuel industries to clean transportation jobs. (Health and Safety Code §44272 (e))
- 4) Allocates a portion of smog abatement fees to fund the CTP and sunsets the fee on January 1, 2024. (Health and Safety Code §44060.5)

This bill expands the list of projects eligible for CTP funding to include EV charging infrastructure, including infrastructure not available to the public, supporting a fleet of light duty autonomous vehicles.

## **Background**

*This bill specifies that autonomous vehicle ride-hailing companies are eligible for CTP funding.* While autonomous vehicles are a relatively new transportation technology, several companies have recently announced plans to provide ride-hailing services through autonomous vehicles. In urban communities where parking is limited, public transit, ride-hailing, and other forms of mobility can be less expensive alternatives to car ownership.

The Department of Motor Vehicles provides permits for autonomous vehicles to drive on California streets; however, companies deploying autonomous vehicles for ride-hailing purposes must obtain a license from the California Public Utilities Commission (CPUC) to provide those services in the state. Until these companies receive a license from the CPUC, these autonomous vehicle fleets are testing their services on a limited basis. In February 2022, the CPUC issued its first licenses for autonomous vehicles to provide ride-hailing services with a safety driver present to two companies: Waymo and Cruise. Both Waymo and Cruise use all-electric autonomous vehicles to provide service in a selection of neighborhoods in San Francisco under their respective licenses. Since few autonomous light-duty fleets operate in the state, funding provided for fleets under this bill may not support deployment of infrastructure in geographically diverse areas of the state until autonomous fleets are more widely deployed.

*Are autonomous vehicle fleets ineligible for CTP grants currently?* Under existing law, ZEV infrastructure for fleets are eligible for CTP funding; however, existing law does not clearly state that autonomous vehicle ride-hailing fleets are eligible for EV infrastructure grants from the CTP. This bill clarifies that publicly and non-publicly accessible charging infrastructure for autonomous vehicle fleets are eligible for CTP grants.

*Time is limited for CTP funding opportunities.* The CTP is administered by the CEC to provide funding for infrastructure and technologies that help the state transition to cleaner fuels and transportation. The CEC identifies priorities for CTP funding through a regular investment plan and updates. According to the CTP's 2021-2023 investment plan update, the CTP had funded 15,154 EV chargers, including 155 chargers for fleets as of August 2021.

Under existing law, the CTP is funded by a portion of smog abatement fees. Existing law sunsets the funding for the CTP on January 1, 2024. While the longstanding funding source for the CTP is scheduled to sunset by 2024, the Legislature approved \$1.165 billion in additional funding for the CTP over three years. According to the most recent CTP investment plan update, the CEC has allocated over \$840 million in funding for the CTP in the 2021-2011 Fiscal Year. These investments will significantly accelerate the CTP's investments in ZEV infrastructure and technologies for the program's remaining years. However, the 2021-2022 Fiscal Year provides the greatest funding opportunities based on current funding. Projects newly eligible for CTP grants under this bill may not be able to apply for funding allocated in 2021-2022.

*Double referred.* This bill has been double-referred to the Senate Committee on Transportation.

### **Prior/Related Legislation**

SB 589 (Hueso, Chapter 732, Statutes of 2021) expanded the types of projects eligible for funding from the CTP to include to include projects that develop in-state supply chains and the workforce for raw materials and components needed for ZEV manufacturing. The bill also expanded the groups the CEC must consult with when developing workforce development programs, and it included workforce development as a resource the CEC must include in evaluations of resources needed for ZEV deployment.

SB 726 (Gonzalez, 2021) and AB 1389 (Reyes, 2021) would revise the CTP by eliminating specified prioritization and eligibility criteria and instead focus the program on projects that support certain equity and environmental goals. The bills are currently on the Assembly and Senate Inactive Files, respectively.

AB 1697 (Bonilla, Chapter 446, Statutes of 2016) expanded the CTP's prioritization criteria to require the prioritization of projects that transition workers to the alternative and renewable fuel and vehicle technology sector.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

### **SUPPORT:**

Cruise, Sponsor  
Electric Vehicle Charging Association  
Silicon Valley Leadership Group  
TechNet

**OPPOSITION:**

California Labor Federation  
California Teamsters Public Affairs Council

**ARGUMENTS IN SUPPORT:** According to the author:

California has ambitious goals to combat climate change and curtail greenhouse gas emissions through statewide adoption of zero-emission vehicles. The California Energy Commission's Clean Transportation Program (CTP) is an effective tool in achieving those goals through grant funds that support innovative transportation and fuel technologies. Zero-emission autonomous rideshare services are an emerging industry that can help achieve electric vehicle and greenhouse-gas reduction targets by expanding public access to zero-emission transportation and providing green alternatives to personal vehicle ownership.

Under current law, autonomous vehicle (AV) technologies are not eligible for CTP funds. This bill expands access to CTP by allowing zero-emission AV projects to apply for grants to increase equitable public access to clean transportation and broaden the state's electric vehicle charging infrastructure.

**ARGUMENTS IN OPPOSITION:** Opponents oppose efforts to provide public funding for autonomous vehicle fleets because these fleets could displace workers and would have negative impacts on traffic and safety. In opposition, the California Labor Federation and the California Teamsters Public Affairs Council state the following:

Although we support the continued build-out of electric vehicle infrastructure using a skilled and trained workforce, we cannot condone the extension of the program to autonomous vehicles. We believe that this shift in policy signals California's implied approval of technologies that have job-displacing capacities, which flies in the face of the program's goal of "sustainable, long-term economic benefits."

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