State of California
Air Resources Board

Board Item Summary

Item # 21-4-1: Public Hearing to Consider Proposed Clean Miles Standard

Staff Recommendation:

The California Air Resources Board (CARB or Board) staff recommends that the Board approve the proposed resolution which adopts a new regulation to establish greenhouse gas (GHG) and electrification targets for transportation network companies (TNC) operating in California.

Discussion:

Senate Bill (SB) 1014 (Skinner, Chapter 369, Statutes of 2018) established the California Clean Miles Standard and Incentive Program, requiring the Board to establish annual GHG reduction targets for TNCs that include miles traveled by zero-emission means. SB 1014 requires that the California Public Utilities Commission (CPUC) implement the regulation beginning in 2023.

The proposed regulation requires TNCs to achieve 0 grams of CO_2 per passenger-mile-traveled and 90 percent electric vehicle miles traveled (eVMT) by 2030 and thereafter. Staff arrived at these targets by analyzing the base year data from 2018 and evaluating costs and benefits associated with these targets. The proposed regulation also encourages TNCs to connect passengers to mass transit and to invest in active transportation infrastructure, including bikeways and sidewalks, by offering optional GHG credits. The regulation developed by staff resulted from a robust engagement with stakeholders and public feedback from workshops and meetings. The regulation is a result of continued collaboration with CPUC to ensure the regulation meets the intent of the statute.

Summary and Impacts:

The proposed regulation will increase the number of zero-emission miles driven by TNC services and reduce GHG emissions. Over time, more drivers operating on a TNC platform will need to drive a zero-emission vehicle (ZEV). Staff estimates that by 2030, approximately 46 percent of TNC vehicles would need to be ZEVs in order to meet the 90 percent eVMT target (because a small portion of TNC vehicles make up a large portion of VMT).

The proposed regulation targets were set using a cost model that assumes the drivers can recoup their costs within a year of driving for a TNC because over time the ZEVs are cheaper to own and operate. The targets are lower in the early years and ramp up slowly to account for uncertainty while the industry recovers from the pandemic and adjusts to new labor requirements in California.

Staff will present details of the proposed regulation including the GHG and electrification targets for each year of the regulation, the assumptions used to establish the targets, the method of calculating compliance, reporting requirements, optional credits, and exemptions for small TNCs and wheelchair-accessible vehicles. Staff will also highlight the stakeholder engagement process throughout the development of the regulation and discuss incentive programs available to drivers when switching to an electric vehicle.