

# California Air Resources Board

## Notice of Public Meeting to Consider Approval of the Fiscal Year 2023-24 Funding Plan for Clean Transportation Incentives

The California Air Resources Board (CARB or Board) will conduct a public meeting at the date and time noted below to consider the approval of the Fiscal Year (FY) 2023-24 Funding Plan for Clean Transportation Incentives (Funding Plan).

Date: November 16, 2023

Time: 9:00 A.M.

In-Person Location:

California Air Resources Board  
Byron Sher Auditorium  
1001 I Street, Sacramento, California 95814

Remote Option:

Zoom

This public meeting may continue at 9:00 a.m. on November 17, 2023. Please consult the public agenda, which will be posted ten days before the November 16, 2023, Board Meeting, for important details, including the day on which this item will be considered and how the public can participate via Zoom if they choose to be remote.

## Background

To achieve California's numerous climate change, air quality, zero-emission vehicle (ZEV) deployment, and petroleum reduction goals, CARB has adopted an aggressive, multipronged strategy that uses incentives to complement regulatory approaches. Annually, the State appropriates funding to a portfolio of incentive programs, and each program plays a unique role to improve air quality, enhance community protection, and reduce greenhouse gas emissions. These incentive programs are designed to support the transition to a low-carbon economy across multiple sectors, including investments in the transportation sector administered through the Funding Plan.

Developed annually, the Funding Plan has traditionally funded multiple technologies at different points on their commercialization arcs, overcoming deployment barriers, reducing production costs, promoting consumer acceptance, reducing barriers to adoption, and accelerating technology transfer to other sectors. These programs are designed to achieve immediate emission reductions and support the equitable transformation of California's vehicle and equipment fleet to zero-emissions where feasible and as clean as possible where zero-emissions are not yet feasible. In designing these investments, CARB strives to maximize

benefits for disadvantaged communities, low-income communities, and low-income households (priority populations).

The Funding Plan covers approximately \$624 million in clean transportation investments from different funding sources appropriated to CARB in several budget bills passed by the Legislature and signed by the Governor:

- \$140 million appropriated to CARB for clean transportation equity programs established under Senate Bill (SB) 1275 (De León, Stats. 2014, Ch. 530) (\$50 million from the General Fund and \$90 million in cap-and-trade auction proceeds from the Greenhouse Gas Reduction Fund or GGRF).
- \$484 million appropriated for heavy-duty zero-emission trucks, public school buses, fleets, and off-road equipment (\$375 million from the General Fund, \$80 million in cap-and-trade auction proceeds from GGRF, and \$28.6 million from the Air Quality Improvement Fund).

### **Proposed FY 2023-24 Funding Plan for Clean Transportation Incentives**

The Funding Plan describes CARB's policy drivers and vision for mobile source investments, project funding allocations, proposed revisions to project criteria, and other implementation details, as well as justification for these investments. Staff's proposal continues to focus these incentives on accelerating the development and deployment of the cleanest feasible mobile source technologies and improving equitable access to clean transportation. Since their inception, these investments have supported the emission reduction goals identified in the Climate Change Scoping Plan, State Implementation Plans, California Sustainable Freight Action Plan, and the goals of Sustainable Communities consistent with SB 375 (Steinberg, Stats. 2008, Ch. 728). General project categories within the Funding Plan are designed to support the State's public health, air quality, and climate change goals, as well as the transformation of California's vehicle and equipment fleet to one that is zero emitting where feasible, as emphasized in Governor Newsom's Executive Order N-79-20. In designing these investments, CARB strives to maximize the benefits for priority populations. These investments include targeted support to the communities most impacted by poor air quality and climate change.

In most cases, these projects continue to build on investments from previous budget cycles that were envisioned as multi-year investments, while taking steps to shift from broad purchase incentives to more targeted strategies that support lower-income consumers and small fleets facing the greatest barriers to clean transportation. Staff's proposal continues to accelerate deployment of zero-emission school buses, zero-emission fleets, and drayage trucks. Staff developed the proposed project allocations through a public process, considering legislative direction and feedback from stakeholders and priority communities, evaluating anticipated demand and technology readiness, and reviewing the long-term planning elements of previous funding plans. The investments included in the Funding Plan fall into the following categories specified by the Legislature:

- \$140 million appropriated for clean transportation equity programs. This includes \$80 million for the broad suite of statewide transportation equity programs established under the Charge Ahead Initiative, SB 1275, including, but not limited to, the Clean Cars 4 All Program (CC4A), plus \$60 million specifically for Sustainable Community-Based

Transportation Equity Projects (STEP) which increase access to zero-emission mobility in low-income communities, reducing vehicle miles traveled (VMT) and air pollution.

- \$455 million appropriated for heavy-duty vehicles, including \$80 million for zero-emission drayage trucks and \$375 million for zero-emission public school buses. Please note that the public school bus funding is part of the \$1.125 billion in Proposition 98 funding originally appropriated to CARB in FY 2022-23 and covered in the FY 2022-23 Funding Plan. As part of the Legislature's prudent fiscal approach to the 2023 budget, the \$1.125 billion appropriation was reduced to \$375 million. However, it is the intent of the Legislature to keep the Program funding whole by appropriating \$375 million in the 2024-25 and 2025-26 fiscal years to CARB.
- \$28.64 million designated for the Air Quality Improvement Program (AQIP).

The full details on the proposed recommendations for these investments will be included in the Funding Plan released for public comment October 6, 2023.

## Proposed Actions

CARB staff will present the Funding Plan for the Board to consider for approval at the Board Meeting. The Funding Plan may be found at the following location:

- The Funding Plan may be obtained from CARB's website at <https://ww2.arb.ca.gov/our-work/programs/low-carbon-transportation-investments-and-air-quality-improvement-program> starting October 6, 2023.

Please contact Chris Hopkins, Regulations Coordinator, at [Chris.Hopkins@arb.ca.gov](mailto:Chris.Hopkins@arb.ca.gov) or (279) 208-7347 if you need physical copies of the documents.

Interested members of the public may present comments orally or in writing during the meeting and may provide comments by postal mail or by electronic submittal before the meeting. To be considered by the Board, written comments not submitted during the meeting, must be received **no later than November 6, 2023**, and addressed to the following:

Postal mail: Clerks' Office, California Air Resources Board  
1001 I Street, Sacramento, California 95814

**Electronic submittal:** <http://www.arb.ca.gov/lispub/comm/bclist.php>

Please note that under the California Public Records Act (Government Code section 7920.000 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

Further inquiries regarding this matter should be directed to Stephanie Parent, Air Pollution Specialist, at [Stephanie.Parent@arb.ca.gov](mailto:Stephanie.Parent@arb.ca.gov) or Jason Crow, Manager, at [Jason.Crow@arb.ca.gov](mailto:Jason.Crow@arb.ca.gov).

## Environmental Analysis

CARB has determined that the Funding Plan is not a project subject to, or is otherwise exempt from, the requirements of the California Environmental Quality Act (CEQA). CARB's certified regulatory program, which applies to the adoption, approval, amendment, or repeal of standards, rules, regulations, or plans for the protection and enhancement of the State's ambient air quality,

has been certified by the California Secretary for Natural Resources under California Public Resources Code (Pub. Resources Code) section 21080.5 of CEQA (California Code of Regulations (Cal. Code Regs.), tit. 14, § 15251, subd. (d)). Public agencies with certified regulatory programs are exempt from certain CEQA requirements, including, but not limited to, preparing environmental impact reports, negative declarations, and initial studies. For activities that constitute project approvals, as those terms are used in CEQA, CARB, as a lead agency, prepares a substitute environmental document (referred to as an “Environmental Analysis” or “EA”) as part of the Staff Report prepared for a proposed action to comply with CEQA (Cal. Code Regs., tit. 17, §§ 60000-60008).

CARB, as the lead agency under CEQA, has reviewed the Funding Plan and concluded that it is not a project under the California Code of Regulations, title 14, section 15378, subdivision (b)(4) and thus is not subject to CEQA. Section 15378, subdivision (b)(4) provides that “the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment” are not CEQA projects. The Funding Plan is a governmental fiscal activity that does not involve any commitment to any specific projects, and, therefore, the Funding Plan is not subject to CEQA review.

Even if the Funding Plan were a project under CEQA, it would be categorically exempt from CEQA under the commonsense exemption (Cal. Code Regs., tit. 14, § 15061, subd. (b)(3)) and the “Class 8” exemption, (Cal. Code Regs., tit. 14, § 15308), for the protection of the environment. CEQA Guidelines state “the activity is covered by the commonsense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment, where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA” (Cal. Code Regs., tit. 14, § 15601, subd. (b)(3)). Based on CARB’s review, it can be seen with certainty that there is no possibility that the Funding Plan may result in a significant adverse impact on the environment. Further, the proposed action is designed to protect the environment. CARB found no substantial evidence indicating the proposal could adversely affect air quality or any other environmental resource area, or that any of the exceptions to the exemption applies (Cal. Code Regs., tit. 14, § 15300.2). Therefore, even if the Funding Plan is a project under CEQA, it would be exempt from CEQA.

A detailed analysis can also be found in the Executive Summary of the Funding Plan.

## **Special Accommodation Request**

Consistent with California Government Code section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language; and
- A disability-related reasonable accommodation.

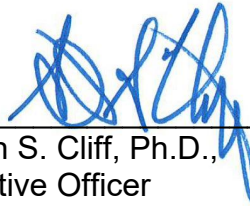
To request these special accommodations or language needs, please contact the Clerks’ Office at [cotb@arb.ca.gov](mailto:cotb@arb.ca.gov) or (916) 322-5594 as soon as possible, but no later than ten business days before the scheduled Board Meeting. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia;
- Documentos disponibles en un formato alterno u otro idioma; y
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al [cotb@arb.ca.gov](mailto:cotb@arb.ca.gov) o (916) 322-5594 lo m?s pronto posible, pero no menos de 10 d?as de trabajo antes del d?a programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

California Air Resources Board



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Steven S. Cliff, Ph.D.,  
Executive Officer

Date: October 6, 2023

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see [CARB's website](http://www.arb.ca.gov) (www.arb.ca.gov).*