Reference No.: 4.12 Attachment A August 17-18, 2022

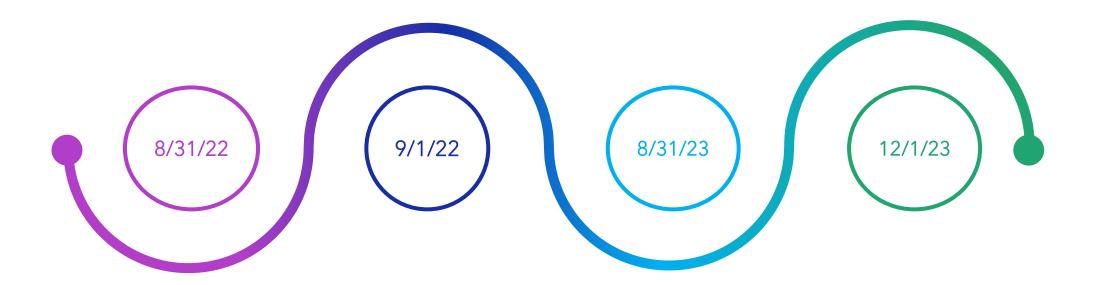
Senate Bill 671 Update

California Transportation Commission Meeting



California Transportation Commission

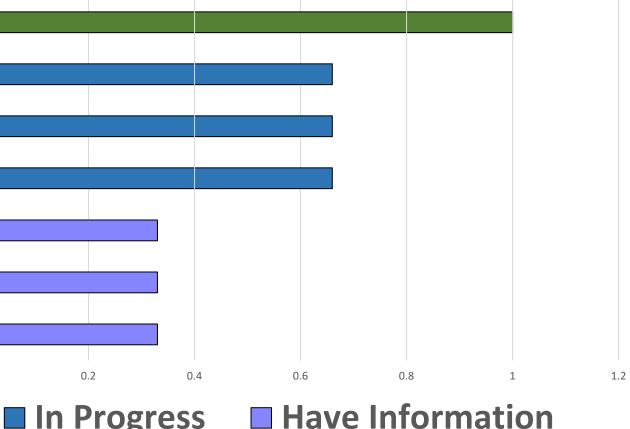
SB 671 TIMELINE



Hire a consultant to help write Assessment Project Request Forms are due from workgroup Finalize draft of Assessment and present to Commission for approval Submit Assessment to Legislature

Status of Bill Requirements

1. Priority Corridors 2. Top 5 Corridors 3. Barriers & Solutions 4. Projects **5. Avoid Displacement** 6. Weight on Roads 7. Benefits 0.2 0.4 Draft Complete In Progress

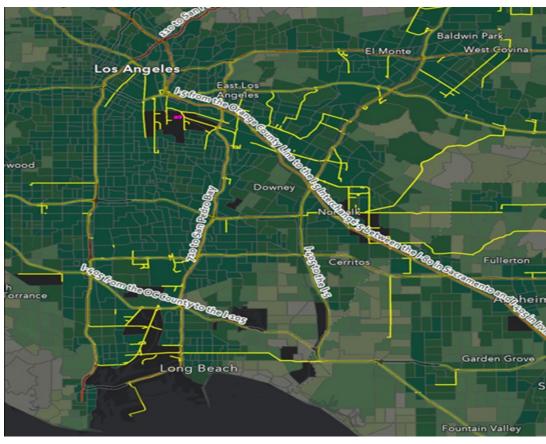


Example Maps

Priority Corridors



Top 5 Volume/Contaminants



What we heard



Challenge – Limited Zero-Emission Medium-and Heavy-Duty Infrastructure

Existing Diesel Infrastructure

185 trucks per 1 facility

Based on 1/1/21 DMV vehicle data and 2020 CEC diesel facility data **Estimated 2024 Truck Infrastructure**

600 trucks per 1 facility*

*facilities specifically designed for trucks

CEC estimate of chargers needed in 2024 = 46,103

Estimated based on CARB ACT/ACF vehicle estimates in 2024 and CEC existing medium- and heavy-duty hydrogen facility (8 facilities) and electric charging facility (7 facilities) data. This estimate does not include private fleet owned facilities.

Fueling time is a critical industry need.

Potential Solutions

Provide significant public subsidies up front with fewer requirements (significant subsidies will be needed in the 5 to 10 year timeframe to ensure stability of businesses during the transition)

Approve funds for a CEQA lead agency to complete CEQA for SB 671 projects

Support a bill for new categorical exemptions and support streamlining of local permitting

Include AB 2127 and SB 643 (bills requiring CEC reports about energy needs) into statewide demand estimates and Cal-ISO 20-year transmission planning and communicate process is underway to obtain necessary power. Build more transmission stations

Make one dashboard for multiple funding programs, align funding application timelines, simplify and align funding programs

Identify key locations for large microgrids throughout the state and build them

Challenge

A new fleet business model is needed

- 1. Businesses need more...
 - Fueling model options
 - Driver Uptime
 - Range
 - Cargo
 - Profit



Productivity

2. Zero-emission trucks and infrastructure are also more expensive

Allow use public funds for private infrastructure

Potential Solutions

Decrease total cost of ownership/increase profits

Use truck-as-a-service models

Finance integrated energy solutions rather than just infrastructure, including onsite and remotely distributed clean hydrogen and creation of alternative energy sources

Limit demand charges until demand is more certain

Develop solutions for fleets that do business across the U.S./Mexico border and in other states that do not have zero-emission infrastructure

Challenge

Potential Solutions

Independent Owner/Operators face additional challenges transitioning to zero-emission trucks

- Roughly 30% of today's drayage trucks park on the street or in private lots.
- There is nowhere for them to park and charge vehicles overnight.
- These businesses may not have the start up capital needed to buy a new zero-emission vehicle (ZEV) and used ZEVs are not available today.
- They need special training to maintain their vehicles.

Fund public charging and fueling hubs with overnight parking & charging options, such as Interstate Oasis sites

Encourage public pedestals at warehouses/logistics centers (this is opportunity charging and would likely not accommodate overnight charging)

Support good leasing options

Provide tax breaks for the cost of buying a zero-emission vehicle

Consider limiting HVIP incentives for mid and large sized fleets and make subsidies easier to access

Work with training programs at Community colleges and through the Department of Social Services to provide free training on vehicle and infrastructure maintenance