

CALIFORNIA'S INVESTMENT IN LOW CARBON TRANSPORTATION

The State of California is investing millions of dollars earned through its climate program in projects designed to reduce global warming pollution. The Low Carbon Transportation Program (LCTP; see Figure 1) aims at cutting emissions from the transportation sector, the largest source of global warming pollution in California.

LCTP projects cover nearly all means of transportation, including automobiles, vans, buses, and freight vehicles (e.g., ships, trains, and heavy-duty trucks), along with off-road equipment like cargo handling and airport ground support equipment. These projects offer financial incentives to residents, businesses, and public agencies for purchasing and leasing zero- and near-zero emission vehicles; piloting commercial deployment of advanced clean trucks, buses, and equipment; and demonstrating emerging zero- and low-emission transportation technologies. These activities are paving the way to widespread adoption of zero-emission vehicles and equipment in California, which is critical to achieving the state's targets for public health, air quality, and climate protection.

Investments in low carbon transportation yield environmental, public health, and economic benefits to Californians.

The transportation sector is the largest source in California of air pollutants that cause climate change and harm people's health. In fact, nearly half of greenhouse gas emissions, 80% of smog-forming pollution, and 95% of toxic diesel particulate matter come from the production, refining, and use of petroleum in California. Nearly twice as many Californians die from traffic pollution as from motor vehicle accidents. LCTP projects, therefore, are critical to cleaning up the air Californians breathe and lessening the impacts of climate change on the Golden State. Furthermore, reducing transportation emissions is cost-effective, returning an estimated \$3 to \$8 in savings on medical costs for every dollar invested in pollution abatement in the freight sector alone.

The economic benefits of the LCTP are also significant. Zero-emission vehicle (ZEV) drivers and fleet owners save hundreds of dollars a year on fuel and maintenance costs compared to operating gas-burning vehicles. Tens of thousands of Californians are employed manufacturing advanced clean vehicles

Figure 1: Low Carbon Transportation Program – Current Projects



LIGHT-DUTY PROJECTS

- Clean Vehicle Rebate Project (CVRP)



EQUITY-FOCUSED PILOT PROJECTS

- Increased Incentives for Public Fleets
- Car Sharing and Mobility OptionS
- Enhanced Fleet Modernization Program (EFMP) Plus-Up
- Financing Assistance
- Agricultural Worker Vanpools in San Joaquin Valley



MEDIUM- AND HEAVY-DUTY PROJECTS

- Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)
- Low NOx Truck Incentives
- Zero-Emission Truck & Bus Pilot Commercial Deployment Projects
- Advanced Technology Demonstration Projects
- Zero-Emission Freight Equipment Pilot Commercial Deployment Projects

– including passenger cars and all-electric buses – and building the electric charging and renewable fueling stations needed to power them.

Increased funding for the Low Carbon Transportation Program is needed to keep up with consumer demand and achieve the state's climate and health-based air quality goals.

Funding for the LCTP fell from \$200 million in Fiscal Year (FY) 2014-15 to \$95 million in FY 2015-16. Governor Brown has proposed \$500 million for the LCTP in FY 2016-17, which is imperative to keep these projects running and delivering health, environmental, and economic benefits to Californians in the face of population growth and increases in imports and goods movement throughout California.

Adverse impacts of transportation-related pollution are an environmental injustice, harming certain communities significantly more than others.

Lower-income Californians and people of color are disproportionately impacted by pollution from vehicles and freight equipment. That is because these communities are more likely to live near busy roads, freeways, and freight hubs where they are exposed to dangerous levels of emissions, resulting in higher rates of asthma, cancers, and other pollution-related illnesses. The Low Carbon Transportation Program, therefore, can help address environmental injustice, particularly in communities located near ports, railyards, and heavy-trafficked roadways such as the I-5 and I-710 corridors in central and southern California.

The Low Carbon Transportation Program benefits disadvantaged communities, helping reduce the high levels of pollution and poverty their residents confront.

State laws enacted in 2014 help guide a majority of LCTP funds toward projects in and/or benefitting disadvantaged communities, defined as areas of the state with a high degree of environmental burden and socio-economic problems. The *CA Clean Truck, Bus and Off-Road Vehicle & Equipment Technology Program* (Senate Bill 1204, Lara and Pavley) directs the state to prioritize funding for medium-and heavy-duty projects

demonstrating benefits to a disadvantaged community based on where vehicles operate or are domiciled; at least half of LCTP funds have been awarded to such projects as a result. The *Charge Ahead California Initiative* (Senate Bill 1275, De León) instructed the state to develop new projects that increase access to clean transportation options in disadvantaged communities and for low- and moderate-income Californians statewide.

The *Enhanced Fleet Modernization Program (EFMP) Plus-Up* pilot is one such equity-focused project. Building off the state's car scrappage program, this pilot project offers an additional incentive to lower-income Californians living in or near a disadvantaged community who replace their high-polluting vehicle with either an advanced technology or fuel-efficient conventional vehicle; supplemental funding is also provided for electric vehicle charging stations installed at single- or multi-family residences. This pilot project has been popular since it was introduced in mid-2015 in the San Joaquin Valley and South Coast air districts – areas targeted due to their status as “extreme non-attainment” regions for federal, health-based air quality standards. The Bay Area and Sacramento air districts are interested in making EFMP Plus-Up available to residents in their jurisdiction. This project is a prime example of an equity focus enhancing an emission-reduction program, by retiring some of the highest-polluting vehicles and directing incentives to low-income Californians living in regions with the worst air quality in the state. Changes to the popular consumer rebates program (CVRP) set to take effect in early 2016 will also help advance equity in transportation by providing a larger rebate to low-and moderate-income Californians and placing an income cap on CVRP eligibility.



For more information:

Shrayas Jatkar, Policy Associate
1107 9th Street, Suite 440
Sacramento, CA 95814
shrayas@ccair.org
(916) 527-8050
www.ccair.org