



August 26, 2025

The Honorable Gavin Newsom

Governor, State of California
1021 "O" Street, Suite 9000
Sacramento, CA 95814

The Honorable Mike McGuire

President Pro Tempore, California State Senate
1021 O Street, Suite 8518
Sacramento, CA 95814

The Honorable Robert Rivas

Speaker, California State Assembly
State Capitol, Room 219
Sacramento, CA 95814

Re: Restore GGRF Funding to Make ZEVs More Affordable and Accessible, Sustain & Grow Jobs, Keep CA Globally Competitive and Reduce Demand for Gasoline

Dear Governor Newsom, President Pro Tempore McGuire and Speaker Rivas,

As California looks to reauthorize its Cap-and-Trade program, the undersigned environmental, health, and environmental justice organizations urge you to prioritize restoring clean transportation and zero-emission vehicle (ZEV) program investments in the Greenhouse Gas Reduction Fund (GGRF).

Specifically, we urge you to restore funding for Clean Cars 4 All (\$200 million), Clean Mobility Options Program (CMO) (\$100 million) and Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) (\$175 million) in the 2025-26 spending plan and additional dollars in future years.

GGRF investments should fund the program's intended purpose: reducing GHG emissions while delivering economic, environmental and public health benefits to Californians. Clean transportation programs should receive a proportion of funding commensurate with the level of pollution the transportation sector emits. **Clean transportation programs require at least \$1.2 billion in investments in future years** to adequately achieve their purpose of making clean transportation options accessible for all. In light of federal headwinds and existing budget realities, **we request that the following priority programs receive GGRF investments in the 2025-26 spending plan:**

1. The **Clean Mobility Options Program (CMO)** is critical for providing residents of low-income communities or disadvantaged communities with clean mobility options, like ZEVs, micromobility devices, charging equipment, active transportation infrastructure, and public transit. Oversubscribed and underfunded, this high-in-demand program is already out of money available to awardees. **For this reason, we ask you to help low-income or disadvantaged communities access necessary clean mobility options by investing a minimum of \$100 million for the CMO program in the 2025-26 spending plan and additional dollars in future years.**
2. California's ZEV and clean transportation programs are significantly strained due to the last two years of austerity. Oversubscribed and underfunded San Joaquin Valley, Bay Area and Sacramento Valley district-based Clean Cars 4 All programs are expected to soon run out of funds and may be shuttered without a new infusion of dollars. **We urge you to invest a minimum of \$200 million for the CC4A program in the 2025-26 spending plan and additional funding in future years to help low-income communities access clean transportation options and clean air.**
3. While trucks represent only 6% of vehicles on California's roads, they are responsible for 35% of NOx emissions and a quarter of the state's on-road GHG emissions. We ask that the Administration and Legislature prioritize investments to increase medium- and heavy-duty ZEV deployment in the GGRF. The HVIP and its Standard Vouchers have been integral to generating private investment in clean transportation technologies, enabling the deployment of thousands of ZEV trucks in

California. According to HVIP voucher data, as of 2025 at least half of the total funding has gone to vouchers in disadvantaged communities. **Funding the HVIP program by \$175 million in the 2025-26 spending plan and additional dollars in future years will help continue the critical deployment of ZEV trucks and improve air quality for vulnerable communities while reducing the vehicle cost for consumers.**

California's ZEV programs, including CMO, CC4A and HVIP, have helped make the state a steadfast national and global leader in clean transportation innovation. In light of federal rollbacks, it is more critical than ever that California provides stable incentives that will deliver the emerging industry with market certainty and stability while instilling confidence in consumers looking to transition.

The state's ZEV programs have already provided substantial air quality, public health, and economic benefits, enabling the deployment of 2 million ZEVs statewide and providing Californians with abundant green jobs in ZEV manufacturing and infrastructure deployment. The illegal CRA attacks against the Clean Air Act that overturned California's waiver, the US EPA's announcement to eliminate the Endangerment Finding for the federal government to continue regulating GHG pollution and the Federal Trade Commission's recent action purporting to invalidate the voluntary Clean Trucks Partnership demand that California respond by providing stable incentives that will continue the momentum of the ZEV transition. **We urge state leaders to ensure that California continues to be a national and global leader in ZEV and clean air solutions.**

Sincerely,

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CA Government Affairs Director
NRDC

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