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**UCS Comments on Staff Draft Report, 2026-2027 Investment Plan
Update for the Clean Transportation Program**

Additional submitted attachment is included below.

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Docket No. 26-ALT-01

RE: UCS Comments on *Staff Draft Report, 2026-2027 Investment Plan Update for the Clean Transportation Program*

Commissioner Skinner and Clean Transportation Program Staff,

On behalf of the Union of Concerned Scientists (UCS), thank you for the opportunity to comment on the California Energy Commission's (CEC) draft 2026-2027 Investment Plan Update (IPU) for the Clean Transportation Program (CTP).

California's leadership toward a sustainable transportation system is more important than ever, given the continued and escalating federal attacks on air quality progress, climate change mitigation efforts, and transportation modernization.¹ This erosion of science-based decision-making threatens public health, the planet, and our nation's global competitiveness. CEC's role in directing state investments in zero-emission fueling infrastructure is a foundational part of the much-needed work toward reducing public health and environmental impacts from our transportation system, as well as moving toward more energy- and cost-efficient means of transporting people and goods.

UCS supports CTP's continued prioritization of zero-emission vehicles, particularly the focus on battery-electric vehicle charging infrastructure. Battery-electric technologies have the most significant potential to address climate change and air quality impacts from our transportation system in the near term.²

As California continues to lead in the transition to zero-emission transportation, it is critical that CTP investments remain transparent, resilient, and responsive to stakeholder needs. To strengthen the effectiveness of the final IPU, we offer comments on four key areas: shifting investment allocations, clarifying total and historical funding availability, identifying sustainable revenue strategies to address federal funding shortfalls, and enhancing stakeholder engagement to improve programmatic outcomes. These recommendations aim to support CEC in maintaining momentum toward state electrification goals.

Shifting Investment Allocations

Given the federal disinvestments in and attacks on clean transportation infrastructure programs, we understand the need for CEC to temporarily prioritize funding toward light-duty vehicle (LDV) charging compared to previous years.

¹ Anair, Don. "Trump's Latest Move to Deny Climate Science and What It Means for Vehicle Standards." *The Equation*. Union of Concerned Scientists, August 5, 2025. <https://blog.ucs.org/don-anair/trumps-latest-move-to-deny-climate-science-and-what-it-means-for-vehicle-standards/>.

² Wilson, Sam. *Hydrogen-Powered Heavy-Duty Trucks*. Union of Concerned Scientists, November 21, 2023. <https://doi.org/10.47923/2023.15274>.

The 2025-2026 IPU forecasted a \$34.2 million allocation toward LDV charging for Fiscal Years (FYs) 2026-2027, representing around 36 percent of total base allocations. In the current draft, LDV charging allocations have increased to \$48 million, just over half of total base allocations. Previous comments from UCS have recommended that CTP prioritize funding for commercial medium and heavy-duty vehicle (MHDV) charging development, which is crucial to enabling freight electrification and improving air quality in California's communities most impacted by transportation pollution. That said, with the potential loss of crucial federal LDV charging infrastructure programs, the state must work to fill in the gaps to continue our meaningful progress toward widescale passenger vehicle electrification.

As the state addresses federal gaps over the next several years, we recommend that CTP investments maintain strong support for MHDV infrastructure development and reprioritize this sector as soon as feasible. MHDVs are the largest source of NOx emissions statewide and a primary source of harmful air pollution in areas near warehouses, ports, and other freight facilities. Readily accessible, reliable, and affordable zero-emission fueling infrastructure is a key aspect of influencing the adoption of zero-emission MHDVs, especially as increasingly affordable and capable zero-emission trucks come to market.³ This effort is critical to improving air quality and reducing the disproportionate health burdens carried by the over 10.5 million Californians living near major freight operations.⁴

We note that the draft IPU estimates an increase in expected allocations for battery-electric MHDVs this fiscal year of around \$24 million compared to the 2025-2026 IPU when including the additional \$38 million from the Greenhouse Gas Reduction Fund (GGRF) and a planned prioritization for battery-electric MHDVs among the base allocations in FY 2028-2029. Even so, we would suggest that CEC consider reducing allocations for hydrogen refueling to the legal minimum of 15 percent of annual allocations (\$14.28 million) to maximize investments in battery-electric MHDVs given their economic and environmental upsides and the stronger consumer demand for battery-electric MHDVs deployments compared to fuel-cell electric vehicles.⁵

Exploring Significant, Sustainable, and Durable Revenue Strategies for CTP Investments

As mentioned in previous years' comments, we continue to suggest that staff examine significant and sustainable methods to expand funding, including new revenue sources and reallocating existing funds, for CEC's vital infrastructure programs as a part of annual IPU's. For example, it would be instructive for CEC to provide additional details on infrastructure funding ideas raised in the Joint Agencies' response to Executive Order N-27-25 on ZEV Deployment, such as using the Trade Corridor Enhancement Program to support ZEV infrastructure needs.⁶

The rollback of key federal electrification investment programs and Inflation Reduction Act incentives for zero-emission fueling infrastructure compels states to take proactive steps to address these massive funding gaps.⁷ The recent establishment of the Clean Fuels Reward program to support MHDV deployment as well as provisions in the Low-Carbon Fuels Standard program to support MHDV charging are important developments. However, these programs still fall short of the needed investments in this sector. CEC should monitor these programs and work toward filling the gaps in funding to the extent feasible.

While we understand that CEC staff may be engaging with other state decision-making bodies on California's ZEV Forward initiative, CTP staff's deep expertise and existing spaces for expert and stakeholder feedback, such as the CTP

³ Ewing, Jack and Gabriela Bhaskar, "Tesla's Newest Electric Vehicle Could Jolt the Trucking Industry," *New York Times*, May 19, 2026, <https://www.nytimes.com/2026/05/19/business/energy-environment/teslas-semi-truck.html>.

⁴ Wilson, Sam. *Addressing Freight Pollution at the Source: Air Pollution, Freight Facility Clusters, and the Role of Indirect Source Rules*. Union of Concerned Scientists, Upcoming Report. <https://doi.org/10.47923/2026.16165>.

⁵ Wilson, Sam. *Hydrogen-Powered Heavy-Duty Trucks*. Union of Concerned Scientists, November 21, 2023. <https://doi.org/10.47923/2023.15274>.

⁶ California Air Resources Board, et al. "Report to the Governor in Response to Executive Order N-27-25 on Zero-Emission Vehicle Deployment." August 2025. https://ww2.arb.ca.gov/sites/default/files/2025-08/August%202025%20Report%20to%20the%20Governor%20in%20Response%20to%20Executive%20Order%20on%20ZEV%20Deployment%20FINAL_0.pdf.

⁷ Wilson, Sam. "States Can Deliver a Cleaner Freight System Amid Federal Setbacks." *The Equation*. Union of Concerned Scientists, August 20, 2025. <https://blog.ucs.org/sam-wilson/states-can-deliver-a-cleaner-freight-system-amid-federal-setbacks/>.

Investment Plan Advisory Committee, suggests that future annual reports would be an appropriate venue for continued examination of durable and meaningful funding opportunities for zero-emission fueling infrastructure.

Clarifying Historical Investment Trends and Federal Funding Losses

We suggest that staff include detailed funding data from previous years, as well as changes to allocations, to provide a clearer picture of changes in total funding amounts from various sources, such as base CTP funds and Greenhouse Gas Reduction Fund revenue. Clear messaging around previous funding levels and sources will help to guide both agencies and stakeholders as California examines new opportunities to fund electrification initiatives.

The growth in California's ZEV market has been quite impressive, with significant and consistent increases in adoption among all vehicle types. Even so, the momentum behind the ZEV market, particularly for MHDVs, is vulnerable to the significant and ongoing federal policy changes and resulting headwinds. As such, we recommend that staff include a high-level overview of defunded federal infrastructure programs and revoked funding – whether directly and indirectly related to CTP's investment priorities. This would serve as a useful resource as state and local agencies, grant recipients, and stakeholders work to ensure that California continues to meet state electrification goals in the face of federal roadblocks.

Reviewing Stakeholder Engagement and Programmatic Effectiveness

Finally, we recommend that staff consider including a section in the report detailing how CEC staff have promoted funding opportunities and engaged with ports, fleets, infrastructure companies, and other MHDV funding recipients to better understand how programmatic improvements can be implemented. Changes in federal funding programs have led to increased workload and regulatory uncertainty for many of the CTP's constituency – from major public ports to small fleets. Increased engagement on behalf of CTP staff may lead to more strategic investments, programmatic improvements, and a wider understanding among CTP stakeholders of available funding opportunities.

Concluding Thoughts

UCS appreciates the opportunity to provide input on the draft 2026-2027 IPU. As California continues to lead the nation in advancing a sustainable transportation system, it is essential that CTP remains transparent, well-resourced, and responsive to the evolving needs and challenges of the ZEV market, shifting state and federal policies, and stakeholder priorities. By filling gaps left by federal disinvestments, exploring new sustainable revenue strategies, improving data availability in the IPU, and strengthening stakeholder engagement, CEC can better ensure that its investments deliver maximum public health, environmental, and economic benefits.

We look forward to continued collaboration and thank the Commission and staff for their dedication to building a cleaner, modern, and more efficient and equitable transportation future for Californians and building a roadmap for other states to follow our leadership.



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