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2025–2026 Investment Plan Update for the Clean Transportation Program: Proposed Guiding Principles

This document is a preview of the California Energy Commission's (CEC's) direction for the *2025–2026 Investment Plan Update for the Clean Transportation Program* and will be discussed at a Clean Transportation Program Advisory Committee meeting on April 30, 2025.[1] This document focuses on the guiding principles the CEC proposes to use to develop funding allocations for the *2025–2026 Investment Plan Update*.

In fall 2025, after the state budget is finalized, the CEC will publish a Staff Draft Investment Plan Update, which will be a full report with proposed funding numbers. The CEC will then gather more public feedback, including through a second Advisory Committee meeting.

Funding and Statutory Context

The Clean Transportation Program (CTP), most recently reauthorized by Assembly Bill 126 (AB 126, Reyes, Chapter 319, Statutes of 2023), receives approximately $100 million in annual base funding. The CEC allocates and administers the funds for zero-emission vehicle (ZEV) infrastructure. In recent years, the state budget has supplemented this base funding with additional funding from the ZEV Climate Package. The CEC does not control the amounts or allocations of these supplemental funds.

AB 126 included requirements that the CEC must follow, such as prioritizing the following, beginning January 2025:

- Infrastructure and other projects that support deploying medium- and heavy-duty ZEVs
- Light-duty infrastructure that:
    - Fills deployment gaps identified in Assembly Bill 2127 and Senate Bill 1000 analyses[2,3]
    - Advances goals of Executive Order N-79-20

1 California Energy Commission. "Public Meeting of the Advisory Committee for the Clean Transportation Program Investment Plan." Accessed April 22, 2025. Available at https://www.energy.ca.gov/event/workshop/2025-04/public-meeting-advisory-committee-clean-transportation-program-investment.

2 Assembly Bill 2127 (Ting, Chapter 365, Statutes of 2018) requires a biennial statewide assessment of electric vehicle charging infrastructure. See https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB2127.

3 Senate Bill 1000 (Lara, Chapter 368, Statutes of 2018) requires the CEC to assess whether chargers are disproportionately deployed by income level, population density, or geographical area. See https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB1000.

The law also requires the CEC to allocate at least 15 percent of Clean Transportation Program base funds per year for hydrogen infrastructure, and to issue a solicitation at least annually and 90 days after the start of the fiscal year. The law does not specify the vehicle segment (i.e., light-, medium-, or heavy-duty) that hydrogen infrastructure must be built for. If hydrogen grant funding opportunities are undersubscribed, the CEC is authorized to reallocate the funding.

The CEC will consider these requirements and constraints, in addition to feedback from the Advisory Committee, the Disadvantaged Communities Advisory Group, and the general public, to inform the Investment Plan Update.

Proposed Guiding Principles and Directions

Propose Funding Allocations for Multiple Years

A multiyear funding plan can provide increased certainty in conveying CEC's priorities for the CTP. Base funding for the CTP are the funds provided by the reauthorization approved in AB 126. Additional funding may be appropriated in future state budgets, but this is not certain. If, for example, a future state budget includes additional funding for ZEV infrastructure, the CEC will propose allocations for that funding based on the goals outlined in the Clean Transportation Program Investment Plan Update. However, base and any additional funding allocations may still change in future Investment Plan Updates, just as ZEV Climate Package fund allocations may change with the development of future state budgets.

Funding for Light-, Medium-, and Heavy-Duty Infrastructure

Infrastructure for light-duty ZEVs (such as passenger cars) and medium- and heavy-duty ZEVs (such as trucks and buses) is needed to reduce air and climate damaging pollution and reach state ZEV goals. ZEV infrastructure that can serve the needs of vehicles/drivers with high annual average vehicle miles traveled (VMT), such as Transportation Network Company (TNC) drivers who are driving light-duty vehicles or delivery drivers who are driving light-duty, or medium- and heavy-duty vehicles, can reduce both air pollution and climate damaging emissions and help reach state ZEV goals. ZEV infrastructure that serves medium- and heavy-duty vehicles in those communities with highest pollution burden, such as those adjacent to ports and goods movement corridors, can also reduce both air pollution and climate damaging emissions and help reach state ZEV goals. Considering both base Clean Transportation Program funds and supplemental ZEV Climate Package funds, the CTP Investment Plan will include funding to support light-duty and medium- and heavy-duty vehicles. If, for example, additional supplemental funding is made available for medium- and heavy-duty ZEV infrastructure, this approach might suggest emphasizing the program's base funds toward light-duty ZEV infrastructure.

Increase Support to Multifamily Homes, Continue Supporting Rural and Disadvantaged Communities

The CEC will continue focusing its funding efforts to deploy charging infrastructure in locations that are not as well served by private investment, fulfilling the CEC's commitments to both accelerating ZEV adoption and ensuring equity. This includes focusing charging deployments in

rural areas, and low-income and disadvantaged communities. Senate Bill 1000 analysis shows that not having access to charging at home is one of the most significant barriers to EV adoption. Increasing support for EV infrastructure at multi-family residences and identifying possible strategies for increasing access to at home charging for residents who face higher obstacles, for example renter households and other residences identified in analysis conducted for Senate Bill 1000, would address this barrier.

Stronger Emphasis on Public Fast Charging

The CEC is proposing to shift charging infrastructure funding priorities to deploy more public direct current (DC) fast charging ports, rather than slower charging options. Because DC fast chargers can charge a vehicle more quickly and serve a larger number of vehicles in a given day, increasing the number of publicly available fast charging ports can reduce the total number of ports needed. Although setting a specific number of each type of charger is outside the scope of the Investment Plan, this general direction will be considered when proposing funding allocations. The emphasis on public DC fast charging does not mean Level 2 charging will not be utilized. For Level 2 charging, the emphasis may incorporate targeting places where vehicles are expected to have long dwell times, such as shopping areas, recreation facilities, parks and community centers, or other locations.

Emphasize Flexibility and Responsiveness

Federal, state, local, and private funding for ZEV infrastructure is shifting rapidly, just as the technology and markets for hydrogen and battery-electric vehicles and infrastructure continue to evolve. The CEC's ZEV infrastructure plans should be flexible and responsive to these changes.

For example, where feasible, co-locating light- and medium-duty fueling is encouraged for both charging and hydrogen refueling. The further development and deployment of medium- and heavy-duty hydrogen fuel cell electric vehicles (FCEVs) will help accelerate the growth of hydrogen production and reach economies of scale earlier than with light-duty vehicles alone. The CEC encourages hydrogen fueling stations to support all classes of vehicles. This builds flexibility and resiliency in responding to potentially unpredictable changes in this market.