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Docket Number:	24-ALT-01
Project Title:	2024–2025 Investment Plan Update for the Clean Transportation Program
TN #:	259321
Document Title:	Proposed Revised Clean Transportation Program 2024–2025 Funding Allocations
Description:	The following is an excerpt from the California Energy Commission’s (CEC’s) upcoming Revised Staff Draft 2024–2025 Investment Plan Update for the Clean Transportation Program.
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Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	9/27/2024 8:44:31 AM
Docketed Date:	9/27/2024

Proposed Revised Clean Transportation Program 2024–2025 Funding Allocations

September 26, 2024

The following is an **excerpt** from the California Energy Commission’s (CEC’s) upcoming Revised Staff Draft *2024–2025 Investment Plan Update for the Clean Transportation Program*. These proposed funding allocations will be discussed at the October 1, 2024 meeting¹ of the Advisory Committee for the Clean Transportation Program Investment Plan. The full Revised Staff Draft will be published as soon as possible, possibly with slight changes to this section.

Recent State Budget Support for ZEV Infrastructure

The Budget Acts of 2021 and 2022 included a multiyear plan that added billions of General Fund dollars for zero-emission transportation and related activities, allocated to several agencies, including the CEC. The budget agreements planned additional funds for future fiscal years, subject to future Budget Act appropriations for each year. The Budget Act of 2023 adjusted the plan, including reassigning most allocations from the General Fund to the Greenhouse Gas Reduction Fund.

Fiscal Year 2024–2025 State Budget

To address an anticipated significant budget shortfall, the 2024 budget agreement does not include Greenhouse Gas Reduction Fund or General Fund allocations for the CEC’s ZEV Climate Package in Fiscal Year 2024–2025. However, the 2024 budget agreement projects that ZEV Climate Package funding, which supplements the base Clean Transportation Program funding, will be available in Fiscal Years 2025–2026, 2026–2027, and 2027–2028, reflected in Table ES-3. Also, ZEV projects continue to be delivered using the \$1.5 billion allocated in the Climate Package from 2021 through 2023.

Proposed Funding Allocations for 2024–2025 and Beyond

The Investment Plan Update includes the base Clean Transportation Program funding and the additional ZEV package investments, which draw from the General Fund and Greenhouse Gas Reduction Fund. Table ES-2 explains the Clean Transportation Program base funding allocations by category. The CEC can only make category allocations with base Clean Transportation Program funding; funding categories in the Budget Act of 2024 are set in law and cannot be modified.

Funding allocations for the *2024–2025 Investment Plan Update* have changed significantly from the multiyear allocations in the *2023–2024 Investment Plan Update*. General Fund and

¹ California Energy Commission. “[Public Meeting of the Advisory Committee for the Clean Transportation Program Investment Plan](https://www.energy.ca.gov/event/workshop/2024-10/public-meeting-advisory-committee-clean-transportation-program-investment).” Accessed September 25, 2024. Available at <https://www.energy.ca.gov/event/workshop/2024-10/public-meeting-advisory-committee-clean-transportation-program-investment>.

Greenhouse Gas Reduction Fund allocations are subject to change with development of future state budgets.

Table ES-2 shows allocations including \$40 million to support light-duty charging infrastructure, \$38.2 million for medium- and heavy-duty charging infrastructure, and \$15 million for hydrogen refueling infrastructure for Fiscal Year 2024–2025. Table ES-3 shows projected future allocations of Greenhouse Gas Reduction Fund and General Fund as of the 2024 budget agreement. Because of potential budget uncertainty around future ZEV Climate Package funds, the CEC is not currently proposing base Clean Transportation Program allocations for Fiscal Years 2025–2026, 2026–2027, or 2027–2028. Base fund allocations for those fiscal years will be proposed in future Investment Plan Updates when the budget context is clearer.

The Investment Plan allocates \$38.2 million of base Clean Transportation Program funding for medium- and heavy-duty ZEV charging infrastructure for Fiscal Year 2024–2025. These funds will support the deployment of ZEV trucks, school buses, and other medium- and heavy-duty vehicles within the state. Investments in medium- and heavy-duty ZEV infrastructure reflect the need to swiftly transition the most polluting vehicles toward zero-emission technologies in the most sensitive regions of the state. In addition to grant funding, the CEC is working with partner agencies and exploring alternative funding mechanisms, such as loan financing.

At the same time, there must be continued infrastructure investments to support light-duty passenger vehicles, particularly for equitable outcomes. The Investment Plan allocates \$40.0 million of base Clean Transportation Program funding for light-duty ZEV charging infrastructure for Fiscal Year 2024–2025. Combined with previous investments from the Clean Transportation Program, other public investments, and private match funding, the funding from this Investment Plan should be sufficient to meet the state’s goal of having 250,000 chargers.

Assembly Bill 126 directs the CEC to allocate at least 15 percent of Clean Transportation Program base funds per year for hydrogen infrastructure. For Fiscal Year 2024–2025, the CEC proposes to fund \$15 million for hydrogen infrastructure that serves light-, medium-, or heavy-duty vehicles (potentially including mixed-use stations that serve a combination of vehicle segments). If hydrogen grant funding solicitations are undersubscribed during the year, the CEC is authorized to reallocate the funding.

The Investment Plan also proposes \$2 million of Clean Transportation Program funding for Fiscal Year 2024–2025 to support ZEV workforce development, prioritizing members of disadvantaged and low-income communities.

Tables ES-2 and ES-3 do not include federal NEVI formula funds (about \$163 million for the remaining two fiscal years of the program) for charging along highways and interstates.

Table ES-2: Proposed Clean Transportation Program Base Fund Allocations for Fiscal Year 2024–2025 (in Millions)

Category	Eligible Fuel Types	Funding Source	2024–2025
Light-Duty Charging Infrastructure	Electric	Clean Transportation Program (Base)	\$40.0
Medium- and Heavy-Duty Charging Infrastructure	Electric	Base	\$38.2
Hydrogen Refueling*	Hydrogen	Base	\$15.0
Workforce Training and Development	Electric, Hydrogen	Base	\$2.0
		Total Base	\$95.2

*** Open to light-, medium-, and heavy-duty vehicle infrastructure projects, including mixed-use hydrogen stations. AB 126 requires the CEC to spend at least 15 percent of Clean Transportation Program base funds per year on hydrogen infrastructure through 2030. This funding was previously included in the Medium- and Heavy-Duty Infrastructure row.**

Source: California Energy Commission

Table ES-3: Estimated Investment Plan Allocations for Future Fiscal Years (in Millions)

Category	Eligible Fuel Types	Funding Source*	2025–2026	2026–2027	2027–2028
Light-Duty Charging Infrastructure	Electric	-	-	-	-
Light-Duty Charging Infrastructure	Electric	Greenhouse Gas Reduction Fund (GGRF)	\$140	\$80	\$219
Equitable At-Home Charging	Electric	GGRF	\$60	\$40	\$80
Medium- and Heavy-Duty Charging Infrastructure	Electric	-	-	-	-
Drayage Truck Infrastructure	Electric, Hydrogen	GGRF	\$50	\$49	\$50
School Bus Infrastructure	Electric	General Fund	\$125	-	-
Clean Truck, Bus, and Off-Road Equipment Infrastructure	Electric, Hydrogen	GGRF	\$89	-	\$137
Port ZEV Infrastructure	Electric, Hydrogen	GGRF	-	\$130	-
Emerging Opportunities	Electric, Hydrogen	GGRF	\$46	-	-
Hydrogen Refueling	Hydrogen	-	-	-	-
Workforce Training and Development	Electric, Hydrogen	-	-	-	-
		Total Base*	-	-	-
		Total GGRF, General Fund, and Reimbursements	\$510	\$299	\$486

Available amounts may differ as future budgets are finalized. These figures do not include administrative costs for general funds in Fiscal Year 2025–2026. However, GGRF figures for Fiscal Years 2025–2026, 2026–2027, and 2027–2028 include administrative costs. Those GGRF allocations will be reduced for administrative costs following direction in future budget acts. The CEC may use unused administrative costs to fund additional projects within each funding allocation.

*** Because of budget uncertainty affecting other related funding, the CEC is not currently proposing allocations for Clean Transportation Program base funds for future fiscal years. However, the CEC expects \$95.2 million in base funds to be available in each of Fiscal Years 2025–2026, 2026–2027, and 2027–2028.**

Source: California Energy Commission