

December 14, 2022, California Energy Commission Business Meeting

Item #5. 2022-2023 Investment Plan Update for the Clean Transportation Program.

[Proposed] Resolution Approving the 2022-2023 Investment Plan Update for the Clean Transportation Program:

Attached below

2022–2023 Investment Plan Update for the Clean Transportation Program:

<https://efiling.energy.ca.gov/GetDocument.aspx?tn=247782&DocumentContentId=82085>

Proposed California Environmental Quality Act Compliance for the 2022-2023 Investment Plan Update of the Clean Transportation Program (CTP):

Attached below

List of Documents filed in the Docket Log (22-ALT-01) for this proceeding, 2022-2023 Investment Plan Update for the Clean Transportation Program:

<https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=22-ALT-01>

Memorandum

To: Chair Hochschild
Vice Chair Gunda
Commissioner Monahan
Commissioner Vaccaro
Commissioner McAllister

Date: November 30, 2022

From: Allan L. Ward, II
Assistant Chief Counsel, Transaction Unit
Chief Counsel's Office

Subject: Proposed California Environmental Quality Act Compliance for the *2022-2023 Investment Plan Update* of the Clean Transportation Program (CTP)

At the December 14, 2022 Energy Commission (CEC) business meeting, staff from the CEC's CTP plan to propose the *2022-2023 Investment Plan Update* for the CEC's consideration and approval.

For purposes of complying with the California Environmental Quality Act (CEQA) Public Resources Code § 21000 et seq.), I recommend the CEC find that approving this *2022-2023 Investment Plan Update* is not a "project" for purposes of CEQA.

Under CEQA, a "project" means "an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment..." (Pub. Resources Code § 21065.) The definition of "project" does not include:

The creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. [14 Cal. Code of Regulations § 15378(b)(4).]

This *2022-2023 Investment Plan Update* meets this exception to the definition of a "project" under CEQA because it only proposes funding for categories of activities. Decisions to fund specific projects will be made in the future through competitive solicitations or other selection mechanisms. Because no commitment to any specific project is made in this *2022-2023 Investment Plan Update*, approving it will not cause a direct or reasonably foreseeable indirect change in the environment.

STATE OF CALIFORNIA
STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

CLEAN TRANSPORTATION PROGRAM'S 2022-2023 INVESTMENT PLAN UPDATE

WHEREAS, Assembly Bill 118 (Núñez, Chapter 750, Statutes of 2007) established the Clean Transportation Program (CTP, formerly the Alternative and Renewable Fuel and Vehicle Technology Program) to be administered by the Energy Commission (CEC), with a goal to “develop and deploy innovative technologies that transform California’s fuel and vehicle types to help attain the state’s climate change policies” (Health and Safety Code §44272(a)). The same law also directs the CEC to develop and update an investment plan that will determine priorities and opportunities for the CTP (Health and Safety Code §44272.5); and

WHEREAS, The CEC must prepare and submit an investment plan update to the Legislature (Health and Safety Code §44272.7(b)); and

WHEREAS, Assembly Bill 8 (Perea, Chapter 401, Statutes of 2013) extended the collection of fees supporting the CTP through January 1, 2024; and

WHEREAS, the development of the *2022-2023 Investment Plan Update* has benefitted from two Advisory Committee meetings, as well as 39 comments submitted to public docket; and

WHEREAS, after considering all materials and comments received, Commissioner Monahan, Lead Commissioner for Transportation, released the latest draft of the *2022-2023 Investment Plan Update* on November 29, 2022. The *2022-2023 Investment Plan Update* includes proposed funding allocations for fuels and technologies designed to advance the goals of the CTP; and combines funding and from the General Fund ZEV Package investments from the enacted budgets of 2021 and 2022.

The proposed allocations for *2022-2023 Investment Plan Update* combine both CTP funding of \$142.8 million (\$95.2 for current FY) and the General Fund ZEV Package investments from the enacted budgets of 2021 and 2022, which equals \$2,757.3 million (\$1,091.3 million for current FY).

The additional funds will help close funding gaps in infrastructure deployment, accelerate charging and hydrogen fueling station deployment, and promote in-state ZEV and ZEV-related manufacturing, including infrastructure manufacturing and ZEV component manufacturing such as EV batteries. The investments will help the markets for zero-emission vehicles and infrastructure grow to scale and, more importantly, serve as a foundation for an equitable and sustainable economic recovery by drawing private

investments to California and creating jobs in manufacturing, construction, and engineering. The increased funds will create jobs and invest in ZEV refueling infrastructure for passenger vehicles, big rigs, port equipment, transit, and school buses while supporting more domestic ZEV manufacturing. These investments will allow California to lead the nation and pave the way to a cleaner, more healthy transportation system.

WHEREAS, the CEC staff will develop solicitations, grants, and other types of agreements in the ensuing fiscal years to implement these funding allocations; and

WHEREAS, the CEC has considered the application of the California Environmental Quality Act (CEQA) to the adoption of the *2022-2023 Investment Plan Update*, and concludes that the *2022-2023 Investment Plan Update* is not a “project” for purposes under CEQA because it fits within activities excluded from the definition of “projects” under CEQA, including the “creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment” (14 California Code of Regulations Section 15378(b)(4)). The *2022-2023 Investment Plan Update* proposes funding for categories of activities, but decisions to fund specific projects will be made in the future through competitive solicitations or other selection mechanisms.

THEREFORE, BE IT RESOLVED, the CEC hereby finds the *2022-2023 Investment Plan Update* not to be a project under CEQA, adopts the *2022-2023 Investment Plan Update* with any errata approved at the December 14, 2022 Business Meeting, directs CEC staff to prepare the *2022-2023 Investment Plan Update* incorporating any non-substantive changes such as typographical corrections, to forward the *2022-2023 Investment Plan Update* to the appropriate committees of the Legislature for review pursuant to Health and Safety Code section 44272.7(b), and to make the *2022-2023 Investment Plan Update* available to the public.

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the CEC held on December 14, 2022.

AYE:

NAY:

ABSENT:

ABSTAIN:

Dated:

Liza Lopez
Secretariat