



**California Energy Commission
February 14, 2024 Business Meeting
Backup Materials for Agenda Item No. 14
2023–2024 Investment Plan Update for the Clean Transportation Program.**

The following backup materials for the above-referenced agenda item are available as described below:

1. Proposed Resolution, attached below.
2. CEQA documents, attached below.
3. [Lead Commissioner Report](#).

For the complete record, please visit: [Docket No. 23-ALT-01](#).

To stay informed about this project and receive documents as they are filed, please subscribe to the proceeding Topic, which can be accessed here: [Clean Transportation Program](#). The Topic sends out email notifications and direct links when documents are filed in the proceeding docket.

STATE OF CALIFORNIA
STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION TITLE: 2023–2024 Investment Plan Update for the Clean
Transportation Program

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 126 (Reyes, Chapter 319, Statutes of 2023) extended the collection of fees supporting the CTP through July 1, 2035; and

WHEREAS, the development of the *2023–2024 Investment Plan Update* has benefited from two public Advisory Committee meetings, as well as 18 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 *2023–2024 Investment Plan Update* on January 30, 2024. The *2023–2024 Investment Plan Update* includes proposed funding allocations for fuels and technologies designed to advance the goals of the CTP.

The proposed allocations for the *2023–2024 Investment Plan Update* combine both CTP funding of \$95.2 million (current fiscal year only) and the Greenhouse Gas Reduction Fund and General Fund Zero-Emission Vehicle (ZEV) Package investments from the enacted budget of 2023, equaling \$1,759.5 million (\$438.5 million for the current fiscal year); and

WHEREAS, 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 *2023–2024 Investment Plan Update*, and concluded that the adoption of this report is not a “project” under CEQA, but that in the

event that adoption were determined to be a project, that it would nonetheless be exempt from CEQA requirements pursuant to the “common sense” exemption (CEQA Guidelines, § 15061, subd. (b)(3)).

THEREFORE, BE IT RESOLVED, the CEC hereby finds the *2023–2024 Investment Plan Update* not to be a project under CEQA, adopts the *2023–2024 Investment Plan Update* with any errata or edits approved at the February 14, 2024 Business Meeting, and directs CEC staff to prepare the *2023–2024 Investment Plan Update* incorporating any non-substantive changes such as typographical corrections, to forward the *2023–2024 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 *2023–2024 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 February 14, 2024.

AYE:

NAY:

ABSENT:

ABSTAIN:

Dated:

Kristine Banaag
Secretariat

Memorandum

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

Date: December 12, 2023

From: Samantha Arens
Senior Attorney, Transaction Unit
Chief Counsel's Office

Subject: Proposed California Environmental Quality Act Compliance for the *2023–2024 Investment Plan Update* of the Clean Transportation Program (CTP)

At the January 24, 2024 Energy Commission (CEC) business meeting, staff from the CEC's CTP plan to propose the *2023–2024 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 *2023–2024 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 *2023–2024 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 *2023–2024 Investment Plan Update*, approving it will not cause a direct or reasonably foreseeable indirect change in the environment.

Further, in the event that adoption of the *2023-2024 Investment Plan Update* is determined to be a project under CEQA, this action is exempt pursuant to the “common sense” exemption:

The activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. [14 Cal. Code of Regulations § 15061(b)(3).]

This *2023–2024 Investment Plan Update* meets this exemption because it only proposes funding for categories of activities. The *2023-2024 Investment Plan Update* is a roadmap for future funding allocations, specifying which categories of activities may receive funding in the future. Decisions to fund specific projects in those categories will be made in the future through competitive solicitations or other selection mechanisms. There is not enough information known about specific projects which may be funded under the Investment Plan to warrant environmental review at this time. Because no commitment to any specific project is made in this *2023–2024 Investment Plan Update*, there is no possibility that its approval may have a significant effect on the environment.