California Energy Commission
August 17 Business Meeting
Backup Materials for 2026–2027 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 documentation, attached below.
3. Lead Commissioner Report.

For the complete record, please visit: Docket 26-ALT-01.

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

CALIFORNIA ENERGY COMMISSION

PROPOSED RESOLUTION: 2026–2027 Investment Plan Update for the Clean Transportation Program

RESOLUTION NO: 26-0817-XX

WHEREAS, Assembly Bill 118 (Núñez, Chapter 750, Statutes of 2007) established the Clean Transportation Program (formerly the Alternative and Renewable Fuel and Vehicle Technology Program) to be administered by the California 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 Clean Transportation Program (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 Clean Transportation Program through July 1, 2035; and

WHEREAS, the development of the *2026–2027 Investment Plan Update* has benefited from two public Clean Transportation Program Advisory Committee meetings, one public Disadvantaged Communities Advisory Group discussion, and 46 comment letters submitted to public docket; and

WHEREAS, after considering all materials and comments received, Commissioner Skinner, Lead Commissioner for Transportation, released the latest draft of the *2026–2027 Investment Plan Update* on July 30, 2026. The *2026–2027 Investment Plan Update* includes proposed funding allocations to advance the goals of the Clean Transportation Program. The proposed allocations for the *2026–2027 Investment Plan Update* for the current fiscal year, are allocating Clean Transportation Program funding of $95.2 million. The plan also discusses intended allocations over a multi-year period through fiscal year 2028–2029 to convey the CEC's priorities for the Clean Transportation Program; and

WHEREAS, CEC staff will develop solicitations, grants, and other types of agreements 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 *2026–2027 Investment Plan Update*, and concluded that that the adoption of this report is not a "project" under CEQA, because no commitment to any specific project is made in this *2026–2027 Investment Plan Update*, and approving it will not cause a direct or reasonably foreseeable indirect change in the environment. However, in the event that adoption were determined to be a project, the CEC has determined 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, that the CEC adopts the *2026–2027 Investment Plan Update* with any errata or edits approved at the August 17, 2026 Business Meeting, and directs CEC staff to prepare the *2026–2027 Investment Plan Update* incorporating any non-substantive changes such as typographical corrections, to forward the *2026–2027 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 *2026–2027 Investment Plan Update* available to the public.

APPROVED AND ADOPTED this 17th day of August 2026, by the following vote:

AYE:
NAY:
ABSENT:
ABSTAIN:

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 approved and adopted by the affirmative vote of the CEC at a meeting held on August 17, 2026.

Kim Todd
Secretariat

California ENERGY COMMISSION

CALIFORNIA NATURAL RESOURCES AGENCY

MEMORANDUM

TO: Chair Hochschild
Vice Chair Gunda
Commissioner Gallardo
Commissioner McAllister
Commissioner Skinner

FROM: Cory Irish
Senior Attorney, Transactions Unit
Chief Counsel's Office

SUBJECT: Proposed California Environmental Quality Act Compliance for the *2026–2027 Investment Plan Update for the Clean Transportation Program*

DATE: August 6, 2026

At the August 17, 2026 California Energy Commission (CEC) business meeting, staff plans to propose the *2026–2027 Investment Plan Update for the Clean Transportation Program* 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 *2026–2027 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 *2026–2027 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 *2026–2027 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 *2026–2027 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 *2026–2027 Investment Plan Update* meets this exemption because it only proposes funding for categories of activities. The *2026–2027 Investment Plan Update* is a roadmap for 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 this Investment Plan Update to warrant environmental review at this time. Because no commitment to any specific project is made in this *2026–2027 Investment Plan Update*, there is no possibility that its approval may have a significant effect on the environment.