Updated as of 1.25.22

Clean Cars and Clean Air Act

Climate change is having a devastating and disruptive impact on California. Our state is increasingly experiencing record-setting wildfires, droughts, and extreme weather that ruin our air quality, damage California's iconic natural beauty, destroy property, hurt our state's economy, and cost lives. In order to achieve the state's carbon goals and avoid the worst impacts of climate change, we must act now to address two of the largest sources of GHG emissions in our state: transportation and extreme wildfires.

Given the urgency of this crisis, we are joining with like-minded groups to pursue one of two potential ballot measures for November 2022 that would address these issues. Either potential measure would bring in much-needed long-term, additional revenue from a progressive source to make zero emission vehicles (ZEVs) more affordable and more accessible for more Californians and to help fight and prevent extreme wildfires. Current programs are not enough.

 PURPOSE: The purpose of the Clean Cars and Clean Air Act is to reduce emissions from two of the state's primary sources of greenhouse gases--transportation and extreme wildfires--through public investments in electrification of California's passenger vehicle and medium/heavy-duty fleets, expansion of charging/fueling infrastructure, and improvements in the prevention and combat of extreme wildfires with a focus on equity and clean air.

Paid for by Clean Air California, a Coalition of Rideshare Companies, Labor, and Environmental Groups.

Committee Major Funding from:

Lyft
California State Association of Electrical Workers
California Environmental Voters
Funding details at www.fppc.ca.gov

2. FUNDING SOURCES: NEW, PROGRESSIVE, AND ON TOP OF CURRENT FUNDING

a. Revenue table:

Measure	Revenue Source	Annual Revenue*	
0037	1.75% personal income tax rate increase on income above \$2 million	\$4.1 billion	

^{*}Estimated 1st full year of revenue

- **b. Non-Supplantation**: All spending to be additive.
 - i. (Specifies CVRP as eligible for supplantation if so desired.)

c. Program Allocation Table:

Program (Fund)	Focus Areas	Program Allocation	Focus Area Minimum Allocation
ZEV Infrastructure Program (ZEV investment plan)	Multifamily Charging	35% of total revenue	20%
	Single-Family Charging		10%
	Fast-Fueling ZEVs		10%
	M/HD ZEV Fueling		10%
ZEV Affordability Program (ZEV & Clean Mobility Fund)	Passenger ZEVs	45% of total revenue	67%
	M/HD ZEV & Non-Vehicle Mobility		33%
Reducing Wildfire GHG Program (RWGP) (RWGP Fund)	Fire Marshal P&S Account	20% of total revenue	25%
	CAL FIRE General Account		Balance
	Prevention and Resilience		up to 19%

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- 3. **SUNSET:** Programs and revenue will end after reaching 80% reduction in GHGs vs 1990 levels, or 20 years, whichever comes first.
- 4. **PROGRAM 1:** ZEV Infrastructure Program: 35% of total revenue to ZEV infrastructure program
 - a. Lead Implementing Agency: California Energy Commission (CEC)

b. Purpose:

- i. Making refueling or recharging a ZEV as accessible and convenient as refueling a diesel or gasoline-powered vehicle for every Californian regardless of where they live or work.
- ii. Closing any ZEV infrastructure or electric grid gaps in the state identified by CEC pursuant to AB 2127 (2018) or another relevant state agency analysis to ensure that California residents can fuel or charge their ZEVs where they live, work, and play.
- iii. Increasing access for disadvantaged, low-income, and moderate-income communities and consumers to passenger ZEV fueling and charging infrastructure.
- iv. Ensuring the infrastructure and related programs strengthen the reliability of the state's electric grid.
- v. Achieving GHG emissions reductions while maximizing domestic manufacturing and high-quality job growth in California.

c. Program Design

i. **Equity Prioritization:** CEC shall place 50% of new funding at the start of each budget year in an "Infrastructure Access Fund" dedicated for projects, activities, and to benefit people in low-income and disadvantaged communities.

- ii. Guiding Principles for Implementation
 - Low Cost to Drivers
 - Price Transparency
 - Long-Term Reliability
 - Grid Support
 - Robust Grid
 - Equitable Access
- iii. Areas of Focus: CEC shall create or fund existing programs described below:
 - Multifamily Dwelling Battery Electric Vehicle (BEV)
 Charging Stations: Fund L2 charging efforts at multifamily dwelling properties or near multifamily dwelling properties to serve residents of multifamily properties.
 - **Single-Family Dwelling BEV Charging Stations**: Fund L2 charging efforts at single-family dwellings.
 - Fast-Fueling Stations: Fund fast-charging or other ZEV fast-fueling infrastructure prioritizing locations not well served by existing infrastructure like city centers and near multifamily dwellings that cannot support dedicated L2 charging.
 - Medium and Heavy Duty ZEV Fueling Infrastructure: Fund medium- and heavy-duty and off-road/construction ZEV fueling infrastructure prioritizing locations not well served by existing infrastructure.

- iv. **Funding Allocation:** Each Area of Focus shall receive at least 10% of funding, except for multifamily housing (20%), for program years 1-5 after which time CEC may reallocate funds amongst these same programs as needed to achieve the purposes of this section.
- 5. **PROGRAM 2: ZEV Affordability Program:** 45% of total revenue to ZEV Affordability Program
 - a. Lead Implementing Agency: California Air Resources Board (CARB)

b. Purpose:

- i. Making ZEVs accessible and affordable to all California residents.
- ii. Reducing emissions from passenger ZEVs, which are the state's largest single source of GHG emissions, as quickly as possible.
- iii. Converting medium-, heavy-duty, and off-road vehicles to ZEVs with a focus on benefitting the air quality in low-income and disadvantaged communities while reducing GHG emissions.
- iv. Increasing access to zero-emission clean mobility options that do not require car ownership.
- v. Providing access and financial assistance to moderate-income, low-income, and disadvantaged communities and consumers to purchase or lease ZEVs.
- vi. Converting passenger vehicles that are used for high-utilization purposes to ZEVs as quickly as possible in order to reduce GHG emissions as quickly as possible.

c. Program Design

i. CARB shall place 50% of new funding at the start of each budget year in an "ZEV Equity and Air Quality Account" dedicated for projects, activities, and to benefit people in low-income and disadvantaged communities.

- ii. Some example clean mobility equity programs include, but are not limited to:
 - Incentives for zero-emission school buses.
 - Incentives for zero-emission transit buses.
 - Incentives for government and businesses to buy medium-, heavy-duty, and off-road agricultural and construction ZEVs.
 - Financing assistance and incentives to help those without access to capital or high credit acquire new and used ZEVs.
 - Help for people to retire old polluting vehicles and replace them with new and used ZEVs or other clean mobility options.
 - Help for agricultural workers and others utilize zero-emission vanpools.
 - Local air quality benefits in communities overburdened by diesel pollution.
 - Incentives to increase access to clean mobility options including:
 - Electric bikes
 - Bike-sharing
 - Protected bike lanes
 - Transit passes

- iii. CARB will establish a new incentive program to help all Californians afford ZEVs:
 - CARB will prioritize rebates for individuals, then high-utilization business and government purposes, then other business and government purposes.
 - Rebate amounts will be determined by CARB. In determining rebate amount and eligibility, CARB will prioritize maximizing the number of California residents who gain the ability to afford to lease or purchase new ZEVs as a result.
- iv. Passenger vehicles are the largest single-source of GHG emissions in this state. Therefore, in order to effectively reduce GHG emissions from passenger vehicles for the first 5 years at least two-thirds (%) of "Program 2" funding will be allocated to activities that support the deployment of passenger ZEVs in California.
- v. After 5 years, CARB may change money allocation between vehicle types/sectors if needed to achieve the purposes of this section.
- 6. **PROGRAM 3:** REDUCING WILDFIRE GHG EMISSIONS: 20% of total revenue this fund
 - a. Lead State Implementor: CA Department of Forestry and Fire Protection (CAL FIRE)

b. Purpose:

- i. To ensure the State of California has sufficient firefighting capacity to reduce the amount of GHG emissions from extreme wildfires, while also reducing the air pollution wildfires produce.
- ii. To reduce GHG emissions from extreme fire events in California through improvements in wildfire suppression, prevention, mitigation, resilience, and preparedness, and restoration and

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- maintenance of a more natural, safer fire regime on California's landscapes.
- iii. To mitigate, prevent, and suppress impacts, including GHG emissions, of extreme wildfire events upon people, essential infrastructure, and communities.
- iv. To advance wildfire prevention implementation activities.

c. Program Design

- i. Moneys in the General Prevention and Suppression Account shall be used by CAL FIRE for additional efforts to prevent, manage and suppress wildfires in this state. Moneys may be used for the following:
 - Retaining, housing, training, and hiring CAL FIRE permanent and seasonal firefighters necessary to prevent and suppress wildfires.
 - Advanced wildfire detection and monitoring systems, including camera and satellite networks.
 - Improving fire suppression and safety infrastructure in fire-prone communities.
 - Improving defensible spaces around homes and communities.
 - Grants for home-hardening retrofits focused on low-income communities.
 - Support activities and programs such as forest resilience programs, prescribed burning, watershed restoration and management, and vegetation management.

7. TITLE AND SUMMARY

Funding details at www.fppc.ca.gov