

Date of Hearing: May 12, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 745 (Gipson) – As Amended April 21, 2021

Policy Committee: Transportation

Vote: 15 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires the California Air Resources Board (ARB), as a part of the Clean Cars 4 All program, to provide vouchers for the purchase of zero-emission vehicles to persons of low income living in disadvantaged communities for the replacement of vehicles that have failed a smog check inspection.

This bill requires ARB to determine if all vouchers awarded pursuant to Clean Cars 4 All are sufficient to incentivize the purchase of near zero and zero-emission vehicles for each eligible income bracket. Additionally, this bill requires ARB to update an existing online database for consumers to access information for all local light-duty incentives in California.

FISCAL EFFECT:

- 1) Cost pressure to increase Clean Cars 4 All funding to meet the current need and demand. The Governor did not propose any new funding in the January 2021-22 Budget [Greenhouse Gas Reduction Fund (GGRF)].
- 2) ARB ongoing annual costs of \$645,000 to hire one program specialist and \$500,000 for an IT contract with Access Clean California to assist with local coordination, consumer protection, education and outreach (GGRF).

COMMENTS:

- 1) **Purpose.** According to the author:

This bill modernizes CC4A by requiring CARB to review the incentive amounts offered to ensure that they are sufficient to cover the high cost of ZEVs, and creates a one stop, online consumer directory of all funding incentives available in the state by 2024. This bill also requires that CARB conducts a community equity survey in participating air districts to examine barriers to ZEV adoption in disadvantaged communities such as cost, language, lack of info, and available charging infrastructure.

By modernizing the CC4All program, creating a one stop shop for consumer incentives, and identifying key barriers to ZEV adoption in disadvantaged communities, AB 745 builds on past legislation to address the “green divide” and better inform the State’s ambitious climate policy agenda.

- 2) **Implementation of the Audit Report.** At the direction of the Joint Legislative Audit Committee, the State Auditor's office conducted an audit of ARB's transportation programs intended to reduce GHG emissions. According to the audit report, "ARB has not consistently collected or analyzed data to determine whether some of its programs provide the socioeconomic benefits that ARB has identified for those programs, such as maximizing participants' economic opportunities. Because these programs may cost significantly more than other incentive programs from the perspective of reducing GHG emissions, ARB must do more to measure and demonstrate specific benefits to disadvantaged communities and low-income communities and households that the programs intend to serve."

This bill contains some requirements that are duplicative of the efforts ARB is undertaking to fulfill the recommendations of the audit report. Other requirements of the bill may not help ARB achieve the goals of the audit.

For example, the audit recommends ARB do more to measure and demonstrate benefits to disadvantaged communities to show socioeconomic benefits. This bill requires ARB to develop metrics to demonstrate the socioeconomic benefits that result from Clean Cars 4 All participation. ARB does not have a problem with metrics, it has a problem using the metrics to measure and demonstrate the benefits.

It may also be unnecessary for ARB to develop a centralized database as this bill requires because there are existing databases that display light-duty incentives and information. ARB currently uses Driveclean, Moving CA, CVRP's Savings Calculator and Access Clean California's Benefits Finder Tool.

Regarding barriers to low-income consumers for EVs, ARB completed the *SB 350 Barriers Report* a couple years ago, and is working on implementing the recommendations from that report including One-Stop-Shop (now called Access Clean California). Access Clean California has a Benefits Finder, which helps consumers find and apply for equity- and consumer-focused lite duty incentive programs -- as part of a broader outreach effort aimed at priority communities.

The author may wish to refocus the bill on outcomes from the efforts following the recommendations of the report.