**HEALTH AND SAFETY CODE - HSC**

**DIVISION 26. AIR RESOURCES [39000 - 44475.3]** *( Division 26 repealed and added by Stats. 1975, Ch. 957. )*

**PART 5. VEHICULAR AIR POLLUTION CONTROL [43000 - 44299.91]** *( Part 5 added by Stats. 1975, Ch. 957. )*

**CHAPTER 8.9. California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007 [44270 - 44274.15]** *( Chapter 8.9 added by Stats. 2007, Ch. 750, Sec. 5. )*

**ARTICLE 2. Clean Transportation Program [44272 - 44273]** *( Heading of Article 2 amended by Stats. 2021, Ch. 258, Sec. 13. )*

**44272.** (a) The Clean Transportation Program is hereby created. The program shall be administered by the commission. The commission shall implement the program by regulation pursuant to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The program shall provide, upon appropriation by the Legislature, competitive grants, revolving loans, loan guarantees, loans, or other appropriate funding measures to public agencies, California Native American tribes, tribal organizations, vehicle and technology entities, businesses and projects, public-private partnerships, workforce training partnerships and collaboratives, fleet owners, consumers, recreational boaters, and academic institutions to develop and deploy innovative technologies that transform California’s fuel and vehicle types to help attain the state’s climate change policies. The emphasis of this program shall be to develop and deploy zero-emission technology and fuels in the marketplace where feasible and near-zero-emission technology and fuels elsewhere.

(b) The goals of the program shall be to advance the state’s clean transportation, equity, air quality, and climate emission policies, including, but not limited to, any of the following:

(1) Section 39719.2.

(2) Section 39730.5.

(3) Section 43024.2.

(4) Section 44124.5.

(5) Section 44391.2.

(6) Section 25229 of the Public Resources Code.

(7) Section 25327 of the Public Resources Code.

(8) Section 14517 of the Government Code.

(c) On or after January 1, 2025, when developing the investment plan pursuant to Section 44272.5, the commission shall prioritize program investments into the following:

(1) Deployment of infrastructure and other projects that advance or support the deployment of medium- and heavy-duty vehicles to meet the clean transportation, equity, air quality, and climate emission goals described in subdivision (b).

(2) Deployment of light-duty vehicle infrastructure technology to fill deployment gaps identified pursuant to Sections 25229 and 25231 of the Public Resources Code and advance the goals identified in Executive Order No. N-79-20.

(d) On and after January 1, 2025, no less than 50 percent of investments expended pursuant to subdivision (a) shall be expended in accordance with Section 44272.1.

(e) A project that receives more than seventy-five thousand dollars ($75,000) in funds from the commission shall be approved at a noticed public meeting of the commission and shall be consistent with the priorities established by the investment plan adopted pursuant to Section 44272.5. Under this article, the commission may delegate to the commission's executive director, or the executive director's designee, the authority to approve either of the following:

(1) A contract, grant, loan, or other agreement or award that receives seventy-five thousand dollars ($75,000) or less in funds from the commission.

(2) Amendments to a contract, grant, loan, or other agreement or award if the amendments do not increase the amount of the award, change the scope of the project, or modify the purpose of the agreement.

(f) The commission shall provide preferences to those projects that maximize the goals of the Clean Transportation Program, based on the following criteria, as applicable:

(1) The project's consistency with existing and future state climate change policy and low-carbon fuel standards.

(2) The project's ability to reduce greenhouse gas emissions, criteria air pollutants, and air toxics, and reduce or avoid multimedia environmental impacts.

(3) The project does not adversely impact the sustainability of the state's natural resources, especially state and federal lands.

(4) The project provides nonstate matching funds. Costs incurred from the date a proposed award is noticed may be counted as nonstate matching funds. The commission may adopt further requirements for purposes of this paragraph. The commission is not liable for costs incurred pursuant to this paragraph if the commission does not give final approval for the project or the proposed recipient does not meet requirements adopted by the commission pursuant to this paragraph.

(5) The project provides economic benefits for California by promoting California-based technology firms, jobs, and businesses.

(6) The project uses existing or proposed fueling infrastructure to maximize the outcome of the project.

(7) The project drives new technology advancement for vehicles, vessels, engines, and other equipment, and promotes the deployment of that technology in the marketplace.

(8) The project's ability to transition workers to, or promote employment in, zero-emission fuel and vehicle technology where feasible and near-zero-emission fuel and vehicle technology elsewhere.

(9) The project is in a nonattainment area pursuant to the federal Clean Air Act (42 U.S.C. Sec. 7401 et seq.), and, if applicable, preference shall be given to projects in the highest designation of nonattainment.

(10) The project advances the comprehensive strategy for vehicles pursuant to Section 43024.2.

(g) The commission shall rank applications for projects proposed for funding awards based on solicitation criteria developed in accordance with subdivision (f), and shall give additional preference to funding those projects with higher benefit-cost scores.

(h) Only the following shall be eligible for funding:

(1) Zero-emission fuel projects where feasible and near-zero-emission fuel projects elsewhere to develop and improve zero-emission and near-zero-emission fuels, including electricity, renewable diesel, hydrogen, and biomethane, among others, and their feedstocks that have high potential for long-term or short-term commercialization, including projects that lead to sustainable feedstocks.

(2) Demonstration and deployment projects that optimize zero-emission fuels and infrastructure where feasible and near-zero-emission fuels and infrastructure elsewhere for existing and developing technologies.

(3) Projects to produce alternative and renewable low-carbon fuels in California.

(4) Projects to decrease the overall impact of an alternative and renewable fuel's life-cycle carbon footprint and increase sustainability.

(5) Zero-emission fuel infrastructure, fueling stations, and equipment where feasible and near-zero-emission fuel infrastructure, fueling stations, and equipment elsewhere.

(6) Projects to develop and improve light-, medium-, and heavy-duty vehicle technologies that provide for better fuel efficiency and lower greenhouse gas emissions, alternative fuel usage and storage, or emission reductions, including propulsion systems, lightweight materials, intelligent transportation systems, energy storage, control systems and system integration, physical measurement and metering systems and software, development of design standards and testing and certification protocols, battery recycling and reuse, engine and fuel optimization electronic and electrified components, hybrid technology, plug-in hybrid

technology, battery electric vehicle technology, fuel cell technology, and conversions of hybrid technology to plug-in technology through the installation of safety certified supplemental battery modules.

(7) Programs and projects that accelerate the commercialization of zero-emission vehicles, fuels, and infrastructure where feasible and near-zero-emission vehicles, fuels, and infrastructure elsewhere, including buy-down programs through near-market and market-path deployments, advanced technology warranty or replacement insurance, development of market niches, supply-chain development, and research related to the pedestrian safety impacts of vehicle technologies and alternative and renewable fuels.

(8) Programs and projects to retrofit medium- and heavy-duty on-road and nonroad vehicle fleets with zero-emission technologies where feasible and near-zero-emission technologies elsewhere that create higher fuel efficiencies, including alternative and renewable fuel vehicles and technologies, idle management technology, and aerodynamic retrofits that decrease fuel consumption.

(9) Infrastructure projects that promote zero-emission infrastructure development where feasible and near-zero-emission fuel infrastructure development elsewhere connected with existing fleets, public transit, and existing transportation corridors, including physical measurement or metering equipment and truck stop electrification.

(10) Workforce training programs related to the development and deployment of technologies that transform California's fuel and vehicle types and assist the state in implementing its climate change policies, including, but not limited to, zero-emission vehicles, technologies, fuels, and infrastructure where feasible and near-zero-emission vehicles, technologies, fuels, and infrastructure elsewhere; automotive computer systems; mass transit fleet conversion, servicing, and maintenance; and other sectors or occupations related to the purposes of this chapter, including training programs to transition dislocated workers affected by the state's greenhouse gas emission policies, including those from fossil fuel sectors, or training programs for low-skilled workers to enter or continue in a career pathway that leads to middle skill, industry-recognized credentials or state-approved apprenticeship opportunities in occupations related to the purposes of this chapter.

(11) Block grants or incentive programs for education and program promotion within California, zero-emission vehicle infrastructure, and development of zero-emission fuel and vehicle technology centers. The commission may adopt guidelines for implementing the block grant or incentive program, which shall be approved at a noticed public meeting of the commission.

(12) Life-cycle and multimedia analyses, sustainability and environmental impact evaluations, and market, financial, and technology assessments performed by a state agency to determine the impacts of increasing the use of zero-emission transportation fuels and technologies, and to assist in the preparation of the investment plan and program implementation.

(13) A program to provide funding for homeowners who purchase a plug-in electric vehicle to offset costs associated with modifying electrical sources to include a residential plug-in electric vehicle charging station. In establishing this program, the commission shall consider funding criteria to maximize the public benefit of the program.

(i) (1) The commission shall require the following data to be reported to the commission, consistent with paragraph (2), as a condition of accepting a grant issued pursuant to this section:

(A) For a hydrogen-refueling station grant recipient, the availability of operational fueling nozzles, whether hydrogen is available for refueling at that station, the volume of hydrogen-dispensed basis, the number of vehicles fueled by a station, and any other data deemed necessary by the commission to monitor reliability and accessibility of the refueling infrastructure.

(B) For an electric vehicle charging station grant recipient, the availability of operational charging plugs, whether the station was energized, the volume of electricity in kilowatthours used to charge by vehicles, the number of vehicles charged by a station, and any other data deemed necessary by the commission to monitor reliability and accessibility of the charging infrastructure.

(2) The commission shall require this data to be measured no less frequently than on a daily basis and reported electronically to the commission no less frequently than quarterly.

(j) (1) The commission may make a single source or sole source award pursuant to this section to either of the following:

(A) A public or nonpublic entity that manages a United States Department of Energy national laboratory.

(B) A public or nonpublic entity for an applied research project.

(2) The same requirements set forth in Section 25620.5 of the Public Resources Code shall apply to awards made on a single source basis or a sole source basis.

(k) (1) For purposes only of any hydrogen application scoring pursuant to this section, the commission shall provide preference to applicants with the least carbon-intensive proposed fuel, measured well-to-gate, consistent with the clean hydrogen federal tax credit created by Section 45V of Title 26 of the United States Code using the order of tiers created by the regulations adopted pursuant to that section to score hydrogen grant applications, upon the effective date of regulations issued by the United States Department of the Treasury for that tax credit.

(2) This scoring preference does not establish a new hydrogen standard and shall only be used to score applications submitted to the program established pursuant to this section.

(l) The commission shall require the awardees of funding pursuant to this section for any hydrogen-fueling infrastructure to provide to the commission the source and carbon intensity of the hydrogen produced for, or dispensed by, hydrogen-fueling stations, as measured by the methodology in the Low Carbon Fuel Standard regulation (Subarticle 7 (commencing with Section 95480) of Article 4 of Subchapter 10 of Chapter 1 of Division 3 of Title 17 of the California Code of Regulations).

(m) The commission shall require the awardees of funding pursuant to this section for any electric vehicle charging infrastructure to report to the commission the source and greenhouse gas emissions intensity, on an annual basis, of the electricity used and dispensed by electric vehicle charging stations at the meter, consistent with the disclosure methodology set forth in Article 14 (commencing with Section 398.1) of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code.

(n) The commission may do all of the following:

(1) Contract with the Treasurer to expend funds through programs implemented by the Treasurer, if the expenditure is consistent with all of the requirements of this article and Article 1 (commencing with Section 44270).

(2) Contract with small business financial development corporations established by the Governor’s Office of Business and Economic Development to expend funds through the Small Business Loan Guarantee Program if the expenditure is consistent with all of the requirements of this article and Article 1 (commencing with Section 44270).

(3) Advance funds, pursuant to an agreement with the commission, to any of the following:

(A) A public entity.

(B) A nonpublic entity managing a United States Department of Energy national laboratory.

(C) A recipient to enable it to make advance payments to a public entity that is a subrecipient of the funds and under a binding and enforceable subagreement with the recipient.

(D) An administrator of a block grant program.

(o) The commission shall collaborate with entities that have expertise in workforce development to implement the workforce development components of this section, including, but not limited to, the California Workforce Development Board, the Employment Training Panel, the Employment Development Department, and the Division of Apprenticeship Standards.

*(Amended by Stats. 2025, Ch. 15, Sec. 5. (SB 127) Effective June 27, 2025.)*

**44272.1.** (a) On and after January 1, 2025, the commission shall expend at least 50 percent of the moneys appropriated to the Clean Transportation Program on programs and projects that directly benefit or serve residents of disadvantaged and low-income communities and low-income Californians.

(b) Eligible programs and projects that meet the equity criteria described in subdivision (a) may include, but are not limited to, any of the following:

(1) Programs that fill gaps in the equitable distribution of light-duty charging infrastructure identified pursuant to Section 25231 of the Public Resources Code, including programs deploying charging or refueling stations at low-income residential and multiunit dwelling locations.

(2) Programs deploying publicly accessible or shared charging or refueling stations serving low-income customers who reside in disadvantaged and low-income communities, including programs to promote zero-emission car sharing, zero-emission transit, or vanpooling in those communities.

(3) Infrastructure for public transportation and schoolbus electrification programs.

(4) Programs that support the deployment of clean medium- and heavy-duty vehicles, including infrastructure deployment and other programs to displace local air pollution that disproportionately burdens disadvantaged and low-income communities.

(5) Financing assistance and charging, or fueling incentives for customers residing in disadvantaged and low-income communities.

(6) Multilingual marketing, education, and outreach designed to increase awareness and adoption of clean mobility options.

(7) Programs that create high-quality jobs related to supporting new clean technologies in transportation and reduce household energy burdens related to vehicle charging.

(c) The commission shall consult with the disadvantaged community advisory group established pursuant to Section 400 of the Public Utilities Code and the advisory body created pursuant to Section 44272.5 to ensure that this section is effectively implemented.

*(Added by Stats. 2023, Ch. 319, Sec. 7. (AB 126) Effective October 7, 2023.)*

**44272.2.** (a) A project, including a workforce development or training project, that develops instate production of raw materials and the manufacturing supply chain for zero-emission vehicle components shall be eligible to receive funding under the program established pursuant to Section 44272.

(b) In addition to the entities set forth in Section 44272, the commission shall also collaborate with the California Community Colleges, the certified community conservation corps as defined in Section 14507.5 of the Public Resources Code, the California Conservation Corps, and the California Mobility Center to implement the workforce development components of the program established pursuant to Section 44272.

*(Added by Stats. 2021, Ch. 732, Sec. 1. (SB 589) Effective January 1, 2022.)*

**44272.3.** (a) It is the intent of the Legislature that, to the maximum extent feasible, loan moneys provided by the state to refiners of biofuels, also known as biorefiners, be awarded so as to increase the efficiency and environmental sustainability of biofuel production.

(b) In order to reduce the carbon intensity equivalent value of the fuel that biorefiners produce, biorefiners receiving loans from the commission’s California Ethanol Producer Incentive Program, established under the authority of this chapter, shall meet all of the following requirements:

(1) Within six months of acceptance to the program, biorefiners shall submit a draft plan to the commission that details one or more projects that can be undertaken at the biorefinery that are designed to achieve compliance with either of two biorefinery operational enhancement goals established by the commission.

(2) Within 12 months of acceptance to the program, biorefiners shall submit a detailed cost estimate for their target projects that can be undertaken at the biorefinery and that are designed to achieve compliance with the commission’s enhancement goals.

(3) Within 24 months of acceptance to the program, biorefiners shall complete and obtain all of the necessary permits or negative declarations sufficient to allow the project to move forward with financing, major equipment purchases, and hiring if project approval is executed by the company’s officers.

(4) Within 36 months of acceptance to the program, biorefiners shall obtain all of the necessary financing and initiate construction for their project associated with their elected enhancement goal pathway.

(5) Within 48 months of acceptance to the program, biorefiners shall complete all modifications to the facility and begin modified operations that achieve compliance with either of the enhancement goal pathways selected by the project applicant.

(c) This section does not limit the commission’s ability to set more stringent guidelines for the California Ethanol Producer Incentive Program that further maximize the efficiency and environmental sustainability of biofuel production.

(d) This section shall become inoperative on July 1, 2013.

*(Amended by Stats. 2012, Ch. 183, Sec. 1. (AB 523) Effective January 1, 2013. Inoperative July 1, 2013, by its own provisions. Note: See related provisions in Section 44272.4.)*

**44272.5.** (a) The commission shall develop and adopt an investment plan to determine priorities and opportunities for the Clean Transportation Program created pursuant to this chapter. The investment plan shall establish priorities for investment of funds and technologies to achieve the goals of this chapter and describe how funding will complement existing public and private investments, including existing state programs that further the goals of this chapter. The commission shall create and consult with an advisory body as it develops the investment plan. The advisory body is subject to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code). The commission shall, at a minimum, hold one public hearing on the advisory body’s recommendations prior to approving the investment plan.

(b) Membership of the advisory body created pursuant to subdivision (a) shall include, but is not limited to, representatives of fuel and vehicle technology entities, labor organizations, environmental organizations, community-based justice and public health organizations, recreational boaters, consumer advocates, academic institutions, workforce training groups, and private industry. The advisory body shall also include representatives from the Resources Agency, the Transportation Agency, the Labor and Workforce Development Agency, and the California Environmental Protection Agency.

(c) The commission shall hold at least three public workshops in different regions of the state and one public hearing prior to approving the investment plan. The commission shall annually update and approve the plan. The commission shall reconvene and consult with the advisory body created pursuant to subdivision (a) prior to annually updating and approving the plan.

*(Amended by Stats. 2021, Ch. 258, Sec. 15. (SB 155) Effective September 23, 2021.)*

**44272.6.** By January 1, 2026, the State Energy Resources Conservation and Development Commission, in consultation with the State Air Resources Board and the Department of Motor Vehicles, shall propose to the Legislature alternative funding methodologies or fee structures for funding zero-emission vehicle infrastructure for light-, medium-, and heavy-duty vehicles. The proposal shall include an assessment of the economic equity of the alternatives.

*(Added by Stats. 2023, Ch. 319, Sec. 9. (AB 126) Effective October 7, 2023.)*

**44272.7.** (a) On or before March 15, 2011, and each January thereafter concurrent with the submittal of the Governor's Budget, the commission shall submit a draft update to the investment plan, as developed in accordance with Section 44272.5, for the upcoming fiscal year to the Joint Legislative Budget Committee and all relevant policy and fiscal committees of the Legislature.

(b) Beginning with the investment plan update for the 2012–13 fiscal year, the commission shall submit the final investment plan update for the ensuing fiscal year, as developed in accordance with Section 44272.5, to the Joint Legislative Budget Committee and all relevant policy and fiscal committees of the Legislature each May concurrent with the submittal of the Governor's May Revision to the budget.

(c) Subsequent to the approval of the investment plan update pursuant to subdivision (c) of Section 44272.5, the commission shall, within 30 days, notify the Joint Legislative Budget Committee and all relevant policy and fiscal committees of the Legislature if a significant modification to the final investment plan update is approved. For purposes of this subdivision, "significant modification" means an augmentation or reduction the value of which individually exceeds 50 percent of the commission-approved allocation to an investment plan subcategory or is at least two million dollars ($2,000,000). For other modifications that do not meet this definition, the commission shall notify the Joint Legislative Budget Committee and all relevant policy and fiscal committees of the Legislature within 90 days, or at such earlier time as the aggregate total of unreported modifications equals five million dollars ($5,000,000) or more.

(d) (1) It is the intent of the Legislature that the investment plan, including updates to the plan, communicate the commission's strategic vision and priorities with respect to the development of alternative and renewable fuel and vehicle technologies, and will provide an analytical rationale for all proposed expenditures that aligns with the commission's broader strategic goals for the program.

(2) It is also the intent of the Legislature that the investment plan update highlight and explain the rationale for any year-over-year changes to the commission's program strategy and priorities, particularly with respect to specific technologies or policy initiatives.

(3) Additionally, it is the intent of the Legislature that submission of the draft update to the investment plan concurrent with the Governor's Budget, along with timely notification of significant modifications to the investment plan update thereafter, will improve legislative oversight of the program and provide the Legislature with all of the necessary information to fully understand how and why funds are to be allocated and prioritized within the program.

*(Amended by Stats. 2011, Ch. 487, Sec. 2. (AB 1314) Effective January 1, 2012.)*

**44273.** (a) The Alternative and Renewable Fuel and Vehicle Technology Fund is hereby created in the State Treasury, to be administered by the commission. The moneys in the fund, upon appropriation by the Legislature, shall be expended by the commission to implement the Clean Transportation Program in accordance with this chapter.

(b) Beginning with the integrated energy policy report adopted in 2011, and in the subsequent reports adopted thereafter, pursuant to Section 25302 of the Public Resources Code, the commission shall include an evaluation of research, development, and deployment efforts funded by this chapter. The evaluation shall include all of the following:

(1) A list of projects funded by the Alternative and Renewable Fuel and Vehicle Technology Fund.

(2) The expected benefits of the projects in terms of air quality, petroleum use reduction, greenhouse gas emissions reduction, technology advancement, benefit-cost assessment, and progress towards achieving these benefits.

(3) The overall contribution of the funded projects toward promoting a transition to a diverse portfolio of clean, alternative transportation fuels and reduced petroleum dependency in California.

(4) Key obstacles and challenges to meeting these goals identified through funded projects.

(5) Recommendations for future actions.

*(Amended by Stats. 2021, Ch. 258, Sec. 16. (SB 155) Effective September 23, 2021.)*