



November 6, 2023

Chair Randolph and Members of the Board
Executive Officer
California Air Resources Board
1001 I Street
Sacramento, California 95814

Re: Proposed FY 2023-24 Funding Plan for Clean Transportation

Dear Chair Randolph and Members of the Board:

Earthjustice writes regarding the Proposed FY 2023-24 Funding Plan for Clean Transportation Incentives. This Funding Plan marks a continuation of an historic investment in clean transportation with a strong focus on equity. This will surely serve as a catalyst and side kick to the robust regulatory agenda that will do the actual heavy lifting to getting to a zero-emission future in California. The following provides areas of support and places for improvement.

I. Support for Zero-Emissions.

Earthjustice continues to find it refreshing to see an air agency matching programs to its strong regulations pushing to zero-emissions. This Funding Plan continues the trend of having a serious bent towards zero-emissions, which is where the agency has determined we need to go. Critically, Air Districts are starting to recognize what our organizations have said for a long time – “the only way to achieve the required NOx reductions [to attain the 2015 ozone standard] is through extensive use of zero emission technologies across all stationary and mobile sources.” We don’t have time to waste pursuing incrementally cleaner combustion strategies.

II. Support for Good Jobs Attached to These Investments.

As CARB spends hundreds of millions of taxpayer dollars, it is critical that it ensure good jobs and community benefits flow from these investments. Earthjustice is proud to sign onto a Coalition Letter supporting the California Jobs & Environment Plan. We encourage CARB to incorporate this plan into future incentive programs.

III. Support for School Bus Funding Changes.

We are excited that CARB will provide \$375 million in funds for cleaning up school buses. Given that the Legislature has indicated it will likely provide an additional \$500 million in FY 2024-2025 and FY 2025-26, we recommend only spending these initial FY 2023-2024 funds on zero-emission school buses. Moreover, given that there is new language of prioritization, we encourage CARB to make sure large school districts like Los Angeles Unified School District (LAUSD), which have immense needs, will receive funding support from this large amount of

funds, in addition to continued support for rural school districts and those in smaller Air Districts.

IV. Funding Plan Reiterates Need for Credit Multipliers for Low Carbon Fuel Standard (LCFS) Credits.

We appreciate the parts of the Funding Plan that mention the importance of the LCFS as another critical pathway to advance fleet electrification. Several entities have suggested credit multipliers for priority fleets like transit agencies and school buses. The following from Appendix E, California's SB 1403 Report, identified how a more generous program from LCFS for priority fleets like school buses is critical.

For 2023, LCFS credit revenue may be worth approximately 12 cents/kilowatt hour (kW-h) when charging school buses with California average grid electricity and 14 cents/kW-h with zero-CI electricity, assuming a credit price of \$89.¹

We agree with the assessment that the LCFS can be used to drive down operational costs of converting to zero-emission buses. While 12 cents/kW-h or 14 cents k/W-h is moderately helpful, if CARB could provide a 2-3 times credit multiplier, it would be that much more effective in helping school districts and transit agencies transition to zero-emissions. As we saw overall revenue for transportation incentives decrease dramatically between the FY 2022-2023 Funding Plan and the FY 2023-2024 Funding Plan, it becomes that much more important to provide additional support from other programs, especially for our public fleets operated by school districts and transit agencies.

V. Conclusion

We look forward to continued work with CARB to implement these historic investments.

Sincerely,

Adrian Martinez
Deputy Managing Attorney
Earthjustice

¹ Funding Plan, Appendix E, at p. E-27, *available at* https://ww2.arb.ca.gov/sites/default/files/2023-10/Appendix%20E%20fy2023_24_funding_plan.pdf (citations omitted).