

Clean Miles Standard Phase 1 Staff Proposal Workshop

December 7, 2022

Facilitated by:

Consumer Protection and Enforcement Division (CPED)

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**California Public
Utilities Commission**

Housekeeping

- The purpose of the workshop is to share the Phase 1 Staff Proposal, answer clarifying questions, and engage with stakeholders.
- Please save questions for the end. Audio will be opened for “Questions on Staff Proposal”, “Staff Guided Q&A” and “Public Comment” portions of the agenda and will be on mute during presentations.
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Opening Remarks

Commissioner Shiroma

Today's Agenda

Welcome	1:00 – 1:05 PM
Opening Remarks	1:05 – 1:10 PM
Staff Proposal Presentation	1:10 – 2:00 PM
Questions on Staff Proposal	2:00 – 2:45 PM
Staff Guided Q&A	2:45 – 3:30 PM
Public Comment	3:30 – 3:55 PM
Closing	3:55 – 4:00 PM

Clean Miles Standard Status

- November 2021: Order Instituting Rulemaking
- February 2022: Pre-hearing Conference
- March 2022: CMS Workshop
- April 2022: Scoping Memo Ruling
- April 2022: Post-Workshop Ruling and Workshop Report
- November 2022: Phase 1 Staff Proposal and Ruling
- December 2022: Phase 1 Staff Proposal Workshop
- January 2023: Phase 1 Staff Proposal Comments
- February 2023: Phase 1 Staff Proposal Reply Comments

Phase 1 Staff Proposal Overview

Scoped Issues Covered in the Staff Proposal

1. Defined Terms
2. CARB Annual Targets, Regulatory Framework, and Timeline
3. Low- and Moderate-Income Drivers
4. Drivers Assistance Program
5. Programmatic Evaluation & Financial Audit
6. GHG Emission Reduction Plans
7. Compliance and Enforcement
8. Clean Mobility
9. Outreach & Engagement
10. Data
11. Transportation Electrification Coordination
12. Environmental and Social Justice
13. Exemptions
14. Unanticipated Barriers and Progress Report

Defined Terms (1 of 14)

- **CMS Regulated Entities:** proposed term used to describe a subset of the entities defined in Public Utilities (P.U.) Code Section 5450, transportation network companies and autonomous vehicles used for passenger services, to be subject to the Clean Miles Standard in Phase 1, excluding entities proposed to be exempt by California Air Resources Board (CARB).

CARB Annual Targets, Regulatory Framework, and Timeline (2 of 14)

- **Targets.** CARB established greenhouse gas (GHG) and electric vehicle miles traveled (eVMT) targets for CMS compliance beginning in 2023.
- **Accountability.** Staff proposes holding CMS Regulated Entities accountable to annual GHG and eVMT targets established by CARB starting in 2023. Staff request CMS Regulated Entities provide a status update on their progress towards meeting the 2023 annual targets.
- **Timeline.**
 - CMS Regulated Entities submit Partial GHG Plans within 90 days of Phase 1 decision.
 - Phase 2 issues will likely take additional time in 2024.
 - Drivers Assistance Program with a third-party Program Administrator and anticipates disposition of advice letters for the associated Implementation Plan and program Handbook in Quarter 4 of 2024.

Low- and Moderate-Income Drivers (3 of 14)

- **Definition:** Proposing definition consistent with CA Health and Safety Code 39713 and AB 1550. For 2022, the annual low-income limit is \$56,896 and the moderate-income limit is \$85,344 for individual income.
- **Implementation:**
 - Focus on minimizing financial impact on low and moderate-income drivers.
 - Support drivers and minimize negative impact through a Drivers Assistance Program with incentives for low- and moderate-income drivers. Provide driver compensation for CMS engagement.
 - CMS Regulated Entities in their GHG Plans must describe how they will minimize negative impact to LMI drivers.
- **Reporting:** CMS Regulated Entities and Program Administrator for the Drivers Assistance Program will have data reporting requirements.
 - Annual Low and Moderate-Income Driver Impact Report

Drivers Assistance Program (4 of 14)

- **Purpose:** Drivers Assistance Program will provide informational resources to drivers, with incentives provided to low- and moderate-income drivers.
- **Establishment:** Drivers Assistance Program funded through a regulatory fee proposed by CMS Regulated Entities in GHG Plans.
- **Management:** Third-Party Program Administrator, procured through CMS Regulated Entity (contracting agent) RFP process, will manage the Drivers Assistance Program with CPUC oversight.
- **Reporting:** Program Administrator will submit to the Commission an Implementation Plan and Handbook for approval, updated at least annually. Provide quarterly and annual data reporting on the Drivers Assistance Program.
- **Administrative Budget.** Contracting Agent \$100K/year, Program Administrator's administrative costs \$8M/year.

Programmatic Evaluation & Financial Audit (5 of 14)

- **Purpose.** Evaluate the performance of the Program Administrator, Drivers Assistance Program, and the CMS Regulated Entities' activities and conduct financial audits of the CMS Regulated Entities.
- **Implementation.** Evaluation Contractor and Financial Auditor selected through an RFP by the contracting agent started by the end of December 2025. To occur at least twice, the first evaluation/audit within the first 24 months of the creation of Drivers Assistance Program and then once more no more than three years after the first evaluation/audit.
- **Requirements.** To be set by the Commission with some questions and data reporting provided in the Proposal. Details in Phase 2 decision.
- **Budget.** \$500,000 per evaluation/audit.

GHG Emissions Reduction Plans (GHG Plans) (6 of 14)

- **Timeline:** Submit partial GHG Plans within 90 days of the first Commission decision. Full GHG Plans submitted within 90 days of Phase 2 decision. New GHG Plans due in 2026 to bring back to the even submission year.
- **Process:** Utilize a Tier 3 Advice Letter process for approval of partial and full GHG Plans. Goes through public comment and Commission resolution.
- **Requirements:** Narrative Template and Supplemental Calculations (data).
- **Review:** Staff will review for (1) completeness, (2) feasibility, and (3) accuracy using a scorecard system assessing if elements are “exemplary”, “sufficient”, or “deficient” and make a recommendation to the Commission. GHG Plans requiring modifications shall be re-submitted via Tier 1 Advice Letters.
- **Deviations:** Deviations from submitted and approved GHG Plans will require submission to the Commission for review and approval via Tier 1, 2, or 3 Advice Letters depending on the type of deviation.

Compliance and Enforcement Approach (7 of 14)

- **Phase 1 (First Decision):** Establishes Commission authority to enforce CMS program and acknowledges targets adopted into law by CARB and the Office of Administrative Law.
 - Staff proposes holding CMS Regulated Entities accountable to meeting 2023 annual targets.
- **Phase 2 (Subsequent Decision(s)):** To build record and determine details of the enforcement program.

Clean Mobility (8 of 14)

- **Definition:** Focus assessment on whether CMS supports the “goals of clean mobility”, per the statute, for:
 - Whether the program provides low- and moderate-income individuals (i.e., drivers) access to zero-emission vehicles (ZEVs), and
 - Whether the program provides low- and moderate-income communities access to rides in ZEVs from the CMS Regulated Entities.
- **Implementation:** CMS Regulated Entities required to describe in their GHG Plans how their proposal will support the CMS goals of clean mobility.
- **Reporting:** Data reporting to support tracking of progress towards these goals to be assessed in the biennial Unanticipated Barriers and Progress Report.

Outreach and Engagement (9 of 14)

- **Drivers:** CPUC Staff-led Driver Working Group and Annual Driver Survey to hear directly from drivers. Program Administrator managed driver-specific marketing, education, and outreach. CMS Regulated Entities will help to disseminate Drivers Assistance Program information and other driver engagement opportunities.
- **Implementation Working Group:** CPUC Staff-led Implementation Working Group. Representatives from CMS Regulated Entities, drivers, non-governmental organizations/community-based organizations including transportation equity organizations, EV charging companies, vehicle manufacturers, other government entities, and researchers.
- **Translation and Interpretation Services:** CMS Regulated Entities and the Program Administrator for the Drivers Assistance Program to provide appropriate interpretation and language translation services for drivers.

Data (10 of 14)

- **Requirements for Data Reporting.** Staff to provide data dictionary and templates. See details in Appendix of the Staff Proposal.
 - **GHG Plans:** Est. for CMS Regulated Entities actions to meet targets.
 - **Compliance Data:** From CARB's requirements + TNC Annual Report Data
 - **LMI Drivers/Drivers Assistance Program:** Data collection on drivers accessing the Drivers Assistance Program
 - **Clean Mobility/Environmental and Social Justice/Evaluations:** Data to support assessment of meeting goals and requirements. Data overlaps with Compliance and LMI driver data.
 - **Exemptions:** Data to support small CMS Regulated Entities and wheelchair accessible vehicle (WAV) trip assessments.
- **Data Verification:** Required attestation to truthfulness, evaluation and auditing, and cross-checking with other TNC/AV data.
- **Data Sharing:** Follow General Order 66-D. Public data sharing portal.

Coordination with Transportation Electrification (11 of 14)

- **Workshops:** CPUC Staff to conduct ad hoc Transportation Electrification Workshops on specific topics to inform CMS implementation.
- **Coordination Activities:** CPUC Staff to coordinate with CPUC Energy Division, CA Energy Commission, and other agencies involved in setting transportation electrification policy.
 - Relevant findings or updates from Transportation Electrification Workshops and staff coordination activities will be incorporated into the Annual Report and the biennial Unanticipated Barriers and Progress Report.
- **Program Administrator's role:** Program Administrator for the Drivers Assistance Program should also connect with other agencies providing financial incentives to support charging infrastructure.

Environmental and Social Justice (12 of 14)

- **Definition:** Environmental and Social Justice communities are the low- and moderate-income drivers and communities.
- **Implementation:** CMS Regulated Entities required to describe in their GHG Plans how their proposal will support CPUC Environmental and Social Justice goals.
 - ESJ Action Item 3.1.2 is Implementation of Clean Miles Standard and Impact on Drivers from ESJ Communities.
 - ESJ Action Item 2.2.5 is Improving Access to EV Charging for ESJ Communities.
- **Reporting:** Data reporting to support tracking of progress towards the goals to be assessed in the biennial Unanticipated Barriers and Progress Report.

Exemptions (13 of 14)

- **Adoption:** Adopt the two exemptions from CARB with additions.
- **Exemptions**
 - **Small TNC Vehicle Miles Traveled (VMT):** Apply to CMS Regulated Entities. Commission to define this to mean 5 million vehicle miles traveled annually in passenger service (i.e., not mapping, goods delivery, or other types of operations), which would include Periods 1, 2, and 3 miles.
 - **Wheelchair Accessible Vehicles (WAV) trips:** Apply to CMS Regulated Entities – to include TNCs and AVs in passenger service.
- **Reporting:** Staff Proposes the Commission require CMS Regulated Entities to report trips by location so that Staff may use the data to assess if small CMS Regulated Entities' and WAV trips are disproportionately or not serving low- and moderate-income communities. To be assessed in the biennial Unanticipated Barriers and Progress Report.

Unanticipated Barriers and Progress Report (14 of 14)

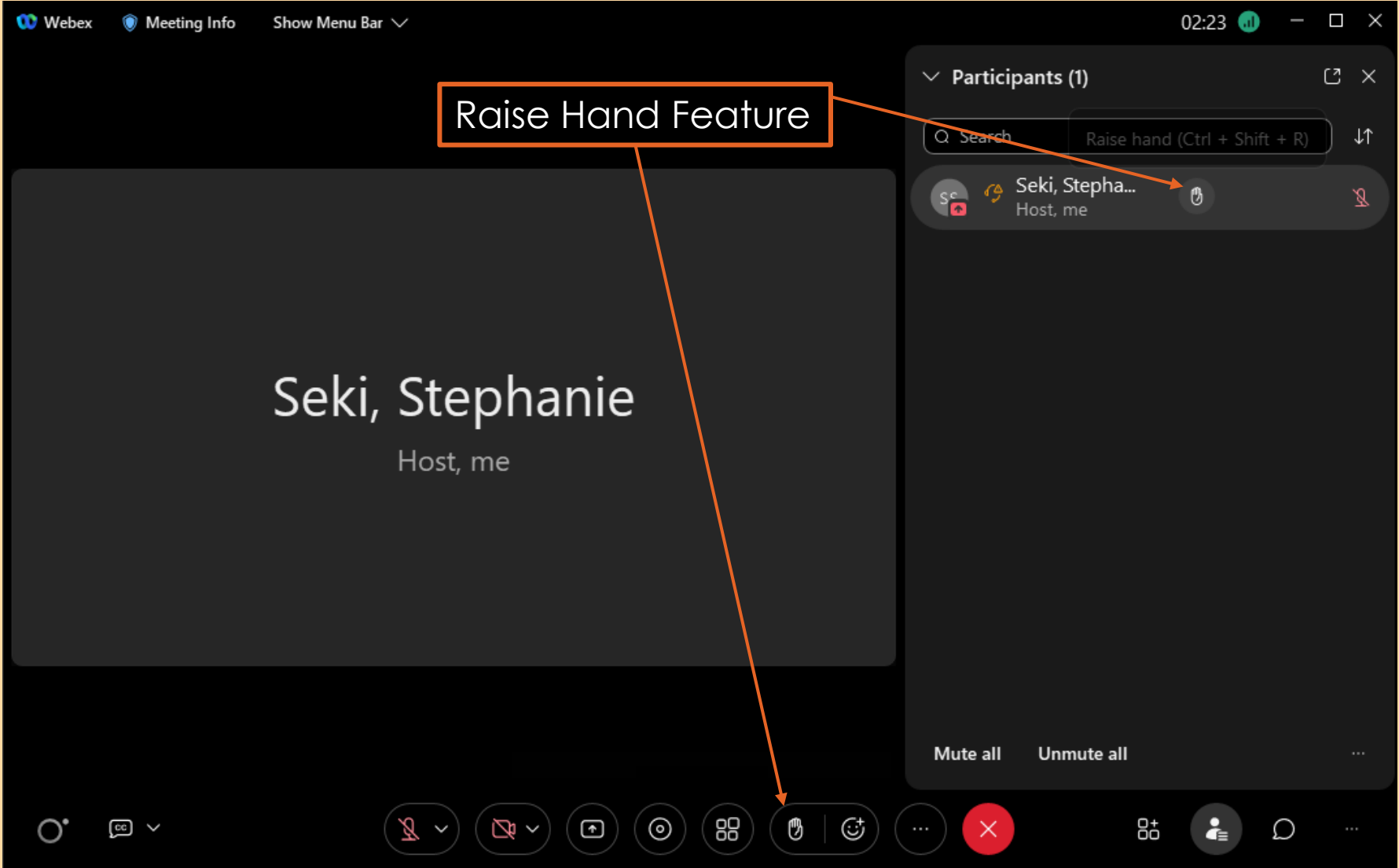
- **Purpose.** Staff prepare a biennial Unanticipated Barriers and Progress Report to meet the statutory unanticipated barriers reporting and to assess progress made towards other program goals.
- **Requirements.** CPED proposes the items to be considered as part of the “Progress” part of the report include, in addition to the Unanticipated Barriers Review:
 - Review of Annual GHG reduction and eVMT targets; Low- and Moderate-Income Driver Impact; Outreach and Engagement; Advancement of Clean Mobility; Advancement of Environmental and Social Justice; Sustainable Land Use; Assessment of Optional Credits; and Exemptions.

Questions on Staff Proposal

Questions on Staff Proposal

- Staff will use the “raise hand” feature to field questions and comments. We will offer verbal questions first for anyone who cannot use the raise hand feature.
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Questions on Staff Proposal



CMS Phase 1 Staff Proposal Comments & Reply Comments

Ruling Questions for Party Comment

Attachment B Summary Bullets provides a summary of the Staff Proposal; this may be used to support party understanding and development of comments on the Ruling Questions.

Upcoming Due Dates

January 30, 2023: Comments due

February 27, 2023: Reply comments due

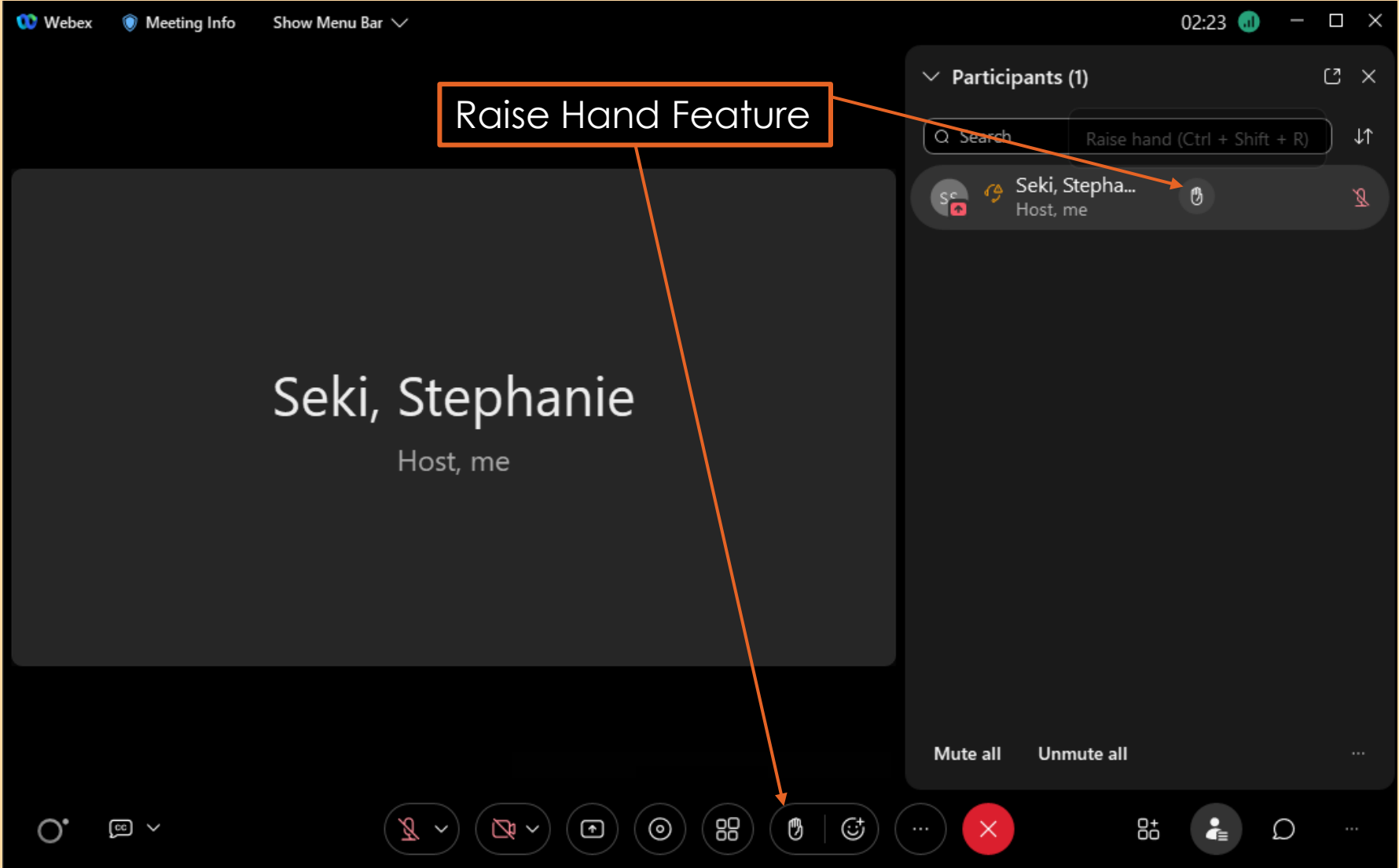
Staff Guided Q&A

Open discussion on a few topics from the Staff Proposal

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Staff Guided Q&A



Annual Targets and Timeline

CMS Annual Targets

Calendar Year	GHG Target (grams CO ₂ /PMT)	Calendar Year	eVMT
2023	252	2023	2%
2024	237	2024	4%
2025	207	2025	13%
2026	161	2026	30%
2027	110	2027	50%
2028	69	2028	65%
2029	30	2029	80%
2030+	0	2030+	90%

GHG: Greenhouse Gas
CO₂: Carbon dioxide
PMT: Passenger miles traveled
eVMT: Electric vehicle miles traveled

Could include optional GHG credits

Proposed Implementation Timeline

After First Decision

- Partial GHG Plans within 90 days
- Commission resolution within ~ 90 days
- Start Program Administrator RFP (6-month process)
- Start collection of fee

Additional RFPs

- Cont. data reporting
- First Annual LMI Driver Impact Report
- RFPs for Evaluation Contractor and Financial Auditor

Ongoing Implementation

- Cont. data reporting
- Annual LMI Driver Impact Report

Year 1 (2023)

Year 2 (2024)

Year 3 (2025)

Year 4 (2026)

Year 5 (2027)

*Years shown assume a first decision in 2023

First Full Year of Implementation

- Select Program Administrator - Submits Implementation Plan and Handbook within 90 days
- Full GHG Plan due within 90 days of Phase 2 Decision
- Quarterly & annual data reporting

New GHG Plan Year

- GHG Plans within due Jan 1st
- First Unanticipated Barriers and Progress Report
- Cont. data reporting
- Annual LMI Driver Impact Report
- Programmatic Evaluation & Financial Audit

Annual Targets and Proposed Implementation Timeline - Questions

1. Should the Commission hold CMS Regulated Entities accountable for meeting the CARB annual targets for 2023?
2. What about for 2024?
3. How does the proposed timeline presented impact your thinking about the proposed implementation of CMS?
4. What are the implications of the Drivers Assistance Program/Program Administrator starting in 2024/2025?

Low- and Moderate-Income Drivers and Drivers Assistance Program

Proposed Third-Party Program Administrator Role

- Third-Party Program Administrator model is common at the CPUC and other State agencies
 - Single entity/source to manage one program – consistency across regulated entities
 - Expertise in program administration
 - Connections to community-based organizations, improved outreach and engagement
- Funded through the CMS Regulated Entities' proposed regulatory fee.
- Administrative costs should be shared among the CMS Regulated Entities.
 - Contracting agent \$100K/year; Program Administrator's administrative fees \$8M/year; Programmatic Evaluation/Financial Audit \$500K/evaluation.

Proposed Third-Party Program Administrator Role

Examples



CARB: CVRP



CPUC: Solar on Multifamily Affordable Housing



CARB: Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project



CEC: California Electric Vehicle Infrastructure Project (CALeVIP)

Proposed Drivers Assistance Program Roles and Responsibilities

CPUC

- Oversee all aspects of the Drivers Assistance Program
- Establish required Drivers Assistance Program elements through decisions
- Review and approve of implementation deliverables

CMS Regulated Entities

- Propose and establish regulatory fee to fund program
- Disseminate info to drivers
- Data reporting
- Support program efforts

Contracting Agent

- For Program Administrator:
 - Issues RFP
 - Holds contract
 - Invoices/payment
- Establishes account for funds
- Data reporting

Program Administrator

- Manage and implement program
- Implementation Plan and Handbook
- Data reporting
- Outreach and engagement

Proposed CMS Incentives



Vehicle procurement incentive using affordability estimates that include loan principal, interest, fuel, insurance, and maintenance

- Match CVRP
- Individual Assessment
- General Assessment



Charging incentive to cover cost of charging, time to charge, or other charging related costs.

- Match CVRP
- New Estimate
- Flexible Incentive

Low- and Moderate-Income Drivers and Drivers Assistance Program – Questions (1 of 2)

1. For the organizations who act as program administrators, is the Program Administrator model appropriate for CMS and the Drivers Assistance Program?
2. Is the proposed method for starting-up of the Drivers Assistance Program and Program Administrator selection clear and appropriate?
3. Is it clear how the Drivers Assistance Program is funded?
4. Are the proposed administrative budgets adequate for the work proposed for the contracting agent, program administrator, evaluation contractor, and financial auditor?

Low- and Moderate-Income Drivers and Drivers Assistance Program – Questions (2 of 2)

1. Are the proposed roles and responsibilities for the Drivers Assistance Program clear and appropriate?
2. Is the affordability approach appropriate for vehicle procurement?
3. Is there one method for setting a vehicle incentive amount that is best suited for CMS implementation and low- and moderate-income drivers?
4. Should there be a separate charging incentive to support low- and moderate-income drivers? What are efficient ways to provide charging related incentives to low- and moderate-income drivers?

Clean Mobility, Environmental and Social Justice (ESJ), and Outreach and Engagement

Proposed Clean Mobility and ESJ Policies

- Focus on getting **low- and moderate-income drivers** into ZEVs and **low- and moderate-income communities** serviced by CMS Regulated Entities or with increased access to rides in ZEVs and to charging infrastructure.
- Definitions are **California specific, income-based** updated annually.
- CMS Regulated Entities will describe in their GHG Plans how their proposals support clean mobility and ESJ goals.
- Data reporting from CMS Regulated Entities and Drivers Assistance Program to support assessment of progress made towards these goals in biennial reports.

Proposed Outreach and Engagement

Drivers

- Driver Working Group
- Annual Driver Survey
- CMS Regulated Entity driver outreach
- Drivers Assistance Program outreach and engagement

Other Orgs.

- Implementation Working Group
- Transportation Electrification Workshops
- Drivers Assistance Program outreach and engagement

Clean Mobility, Environmental and Social Justice (ESJ), and Outreach and Engagement - Questions

1. Do you agree with how staff proposes to define low and moderate-income?
2. Are there clean mobility and or ESJ issues that are important to specify? Or additional data collection that the Commission should consider?
3. Are there are specific ways in which the Commission should consider for outreach with drivers and community-based organizations? Are there obvious connections that we may have missed?
4. What can we do to make ensure adequate and appropriate outreach and engagement?

GHG Emissions Reduction Plans

Proposed GHG Plans

- **Process**

- Submit via Tier 3 Advice Letter
- Modifications submitted via Tier 1 Advice Letter
- Deviations to GHG Plans submitted via Tier 1, 2, or 3 Advice Letters

- **Partial GHG Plans**

- Submit Partial GHG Plans according to Phase 1 decision
- Submit full GHG Plans according to Phase 2 decision

- **Content**

- Narrative Plan and Supplemental Calculations for each target year.

- **Review**

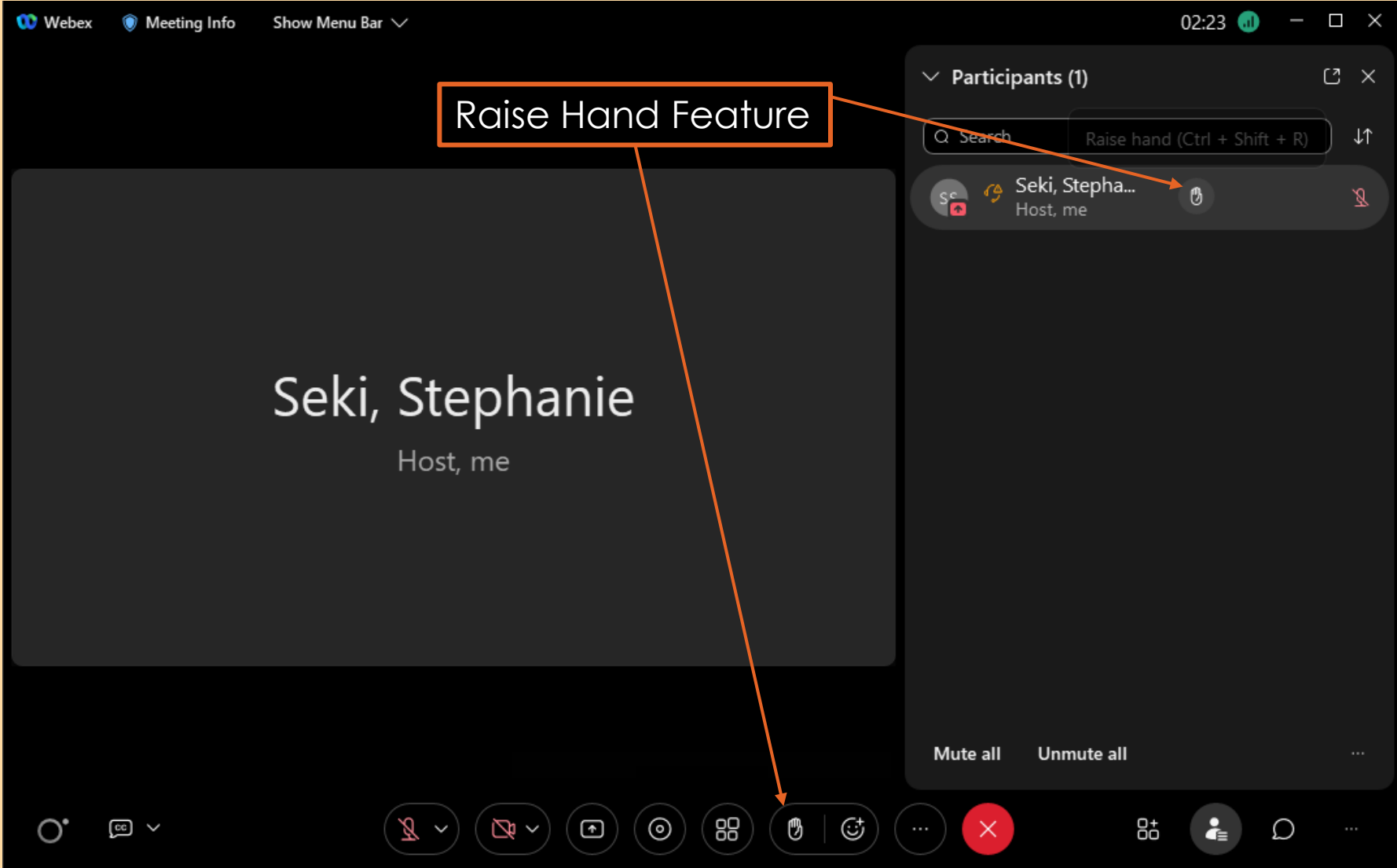
- Scorecard criteria based on (1) completeness, (2) feasibility, and (3) accuracy (using “exemplary”, “sufficient”, or “deficient” as scores).

Public Comment

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Public Comment



Closing

- **Thank you for joining us!**
- **Upcoming Due Dates**
 - January 30, 2023: Comments due
 - February 27, 2023: Reply comments due
- **Become a party to the proceeding – R.21-11-014**
 - Instructions can be found online: [Methods for Becoming a Party](#)
 - Contact the Public Advisors office public.advisor@cpuc.ca.gov, 1-866-849-8390 or CleanMiles@cpuc.ca.gov if you have any questions.



California Public Utilities Commission

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