

AB 1745

CLEAN CARS 2040 ACT

Assemblymember
Phil Ting
19TH DISTRICT



SUMMARY

California must drastically reduce air pollution and greenhouse gas emissions from the transportation sector, especially from vehicles traveling on highways and roads. While the state has made gains toward meeting near-term reduction targets through AB 32 regulations and the cap-and-trade program, current programs and targets will not be enough beyond 2030. This bill, the Clean Cars 2040 Act, will allow us to meet our goals by requiring all new passenger vehicles in California after January 1, 2040, to be zero-emissions vehicles (ZEV). We have passed these laws and goals, and we will not achieve them without this legislation.

BACKGROUND

The industrialized world is moving toward zero emissions transportation systems, including banning gas or diesel powered vehicles. Great Britain, France, China, India, and other countries are phasing out gas- and diesel-powered vehicles, and requiring new vehicles to be zero emissions. Just these four countries represent over 35 million new vehicle sales per year, which will require global automobile manufacturers to develop, build, and market a full range of ZEV options for drivers. By aligning its 2040 requirement with these and other countries, California can keep pace with the world and take advantage of this coming market shift.

The transportation sector accounts for almost 40% of the greenhouse gas emissions in California, with cars and light-duty trucks making up 70% of the sector's emissions, and ZEVs are a critical component to our efforts to improve the environment and health in our communities. On November 1, 2017, the Los Angeles Times Editorial Board called for California to "ban sales of new vehicles that emit greenhouse gases causing global warming," citing rising temperatures, intensifying weather impacts, wildfires, and droughts resulting from climate change. In its October 2016 report "Clean Air Future," the American Lung Association estimates that in 2015 California suffered \$15 billion in health costs due to greenhouse gas emissions and air pollution from passenger vehicles, including respiratory illness, premature mortality, and lost workdays.

California has established incentive programs, such as the Clean Vehicle Rebate Program and the Enhanced Fleet Modernization Program, to provide rebates for customers to purchase new and used zero and lower emissions vehicles. In addition, the state is encouraging the build-out of ZEV charging and fueling infrastructure through changes to the Building Code and funding initiatives. The Clean Cars 2040 Act establishes a clear deadline to further accelerate these capital investments.

Combined with reduced maintenance costs, ZEVs represent significant savings for daily driving needs. According to the U.S. Energy Information Administration, the average electricity rate for

residential customers in California in September 2017 was 18.98 cents per kilowatthour (kWh). Depending on the ZEV model, this projects to between \$5 to \$7 per 100 miles driving, and about half the fueling costs for the average California driver (14,440 miles annually, 25 miles per gallon, \$3.14 per gallon (12/10/2017)).

Car manufacturers recognize that ZEVs will drive the future. This year, Volvo announced that all of its vehicle models starting in 2019 will be full or hybrid electric vehicles; Tesla has sold approximately 200,000 electric vehicles and the waiting list for its Model 3 is over 500,000 people; Ford announced it will launch 13 electric vehicles over the next several years and 2/3 of its models will be electric by 2030; General Motors will release 20 new all-electric models before 2023, including 10 models in China by 2020; Toyota has announced partnerships for electric vehicles with Mazda and with Suzuki for sales in India; and Honda will release 2 all-electric vehicles in 2018, one for China and one for Europe.

Over the next 22 years, California can transition its new car market to all ZEVs. The health and environmental necessity is clear, and the technological advancements are real. On October 19, 2017, the Wall Street Journal's car reviewer, after more than a week of test driving the Chevrolet Bolt (full electric vehicle), stated, "In the end, it will not matter how much Big Oil spends propagandizing against electric cars or if gasoline goes back to 30 cents a gallon. Gainsayers need only run down to a Chevrolet dealership and drive, back to back, dollar for dollar, one of the company's anodyne family haulers and the Bolt. Which one is quieter, more refined, quicker around town (much!), with better ride and handling? Which one feels like the future and the past?"

THIS BILL

AB 1745 requires all new vehicle registrations in California on and after January 1, 2040, to be zero-emissions vehicles. The bill defines zero emissions vehicle as "a vehicle that produces zero exhaust emissions of any criteria pollutant (or precursor pollutant) or greenhouse gas, excluding emissions from air conditioning systems, under any possible operational modes or conditions." The bill does not apply to commercial motor vehicles weighing more than 10,000 pounds, and allows people moving into California to keep their vehicles, whether ZEV or not.

SUPPORT

Pending

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