

The Ambition Road Map

A Guide for State and Local Advocates to Continue the Electric Vehicle Transition

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Introduction

The emergence of a new federal government that is openly antagonistic to environmental policy has slowed the crucial progress of climate action. Over the course of the year, environmental advocates and leading decision makers have turned to defensive measures to protect against federal rollbacks. Despite these efforts, the federal administration has been successful in tearing down many of the foundational policy frameworks underlying the clean energy transition, including the adoption of zero-emission transportation. Not only did the federal government revoke a slew of widely popular incentive programs, but it has attacked states' long-standing authority to opt in to more protective tailpipe emissions standards. This assault on zero-emission transportation has slowed progress and upended the pathway to reducing harmful pollution from the transportation sector.

The new political landscape means that state- and local-level policies will be the most essential and effective avenues for advancing critical clean energy policy in the near term. Although the current administration remains hostile toward zero-emission vehicles, the global economy is shifting to the technologies of the future, and the need to transform our transportation system is stronger than ever before. Thus, it is vital that advocates and decision makers at the state and local level continue to advance policy that aids in this ever-important evolution.

This report outlines key policy areas to maintain the transition to zero-emission vehicles and provides case studies from jurisdictions around the country that have successfully implemented these types of policies. The case studies are intended to provide a potential model for how future policies can be developed and passed. *The Ambition Road Map* affirms that meaningful action on transportation electrification can be driven at the state and local level by pointing to some of the best and most unique examples across the country.

It is important to note that while increasing access to multimodal transportation and public transit is a crucial strategy to decarbonize the transportation sector and create more resilient communities, this report is focused on policies related to increasing zero-emission transportation.

We must rapidly electrify our transportation system in the United States to avoid the worst impacts of climate change, improve air quality, curb pollution, protect human health, and remain globally competitive. The Ambition Road Map outlines viable pathways to stay the course on this essential work.

The Ambition Road Map is structured around three categories of policies: incentives, standards, and enabling policies. ¹The sections about incentives and standards are the primary focus of the report, and most policies discussed in these sections have an accompanying case study. These case studies are briefly summarized within the main body of the report with a succinct description. More detailed case studies are provided in the Appendix for readers who are interested in additional information.



¹In some cases, certain policies may include both an "incentive" and a "standard" element, but for the sake of simplicity we have grouped each policy into a single category and note if the policy includes multiple elements.

Incentives — Pulling the Market Ahead

Incentives to help offset the purchase of electrified transportation equipment, like electric vehicles (EVs), electric bicycles (e-bikes), and EV chargers, are one category of policies discussed in this report. Incentive programs raise two considerations from a policy perspective: How is incentive money raised, and how is incentive money spent to support transportation electrification? Although it is important to design incentive programs to be maximally effective, the more challenging policy consideration is how to raise the money needed to create an incentive program. That is why developing revenue-generating mechanisms to support EV incentives is the focus of this section. Not only can raising revenue be technically complicated, but it can also be politically challenging.

This section looks at different revenue-generating mechanisms, including state- and municipal-level options, to provide a diverse suite of examples for how subnational actors can fund zero-emission transportation incentive programs. Many of these mechanisms also raise money for other clean energy or climate resiliency measures and shouldn't be thought of as just transportation electrification policies, although the incentive money they provide is essential for the transition to zero-emission transportation. Finally, while this list of revenue-generating mechanisms is thorough, there are certainly other policy examples not included here, as well as innovative novel approaches that could be developed.

Federal Funding

The passage of the Inflation Reduction Act (IRA) in 2022 appeared to usher in an era where the federal government would lead the country's transition to zero-emission vehicles. The IRA revamped federal tax credits for new and used zero-emission passenger vehicles as well as zero-emission medium- and heavy-duty commercial vehicles. The act also developed programs aimed at increasing the availability of public charging stations and included direct funding to support various components of the EV supply chain. The IRA also sent funding directly to states and municipalities to support implementation of their climate plans, and many of these state plans focused on decarbonizing the transportation system.

Now, through executive branch actions and the passage of the federal HR1 bill in July 2025, many IRA clean transportation incentive and grant programs have been dismantled. This is a great challenge to the domestic zero-emission vehicle industry, and it puts many state climate and air-quality goals in jeopardy. To overcome the withdrawal of federal support for clean vehicles and clean air, state and local governments must step up and find innovative ways to generate funding for clean transportation. Although the EV transition is well underway, the urgency of the climate crisis means that we need to expedite this transition, and incentive programs are a powerful tool. Luckily, there are a host of innovative funding models that have been developed by cities and states around the country. Addressing the climate crisis will require state and local actors to increase the ambition of their support for clean transportation, and there is room to expand the number of jurisdictions around the country that are providing dedicated funding to support zero-emission vehicles.

Tax Credits

Tax credits are incentives provided to encourage certain activities by reducing tax liability. In the context of zero-emission transportation, there are incentives that help offset the cost of the purchase of an electric vehicle, EV charging station, e-bike, or other zero-emission technology. Tax credits are

not funded directly through government spending, but rather through a reduction in collected tax revenue from individuals or businesses. In some cases, they can be claimed at the point of sale so customers can receive the benefits of the credit directly at the time of purchase.

Tax credits are one of the most common incentives to support zero-emission transportation. As of Aug. 1, 2024, over 20 states had tax credits available to offset the purchase of new EVs, and some also had tax credits for used EVs and EV charging stations. ² The federal government has offered an EV tax credit continuously since 2009, ³ although those credits came to an end on Sept. 30, 2025, as a consequence of the 2025 HR1 federal legislation, which revoked almost all incentives for clean energy and zero-emission transportation. ⁴

Tax credits are typically passed, changed, or amended through legislation and then approved by a state governor. Because there are many examples of tax credits and they are a relatively straightforward incentive, we do not provide a case study for this policy.



² "Electric Car Tax Credits: State by State," U.S. News, 2024,

https://cars.usnews.com/cars-trucks/advice/state-ev-tax-credits.

https://www.driveway.com/learn/buying/decoding-the-new-electric-vehicle-tax-credits

https://www.kiplinger.com/taxes/ev-tax-credit.

³ "Decoding the Electric Vehicle Tax Credits," *Driveway*, 2025,

⁴ "How the EV Tax Credit Works for 2025: Yes, It's Ending Soon," Kiplinger, 2025,

Feebate Programs

A "feebate" program levies fees on certain actions that lead to negative societal outcomes, and those collected funds are utilized to support activities that provide societal benefits. For transportation programs, the fee is meant to negate the externalities resulting from the higher levels of pollution from certain vehicles. Feebates can be structured in many ways, but typically they are levied as a fee on more polluting vehicles at the point of sale and pooled to fund a program for rebates that are available to purchasers of zero-emission vehicles.

Feebates are favored by some environmental economists because they efficiently promote changes in personal behavior and incentivize individuals to make more environmentally friendly purchases. Feebates are also revenue-neutral for state and municipal budgets. ⁵ This means that city or state officials can put a feebate program in place without having to raise taxes or leverage government budgets. Feebate programs would likely need to be passed through legislation.

Case Study 1: Illinois Electric Vehicle Rebate Fund

The <u>Illinois Electric Vehicle Rebate Fund</u> was created through the Climate and Equitable Jobs Act, which the Illinois legislature passed in 2021. The fund provides an EV rebate for full battery-electric vehicles and is funded through a \$20 fee levied on individuals, government entities, or companies that own more than 10 vehicles, although EVs are exempt from the fee. The fee is paid annually at vehicle registration, and the funds are utilized for rebates of up to \$4,000 for individuals purchasing an EV, although the rebate amounts wind down over time.

Fast facts:

- Level of government: state level
- How it passed: legislation
- When it passed: 2021
- Scale of impact: roughly \$15 million in funds for rebates annually
- Duration: 2022-2030, with rebates scaling down over time
- Type of support for transportation electrification: rebates only for battery-electric vehicles
- Support beyond transportation electrification: no
- Other jurisdictions with similar programs: Connecticut and Oregon

For more information about Case Study 1, visit the Appendix.

Commodities Movement Fees

A commodities movement fee is a program that places a small per-trip fee on certain activities such as food deliveries, online retail deliveries, or ride-sharing services. These fees are paid directly by the company that is conducting the commodity movement. The revenue generated from this commodity movement is then used to support decarbonization activities like accelerating the deployment of zero-emission vehicles. This type of program is revenue-neutral to taxpayers and government budgets because the per-trip fee provides all the revenue needed to fund the rebates and services aimed at

⁵ "Feebates: An effective regulatory tool in a cost-constrained environmental policy," *Energy Policy*, 2006, https://www.sciencedirect.com/science/article/abs/pii/S0301421505002776.

supporting electrification. Due to the complexity of this program, it would likely need to be created through legislation at the state level or by city ordinance.

This model can be more complex than a simple feebate program and can generate sufficient dedicated funding to support creation of new agencies or entities focused on deployment of clean energy technologies like EVs and EV charging. This type of program can also vary greatly in scale from relatively straightforward fees to more complex designs like Colorado's Green Enterprises Program, which is the focus of this section's case study.

Case Study 2: Colorado Green Enterprises

Colorado's omnibus transportation bill, <u>Sustainability of the Transportation Sector</u>, was passed in 2021 and created Colorado's Green Enterprises — agency-like bodies of government with directives to electrify Colorado's passenger, fleet, and public transit vehicles through a diverse package of incentives, direct investments, trainings, and public education. The program is funded through a set of nine fees levied on various components of Colorado's transportation sector, including new fees on gasoline, diesel, EVs, residential deliveries, and rideshare trips. While the law includes provisions for road maintenance and public transportation, the Green Enterprises are focused solely on electrification. ⁶

Fast facts:

- Level of government: state level
- How it passed: legislation
- When it passed: 2021
- Scale of impact: roughly \$66 million per year for electrification
- Duration: through 2032
- Type of support for transportation electrification: rebates, technical assistance
- Support beyond transportation electrification: no
- Other jurisdictions with similar programs: unknown

For more information about Case Study 2, visit the Appendix.

Corporate Gross Receipts Fee

A corporate gross receipts fee is a revenue-generating mechanism where corporate entities doing retail sales must pay an annual fee based on the company's gross sales. A corporate gross receipts fee can be used to generate revenue to fund clean energy projects that can be administered by a city, county, or state agency. A fee of this nature could be structured in various ways, such as excluding certain industries like small businesses or businesses that provide critical community services. The Portland Clean Energy Fund is a compelling example of a clean energy program that is funded through a corporate gross receipts fee and is the focus of the case study for this section.

⁶ Colorado Senate Bill 21-260, "Sustainability of the Transportation Sector," https://leg.colorado.gov/bills/sb21-260.

Case Study 3: Portland Clean Energy Fund

The <u>Portland Clean Energy Fund</u> is a municipal-level program administered by the city of Portland, Oregon, that provides funding to support clean energy, sustainable transportation, climate resiliency, and clean energy job training. The program is funded through a gross receipts fee imposed on large retailers with \$1 billion in total national revenue that do at least \$500,000 in business in Portland. Some businesses, like utilities, cooperatives, credit unions, ⁷ and health care service providers are exempted from the fee.

Fast facts:

- Level of government: city level
- How it passed: ballot measure
- When it passed: 2018
- Scale of impact: \$150 million in funding annually
- Duration: no end date
- Type of support for transportation electrification: municipal fleet electrification, rebates, and direct grants
- Support beyond transportation electrification: funding for solar, energy efficiency, clean energy job training, and much more
- their jurisdictions with similar programs: unknown

For more information about Case Study 3, visit the Appendix.



⁷ Portland City Code, Chapter 7.02, "Business License Law," https://www.portland.gov/code/7/02/100.

Sales Tax

A sales tax is a charge collected by a government agency as a percentage of the sale price of an item or service. In some cases, a dedicated sales tax is used to generate revenue for clean energy or climate programs. This can help create a stable source of revenue to establish and run these types of programs over a long period of time.

Case Study 4: Denver Climate Protection Fund

The <u>Denver Climate Protection Fund</u> supports Denver's Office of Climate Action, Sustainability and Resiliency, which deploys clean energy resources, promotes sustainable transportation, and makes the city's infrastructure and people more resilient to a changing climate. The Denver Climate Protection Fund is supported by a 0.25% sales tax levied on certain goods sold in the city, providing roughly \$40 million per year in funding to support the office's programs in perpetuity. 8

Fast facts:

- Level of government: city level
- How it passed: ballot measure
- When it passed: 2020
- Scale of impact: \$40 million in funding annually
- Duration: no end date
- Type of support for transportation electrification: municipal fleet electrification, rebates, and direct grants
- Support beyond transportation electrification: solar, energy efficiency, and many more climate-related measures
- Other jurisdictions with similar programs: unknown

For more information about Case Study 4, visit the Appendix.

Utility Funding

As momentum to electrify vehicles has grown since the late 2010s, utilities have emerged as a key player in building out a charging network sufficient to support drivers who decide to go electric. Regulators of investor-owned utilities around the country have approved billions of dollars to undertake a wide range of activities that support the adoption of EVs, including rebates for chargers, investments in electrical wiring for chargers, utility-owned EV chargers, and rebates for EVs and e-bikes. The primary funding mechanism for a utility to support zero-emission transportation is through transportation electrification plans, which are investment plans that electric utilities bring forward to regulators for discussion, review, and approval through a litigated process. For individuals interested in learning more, the WRA report, *Overview of Utility Transportation Electrification Plans*, provides

^{8 &}quot;The Climate Protection Fund," city and county of Denver,

an extensive discussion of best practices in utility transportation electrification plan design and cites numerous examples.

Although transportation electrification plans have been the most common way for utilities to aid adoption of zero-emission transportation, there are other models worth noting. Another option is to increase the utility franchise fee paid to a city that allows a public utility to operate in its jurisdiction. This could be useful for municipal leaders trying to fund their local sustainability plans. Several municipalities across the country have leveraged the utility franchise negotiation process to create a dedicated, stable source of revenue for clean transportation and other decarbonization activities.

Case Study 5: Minneapolis Climate Legacy Initiative

The <u>Minneapolis Climate Legacy Initiative</u> is a municipal program that generates funding for decarbonization activities by increasing the franchise fees electric and gas utilities pay to the city. The program supports electrification of the city's fleet vehicles and funds a wide array of decarbonization activities, including construction of on-street public charging hubs. ⁹

Fast facts:

- Level of government: city level
- How it passed: utility franchise agreement
- When it passed: 2023
- Scale of impact: roughly \$10 million in annual funding
- Duration: through 2029
- Type of support for transportation electrification: rebates and grants for EV fleet purchases and EV charging stations
- Support beyond transportation electrification: yes, supports a host of other climate measures
- Other jurisdictions with similar programs: San Diego, California; Eagan, Minnesota; and Hopkins, Minnesota

For more information about Case Study 5, visit the Appendix.

Cap-and-Invest

A cap-and-invest program is an economywide market-based approach to reducing greenhouse gas emissions. The program works by setting limits on the total allowable carbon emissions within the jurisdiction governed by the rule and then requires polluters to either reduce their emissions to that level or purchase allowances for emissions. The cap on total allowable emissions typically declines over time as the program attempts to bring economywide emissions down to zero. The revenue generated by the auctions of emissions allowances is then used by the state or other governmental agency to support decarbonization activities, often at a scale that is much larger than other state-based programs.

⁹ "Climate Legacy Initiative," city of Minneapolis, https://stories.opengov.com/minneapolismn/published/ggauN9Qg7.

^{10 &}quot;Minnesota Cities Tap Utility Fees to Help Fund Local Clean Energy and Climate Action," Canary News, 2024,

https://www.canarymedia.com/articles/enn/minnesota-cities-tap-utility-fees-to-help-fund-local-clean-energy-and-climate-action.

Not only does a cap-and-invest program lead to significant pollution reductions through investments in clean energy and transportation, it also encourages polluting industries to reduce their emissions so they do not need to purchase as many allowances. Small businesses or certain types of industries may be exempt from cap-and-invest rules.

Cap-and-invest programs are often cited by environmental economists as one of the most successful policies at decarbonizing the economy. These programs are considered cost-effective because they create a financial incentive for polluting industries to reduce emissions and use fewer allowances. The cost incentive for polluting industries to reduce their emissions can also encourage innovation. Finally, these policies can generate significant amounts of funding to support decarbonization. This is exemplified by the case study for this section, the Washington Cap-and-Invest Program.

Case Study 6: Washington Cap-and-Invest Program

The <u>Washington Cap-and-Invest Program</u> passed as a component of the Climate Commitment Act and has become a massive source of revenue for decarbonizing transportation in the state, including investments in public transit, incentives for personal and commercial vehicles, community EV charging infrastructure, electric ferries, rail electrification, and EV fast-charging ¹² stations, to name a few. The program is funded by regulating the largest polluters, which covers approximately 75% of the state's emissions but excludes utilities and provides a longer lead time for specially designated "emissions-intensive trade-exposed industries" to reduce emissions. ¹³ The program took several years to design and implement and went into effect in January 2023. It was strongly supported by then-Gov. Jay Inslee and a diverse set of coalition partners.

Fast facts:

- Level of government: state level
- How it passed: legislation
- When it passed: 2021
- Scale of impact: \$1.5 billion for transportation decarbonization since 2023
- Duration: no end date
- Type of support for transportation electrification: rebates and direct investment
- Support beyond transportation electrification: supports wide array of climate measures
- Other jurisdictions with similar programs: California, Consortium of Northeastern States, and the European Union

For more information about Case Study 6, visit the Appendix.

[&]quot;Climate Cap and Trade Pollution and Hot Spots: An Economics Perspective," *Georgia State University Law Review*, 2023, https://readingroom.law.gsu.edu/cgi/viewcontent.cgi?article=3214&context=gsulr.

¹² Direct current fast-charging (DCFC) equipment offers rapid charging along heavy-traffic corridors at installed stations. DCFC equipment can charge a battery EV to 80% in just 20 minutes to one hour, depending on the maximum charging speed of the vehicle and the maximum capacity of the charging station, both of which can vary significantly; "Charger Types and Speeds." U.S. Department of Transportation,

https://www.transportation.gov/rural/ev/toolkit/ev-basics/charging-speeds.

¹³ EITEs are local industries, mostly manufacturing facilities that are designated with special treatment in the Washington legislation because they face significant national or global competition. About 40 facilities qualify, and produce products like paper, food, beverages, steel, airplanes, etc. "Washington Cap-and-Invest Program," Washington State Department of Ecology, 2023, https://icapcarbonaction.com/system/files/ets_pdfs/icap-etsmap-factsheet-85.pdf.

Green Banks

Green banks are financial entities that are designed to accelerate the transition to clean energy by providing loans at lower interest rates compared to traditional financial institutions. The goal of green banks is to use a low- or no-interest loan that is supported by public funds to mobilize private capital investment in various clean energy projects. Green banks can support a wide array of clean energy investments, including electrification measures like providing loans for the purchase of electric buses and fixed-rate financing for installation of EV charging stations. ¹⁴

Green banks may be administered by local or state agencies or by a nonprofit organization. The prevalence of green banks has skyrocketed in recent years. There are currently 45 green banks operating across the U.S., ¹⁵ which is more than double the number in 2021. ¹⁶ Between 2011 and December 2023, green banks across the U.S. generated \$25.4 billion in clean energy investments. ¹⁷ While many green banks were founded by state legislatures or city councils, others were founded independently by nonprofit or philanthropic organizations. ¹⁸

To provide low- or no-interest loans, however, green banks need to have a dedicated revenue source. To create a state or local green bank, funds need to be generated through mechanisms like fees or taxes, which were discussed earlier in the report. Alternatively, funds could be raised philanthropically through donations, as is the case for nonprofit green banks. There are many useful resources that explain green banks in great detail, including the National Governors Association's **Green Banks: An Overview for Governors** and the Climate Policy Initiative's **State of Green Banks 2025**.

To capture the diversity of green bank arrangements, three case studies are in the Appendix: the Connecticut Green Bank, the Nevada Clean Energy Fund, and Montgomery County Green Bank.

Case Study 7: The Connecticut Green Bank

The **Connecticut Green Bank** was established legislatively and was the first green bank created in the U.S. It mobilized billions of dollars to support residents and businesses investing in clean energy and sustainable transportation. The Connecticut Green Bank has a variety of durable funding sources, including a surcharge on electricity rates, ¹⁹ federal grant funding, proceeds from the Regional Greenhouse Gas Initiative, and Green Liberty bonds. ²⁰ The bank supports the installation of home EV chargers and has a loan program specifically for the acquisition of zero-emission buses.

https://www.nga.org/publications/green-banks-an-overview-for-governors.

https://www.ctgreenbank.com/investment-solutions/green-liberty-notes-bonds

¹⁴ "Green Banks: An Overview for Governors," National Governors Association, 2023,

¹⁵ "The Green Bank 50 Membership," U.S. Green Banks, https://www.usgreenbanks.org/members.

^{16 &}quot;2023 CGC Annual Report," Coalition for Green Capital, American Green Bank Consortium, 2023,

https://coalitionforgreencapital.com/wp-content/uploads/DAY-One-2023-CGC-Network-Highlights.pdf.

^{18 &}quot;Green Banks," U.S. Environmental Protection Agency, 2025, https://www.epa.gov/statelocalenergy/green-banks.

¹⁹ "Public Policy Components of Electric Bills," Connecticut Office of Legislative Research, 2024,

https://www.cga.ct.gov/2024/rpt/pdf/2024-R-0132.pdf

²⁰ "Green Liberty Notes and Bonds," Connecticut Green Bank,

Fast facts:

- Level of government: state level
- How it passed: legislation
- When it passed: 2011
- Scale of impact: \$2.8 billion in clean energy funding leveraged from \$409 million in public funds
- Duration: no end date
- Type of support for transportation electrification: low-interest loans and fixed-rate financing
- Support beyond transportation electrification: funds a wide array of clean energy investments
- Other jurisdictions with similar programs: Nevada; Montgomery County, Maryland; Atlanta, Georgia; Missouri; and many others

For more information about Case Study 7, visit the Appendix.

Standards — Pushing the Market Forward

Standards are the second category of policies discussed in this report. Standards require entities to transition more rapidly to transportation electrification. There are many ways these policies can operate, such as requiring manufacturers to produce more zero-emission vehicles (ZEVs), ensuring regulated fleets electrify by a certain date, or requiring operators of high-emitting facilities to engage in activities that reduce emissions. The case studies below will explore a diverse group of standards implemented at the state, city, and county levels that aim to speed up the transition to zero-emission transportation.

While incentives improve the financial case for electrification, standards are a direct electrification requirement that entities must meet or face a penalty for noncompliance. Although incentives are crucial to pushing the market forward by making zero-emission technology more attractive, standards establish universal accountability for all regulated entities. Standards create a common "floor" that all included entities must meet, providing confidence that certain levels of electrification — and subsequent emissions reductions — will be met. The strongest EV markets in the country have both standards and incentives in place. WRA believes both standards and incentives are necessary to meet the levels of electrification needed to avert the worst impacts of climate change, improve air quality, and maintain economic competitiveness.

The first standard we will discuss is the most impactful from an emissions reductions standpoint: the Clean Car and Truck Standards.



Clean Car and Truck Standards

State-level clean car and truck standards implicate two crucial electrification policies: the Advanced Clean Cars II (ACCII) and Advanced Clean Trucks (ACT) rules. These standards require automakers to rapidly increase their production of ZEVs, ranging from light-duty passenger vehicles to medium- and heavy-duty commercial vehicles.

As of October 2025, the federal government has disallowed states' authority to enforce these rules, breaking 50 years of precedent for state authority ²¹ and demonstrating the challenge of advancing clean energy policy in this chaotic and regressive period. The move by Congress, deemed an inappropriate use of the Congressional Review Act by several nonpartisan rule experts, ²² has been challenged by states that have adopted these standards. ²³ The congressional action and subsequent litigation create significant uncertainty about whether these rules will be enforceable going forward.

The clean car and truck standards were a central focus of EV advocates at the state level for several years because of their far-reaching impact on accelerating the ZEV market. ACCII would require all new vehicles sold to be ZEVs by 2035, with incremental goals before then. ACCII also includes substantial flexibility for regulated entities to demonstrate compliance with the standards. ²⁴ ACT requires that 75% of Class 4-8 rigid trucks, 55% of Class 2b-3 trucks and vans, and 40% of Class 7-8 tractor trucks be zero-emission by 2035. ²⁵ These standards push the market forward to a level

²¹ "U.S. Senate Strikes Down Vehicle Pollution Waivers, Overrules Parliamentarian in Break with Precedent," Western Resource Advocates, 2025.

https://westernresourceadvocates.org/news/u-s-senate-strikes-down-vehicle-pollution-waivers. 22 "Why You Should Care That Congress Might Use the CRA to Overturn California Waivers," *Legal Planet*, 2025,

https://legal-planet.org/2025/05/19/why-you-should-care-that-congress-might-use-the_cra-to-overturn-california-waivers.

²³ "California Attempts to Catch a 'Waive': State Leads 10 Others Suing Trump Administration Over Revocation of Vehicle Emission Waivers." Davis Wright Tremain LLP. 2025.

https://www.dwt.com/blogs/energy--environmental-law-blog/2025/06/california-epa-clean-air-emission-waivers-lawsuit

²⁴ "Advanced Clean Cars II," California Air Resources Board,

https://ww2.arb.ca.gov/our-work/programs/advanced-clean-cars-program/advanced-clean-cars-ii. 25 "Advanced Clean Cars II," California Air Resources Board,

https://ww2.arb.ca.gov/our-work/programs/advanced-clean-cars-program/advanced-clean-cars-ii.

that is both attainable and in line with what climate science tells us is necessary to avert the worst impacts of climate change. With these rules in limbo, however, it's important to consider other stateand

local-level standards in the interim.

Indirect Source Rule

Indirect source rules (ISRs) regulate transportation hubs that create stationary pollution hotspots, like warehouses, docks, and event centers. The rules are designed to reduce the emissions from these hubs, primarily by targeting transportation emissions associated with mobile sources like delivery trucks or passenger vehicles. Importantly, the operator of the indirect source needs to have some degree of control over reducing the emissions associated with the location. ²⁶ Warehouses have been the recent focus of many ISR efforts around the country, as e-commerce proliferation has increased emissions associated with warehouses. Although ISRs are not directly transportation policies, in practice around 90% of emissions associated with warehouses are due to vehicular traffic. ²⁷ Reducing traffic-related emissions is therefore the most meaningful way to reduce emissions from these facilities.

ISRs are well founded under federal law. The Clean Air Act expressly permits states to adopt ISRs under Section 110(a)(5), which authorizes states to adopt "any indirect source review program," and defines an indirect source as "a facility, building, structure, installation, real property, road, or highway which attracts, or may attract, mobile sources of pollution." ²⁸

Modern ISRs were developed by environmental justice advocates aiming to target truck emissions in highly polluted industrial areas where low-income and disproportionately impacted communities tend to live, and who suffer from the worst impacts of diesel emissions. The innovative policies that have been developed in the last few years are a testament to the work of the environmental justice community.

Recent ISR advocacy has focused on reducing emissions attributable to warehouses. As the e-commerce industry has proliferated over the last decade, the emissions from retail deliveries and associated truck traffic have grown considerably. ²⁹ The push for warehouse ISRs is still in its early stages, and although only one jurisdiction has successfully implemented this type of program, many other states and air quality districts are exploring their potential.

ISRs are complex policies. For one, air quality districts are structured differently across geographies. For example, California's local air quality districts have more power to implement

https://www.aqmd.gov/home/rules-compliance/compliance/waire-program.

https://www.thegreensolutions.net/e-commerce-logistics.

²⁶ "Wielding the Power of ISRs: Using Indirect Source Rules to Fight Air Pollution from Mega Facilities," *Pritzker Environmental Law and Policy Brief*, 2025,

https://law.ucla.edu/news/wielding-power-isrs-using-indirect-source-rules-fight-pollution-mega-facilities

²⁷ Heavy-duty trucks emit over 90% of the indirect source emissions from warehouses with at least 100,000 sq ft. of indoor floor space, according to SCAQMD's analyses of its Rule 2305; "Warehouse Indirect Source Rule — Warehouse Actions and Investments to Reduce Emissions Program," South Coast Air Quality Management District, pg. 2,

²⁸ "Wielding the Power of ISRs: Using Indirect Source Rules to Fight Air Pollution from Mega Facilities," *Pritzker Environmental Law and Policy Brief*, April 2025,

https://law.ucla.edu/news/wielding-power-isrs-using-indirect-source-rules-fight-pollution-mega-facilities

²⁹ "The Environmental Cost of E-Commerce Logistics," *Green Solutions*, 2024,

their own ISRs, but in some states the policies will need to be adopted at the state level. Second, although flexibility is one of the great assets of ISR policies, it also makes creating new policies very complicated. The flexibility to make any type of rule means each state or air quality district can design rules to meet their unique needs, but they must possess the necessary capacity to design the policy. This is a challenge for many states or air quality districts that do not have the capacity or resources to design their own rules or enforce compliance. As ISRs become more common, states and air quality districts can reduce this challenge by building from policies that have been successfully implemented elsewhere.

The most well-known ISR is the South Coast Air Quality Management District's Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program, which is the focus of this section's case study.

Case Study 8: South Coast's WAIRE Program

The <u>WAIRE Program</u> is an ISR intended to reduce emissions from warehouses by requiring their operators to meet an annual compliance obligation through points they can earn through certain activities. Point-earning activities include the installation of solar panels, purchase of ZEV trucks, ZEV charger construction, the submission and approval of a custom emissions-reductions plan, or mitigation payments to meet compliance requirements. Mitigation payments must be used to reduce emissions in communities in the vicinity of the warehouse. ³⁰ To date, most of the compliance obligations have been met through the purchase of ZEVs and associated charging infrastructure. ³¹

Fast facts:

- Level of government: air quality district
- How it passed: board adoption
- When it passed: 2021
- Scale of impact: spurred the adoption of 817 medium- and heavy-duty vehicles and 340 charging stations ³² in the first year and a half
- Duration: no end date
- Type of support for transportation electrification: encourages purchase of ZEV trucks and charging stations
- Support beyond transportation electrification: supports solar photovoltaic, air filter installations, custom air quality improvement plans
- Other jurisdictions with similar programs: none, although some are under development

For more information about Case Study 8, visit the Appendix.

https://www.aqmd.gov/home/rules-compliance/compliance/waire-program.

https://www.aqmd.gov/docs/default-source/planning/fbmsm-docs/annual_report_waire_program_102024.pdf. 32 "Southern California's Novel Warehouse Rule Is Reducing Truck Pollution," California Joint Electric Truck Scaling Initiative, 2024,

https://www.jetsiproject.com/southern-californias-novel-warehouse-rule-is-reducing-truck-pollution

³⁰ "WAIRE Program," South Coast Air Quality Management District,

^{31 &}quot;WAIRE Program Annual Report," South Coast Air Quality Management District, pg. 4, 2024,

Government Fleet Electrification

A direct way to increase ZEV adoption is to require a regulated fleet to meet electrification targets by a specified date. For example, a state can require the vehicle fleet it owns to reach 100% ZEVs by a certain date, as will be discussed in this section's case study from Hawaii. Fleet electrification requirements can have varied levels of stringency and operate with different mechanisms. These requirements can be implemented at the city, county, or state level. These rules can also target certain segments of a fleet, like school or transit buses.

There are many benefits to fleet electrification policies. First, states, counties, and cities have many vehicles in their fleets. Electrifying these fleets reduces emissions and drives demand for the ZEV market. For instance, Hawaii committed to electrifying all vehicles owned by the state by 2035, which was 24,724 vehicles in 2023. ³³ To give a sense of scale, the entire state had 37,767 registered EVs in June 2025. Converting the entire Hawaiian government fleet to EVs will be a significant driver of ZEVs in the state. Second, these policies are a great way for state governments to lead by example. Electrifying buses and state-owned vehicles serves as a strong indicator to citizens that their government is walking the walk, while also demonstrating the overall viability of the technology.

Because of the diversity of fleet electrification policies, two case studies are presented.

Case Study 9: Hawaii Clean Ground Transportation Goals

Hawaii's fleet electrification law requires 100% of state-owned light-duty passenger vehicles to be ZEVs by Dec. 31, 2030, and all state-owned light-duty trucks and vans to be zero-emission by 2035. Hawaii is pursuing this ambitious target through a requirement that all new passenger vehicle purchases be ZEVs after 2022, and through a contract with a third party that provides the state with up-front vehicles and charging, paid off through a monthly per-mile fee. This innovative funding structure helps the state rapidly transition without paying an up-front premium and allows it to take advantage of ZEVs' lifetime fuel and maintenance cost savings.

Fast facts:

- Level of government: state level
- How it passed: legislation
- When it passed: 2021
- Scale of impact: all of Hawaii's light-duty vehicles will be electric by 2035
- Duration: starting in 2021 and continuing indefinitely
- Type of support for transportation electrification: requires purchase of light-duty ZEVs
- Support beyond transportation electrification: no
- Other jurisdictions with similar programs: California, Colorado, and Washington

For more information about Case Study 9, visit the Appendix.

³³ "Highway Statistics Series," U.S. Department of Transportation Federal Highway Administration, 2023, https://www.fhwa.dot.gov/policyinformation/statistics/2023/mv7.cfm.

Case Study 10: Miami-Dade County Electrification

Miami-Dade County, Florida, is on track to meet its **ambitious goals to electrify** 80% of its light-duty fleet and 50% of its public transit fleet by 2030, and to ensure 100% of all light-duty vehicles purchased are ZEVs by the same year. A crucial component of the county's success was a ballot measure passed in 2002 that provides significant funding for the county's transit infrastructure. ³⁴

Fast facts:

- Level of government: municipal level
- How it passed: county mayoral directive
- When it passed: 2021
- Scale of impact: 80% light-duty ZEVs, 50% public transit ZEVs by 2030, 100% of all light-duty purchases as ZEVs after 2030
- Duration: through 2030 and beyond
- Type of support for transportation electrification: purchase of zero-emission buses and light-duty fleet vehicles
- Support beyond transportation electrification: no
- Other jurisdictions with similar programs: Washington, Michigan, Pennsylvania, and more 35

For more information about Case Study 10, visit the Appendix.

Rideshare Electrification Requirements

In a few jurisdictions across the country, there are rules in place aiming to electrify rides provided by a transportation network company (TNC), like Uber, Lyft, or a taxi company. Colloquially, these entities are sometimes referred to as rideshare companies.

Electrifying rideshare vehicles offers greater benefits than electrifying standard personal vehicles. In 2018, California calculated that TNC rides made up an estimated 1.2% of all light-duty vehicle miles traveled in the state and much higher percentages in urban areas. ³⁶ Rideshare vehicles also travel an average of 40,000 miles per year, significantly higher than a standard passenger vehicle. ³⁷ As a result, electrifying a rideshare vehicle can create three times the emissions reductions compared to electrifying a standard passenger vehicle. As TNC trips occur in densely populated urban centers, electrifying these vehicles also has a larger impact on urban air quality. Last, because EVs typically have a lower per-mile operational cost, shifting rideshare drivers to electric can result in considerable cost savings.

³⁴ "History of the People's Transportation Plan," Miami-Dade County, 2015, https://www.miamidade.gov/citt/history.asp.

³⁵ "Policy and Progress: The State Fleet Roadmap to Zero-Emission Vehicles," Advanced Energy United, 2025,

https://blog.advancedenergyunited.org/policy-and-progress-the-state-fleet-roadmap-to-zero-emission-vehicles. ³⁶ "1014, Clean Miles Report, "California Air Resources Board, 2018, https://ww2.arb.ca.gov/sites/default/files/2019-

^{12/}SB%201014%20-%20Base%20year%20Emissions%20Inventory_December_2019.pdf

³⁷ "Understanding the Clean Miles Standard Regulation for Ride hailing Companies," Rocky Mountain Institute, 2023, https://rmi.org/understanding-the-clean-miles-standard-regulation-for-ride-hailing-companies.

In many places, TNCs are regulated by state agencies, which makes developing and enforcing regulations more feasible. There are only two examples of full-scale rideshare electrification policies in the U.S.; one is presented as the case study for this section: California's Clean Miles Standard.

Case Study 11: California's Clean Miles Standard

The California <u>Clean Miles Standard</u> requires 90% of rideshare services to be served by EVs and that they have zero greenhouse gas emissions per passenger mile traveled by 2030. The requirements scale up significantly in the latter half of the 2020s. The rule includes certain equity measures to protect income-qualified drivers, like incentives to assist with EV ownership and requirements that TNCs ensure the cost of EV ownership does not exceed a certain percentage of the rideshare driver's annual income. If a rideshare company is unable to meet its greenhouse gas emissions target, it can earn optional credit through activities like investing in alternative transportation projects or pay a fine.

Fast facts:

- Level of government: state level
- How it passed: legislation
- When it passed: 2018
- Scale of impact: requires 90% of rideshare services to be provided by ZEVs by 2030, and have net-zero greenhouse gas emissions per passenger mile traveled
- Duration: through 2032 and beyond
- Type of support for transportation electrification: requires ZEV purchases/leases
- Support beyond transportation electrification: no
- Other jurisdictions with similar programs: New York City

For more information about Case Study 11, visit the Appendix.

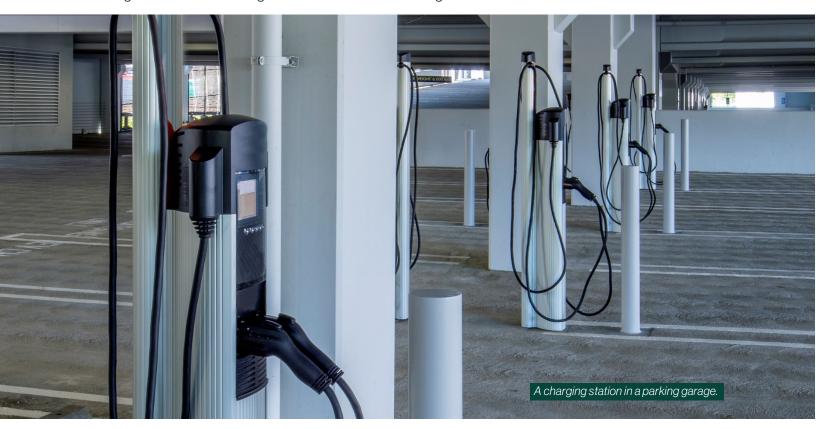


Enabling Policies — Complementary Measures to Aid the EV Transition

This section will touch briefly on other policies that can help expedite the transition to ZEVs by enabling better processes and/or experiences related to EVs. Many of these policies are focused on updating antiquated processes that slow down the build-out of charging stations. The policies discussed in this section do not have case studies but do include short summaries and links to resources to learn more.

EV Building Codes

EV building codes require that new buildings include electrical equipment that makes it easier and less expensive to install EV charging stations later. EV building codes allow for easier installation of charging stations in buildings and reduce barriers to electrifying workplaces, commercial developments, multifamily residential complexes, and single-family residences. Requirements can include different levels of stringency, ranging from offering EV-capable parking spaces — installing sufficient electrical panel capacity and conduits to accommodate Level 2 charging at a future date ³⁸ — to ensuring that EV chargers be installed during the construction of a building. ³⁹



³⁸ Level 2 charging is medium-speed charging done with 240V in residential applications or 208V in commercial applications. Level 2 chargers can charge a battery EV to 80% from empty in four to 10 hours and a plug-in hybrid EV in one to two hours. "Charger Types and Speeds," U.S. Department of Transportation,

https://www.transportation.gov/rural/ev/toolkit/ev-basics/charging-speeds

³⁹ "EV Infrastructure Building Codes," Southwest Energy Efficiency Project,

EV building codes are governed differently around the U.S. In some places these standards are determined at the state level, and in others they need to be determined at the local level. In either instance, updating the code to require new buildings to be more EV-friendly is typically one part of a much larger and more complicated process of updating building codes.

Because local EV building codes are typically revised as a part of a complex process, it can make tracking progress on this issue challenging. However, the ability to reduce the overall price of EV charging in the long term makes this an important activity for local and state advocates to consider. There is not a case study for this policy, but the Southwest Energy Efficiency Project (SWEEP) has a guide, **SWEEP Guide to EV Infrastructure Building Codes**, for those hoping to learn more.

Second-Life Policy

One EV policy area environmental advocates are increasing their focus on at the state level is related to the treatment of EV batteries after they are removed from their original vehicle. EV batteries tend to outlast the vehicle itself and can be reused, repurposed, and recycled, or the critical minerals contained in them can be extracted for use in another battery. A circular economy for EV batteries can create significant environmental, economic, and national security benefits. Ensuring EV batteries are handled properly at the end of their life helps to avoid negative impacts from improper storage or disposal. This ensures they are reused for another vehicle, repurposed for another application like stationary energy storage, or recycled in an environmentally friendly way.

FIGURE 1: EXAMPLE OF A CIRCULAR ECONOMY FOR EV BATTERIES

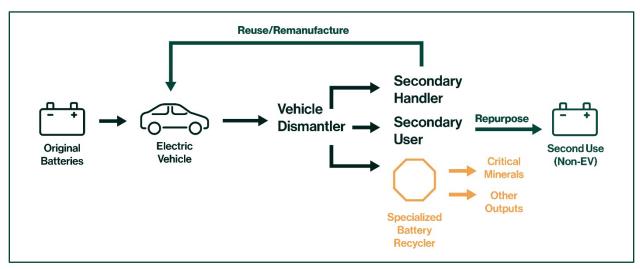


Figure 1 shows how EV batteries can be reused, repurposed, or recycled to create a circular economy.

States can mandate EV end-of-life policies that require EV battery recycling to ensure they are evaluated for reuse or repurposing before being sent to a recycler to meet the industry's best practices. Creating a circular economy for EV batteries will reduce reliance on foreign countries for critical minerals, limit the need for domestic mining required to support a full transition to ZEVs, and create new economic opportunities in this emerging industry. EV battery second-life policies can be developed at the state level, but there are large overlaps with federal statutes that are important to consider.

Few EV batteries have reached retirement due to the relatively recent mainstream adoption of EVs. For this reason, only one state, New Jersey, has passed legislation related to handling of EV batteries when they are removed from their original vehicle. However, in the spring 2025 legislative session, at least seven other states pursued bills aimed at creating a circular economy for EV batteries. ⁴⁰ At the time of writing, only California's legislation is continuing to move forward.

Although there is no case study contained in this report on EV battery second-life policy, the WRA report, **Emerging Policies and Best Practices to Promote Lithium-Ion Battery Second-Life Applications**, explores the state of policy development and international jurisdictions that have made more progress in this space.

Modernizing Utility Processes to Expedite EV Charger Development

One tactic gaining increased attention is updating outdated utility rules and practices that slow down the deployment of EV fast-chargers, among other things. Policies aimed at modernizing the grid seek to ensure proactive investments in the electric infrastructure that are necessary to promote expedited development of EV chargers. It is often difficult to quickly install EV fast-chargers, particularly in rapidly developing urban areas. This is due to slow utility processes that were not designed for integrating high-electrical-capacity projects like EV chargers. Legislation has passed in Colorado ⁴¹ and California ⁴² and has been proposed elsewhere to reform utility processes and enable a faster connection of EV chargers to the grid.

Right-to-Charge Policies

Right-to-charge policies provide EV drivers with the ability to install charging stations for their own use and prevent landlords or homeowners' associations (HOAs) from blocking their ability to do so. In some cases, where these policies do not exist, residents of apartments, townhouses, or even single-family homes may be restricted from installing EV chargers. Home charging provides EV drivers with convenient, low-cost charging. The purpose of these policies is to ensure landlords or HOAs do not put undue burdens on residents by preventing them from installing EV chargers. Plug In America has a **useful explainer of right-to-charge policies** for those interested in learning more.

Updating Permitting for EV Charging

Some states are taking proactive action to encourage local governments to adopt land-use permitting processes and standards to enable more streamlined EV charging installations. These types of bills aim to adopt new permitting processes and standards based on modern land-use codes. This is important for states where land-use codes are determined at the local level.

⁴⁰ California (**CA Senate Bill 615**), New York (**Assembly Bill A1340**), Nevada (**NV Assembly Bill 493**), Washington (**House Bill 1550**), New Mexico (**House Bill 310**), Florida (**House Bill 1269**), and Massachusetts (**Bill S.2283**) all had proposed legislation introduced aiming to govern how to handle EV batteries when they are removed from their original vehicle. Nevada AB 493 passed but the provisions for EV battery recycling were removed after the first committee hearing. ⁴¹ Colorado Senate Bill 24-218, "Modernize Energy Distribution Systems," **https://leg.colorado.gov/bills/sb24-218**. ⁴² "Powering Californians Act Signed Into Law," Natural Resources Defense Council, 2023, **https://www.nrdc.org/bio/max-baumhefner/powering-californians-act-signed-law**.

This type of legislation — like <u>in Colorado</u> — can help to ensure local governments' codes are not slowing down EV charging installations.

Standardizing and Improving EV Charging Experiences

The public EV charging experience is far from standardized, which can lead to frustration for drivers. EV charger reliability varies greatly and depends on the provider, ⁴³ and every charging provider seems to have a different process for payment and charging initiation. That is why in some states there are bills aimed at standardizing the experience for consumers and ensuring these charging stations are highly reliable. Some states, like Colorado, have passed legislation to improve oversight of EV charging by setting standards for payments and protocols. ⁴⁴ In California, legislation requires recordkeeping on how well state-funded fast-charging stations are operating in an effort to increase transparency into station performance. ⁴⁵ In addition, the California law requires the state energy commission to adopt tools to increase charging station uptime. ⁴⁶ In the most advanced EV markets, decision makers are thinking about how to improve the public charging experience and what measures are necessary for increasing the ease of EV ownership and adoption.



⁴³ "EV chargers have a big reliability problem. Can the government fix it?" Canary Media, 2023,

https://www.canarymedia.com/articles/ev-charging/ev-chargers-have-a-big-reliability-problem-can-the-government-fix-it.

 $\frac{https://www.cohousedems.com/news/house-passes-bill-to-protect-consumers \%2C-improve-ev-charging-oversight.\\$

 $\frac{https://www.energy.ca.gov/proceedings/active-proceedings/electric-vehicle-charging-infrastructure-reliability-reporting-and.}{\\$

⁴⁴ "House Passes Bill to Protect Customers," Colorado House Democrats, 2025,

⁴⁵ "Electric Vehicle Charging Infrastructure Reliability Reporting and Performance Standards," California Energy Commission,

⁴⁶ Id.

Conclusion

Although the federal government has temporarily retreated from advancing zero-emission transportation, the global transition from internal combustion engine vehicles to EVs is inevitably moving forward. But to make this transition feasible in the timeframe necessary to avoid the worst impacts of climate change, protect public health, and stay economically competitive with other global powers, we need durable policy support to accelerate ZEV adoption. In lieu of federal support, the responsibility and opportunity of leadership rests with state and local governments.

While the federal government has revoked important tools for accelerating this transition, state and municipal leaders have demonstrated innovative ways to maintain progress. The examples listed in this report represent a starting point, but there is a significant need for other cities and states to expand their commitments and take on a leadership role. There are also ample opportunities for new policies to be developed in the coming years. Leaders should stay open to policy innovation for the policies listed here and groundbreaking ideas. To create a holistic policy environment for ZEV adoption, states should take an all-of-the-above strategy — provide incentives to make ZEVs more affordable than internal combustion engine vehicles while putting emissions standards in place that raise the bar for everyone. Additionally, enabling policies should not be overlooked as key elements to remove barriers that currently hinder EV adoption.

We are at a crucial juncture of the EV transition in the U.S. today — and *The Ambition Road Map* provides direction for leaders who realize we must make this transition, and fast, to protect our livelihoods and economies, and to keep up in an increasingly electrified world.

Appendix

Case Study 1: Illinois Electric Vehicle Rebate Fund

In 2021, Illinois Gov. JB Pritzker signed the Climate and Equitable Jobs Act (CEJA), a landmark piece of clean energy legislation that, among its many provisions, established the state's EV rebate program to promote EV ownership for low-income state residents. As of April 2025, the Illinois EV market led the nation in year-over-year growth, with 50% more new EV registrations in the first quarter of 2025 than that same period of 2024. The CEJA also directs the Illinois Environmental Protection Agency to provide rebates for the construction of public EV charging stations. Beyond EVs, the CEJA also requires electric utilities to achieve zero emissions by 2045 and includes multiple provisions designed to ensure low-income communities reap the most benefits from new clean energy jobs. This case study focuses on the EV-related components of the CEJA.

The CEJA was primarily developed by the Illinois Clean Jobs Coalition. Formed in 2016 to support the passage of the Future Energy Jobs Act, the coalition has over 200 members, including a variety of environmental, business, consumer, labor, health care, religious, and student organizations. ⁵⁰ The coalition spent years developing the policy, engaging the public in community dialogues across the state. ⁵¹ With the help of legislative sponsors, the bill was first introduced in 2019, and the coalition leveraged its collective influence over the next three legislative sessions to build momentum and ensure the bill's equity provisions were preserved. ⁵² The CEJA ultimately passed with bipartisan support.

The CEJA explicitly laid out the amounts that would be awarded in the EV rebate program. 53

- Beginning July 1, 2022, a \$4,000 rebate for the purchase of an EV
- Beginning July 1, 2026, a \$2,000 rebate for the purchase of an EV
- Beginning July 1, 2028, a \$1,500 rebate for the purchase of an EV
- Beginning July 1, 2022, a \$1,500 rebate for the purchase of an electric motorcycle

Only full-battery EVs qualify for the rebates and plug-in hybrids are ineligible.

https://electricdrives.tv/illinois-sets-the-pace-for-ev-growth-in-the-us-with-powerful-incentives

⁴⁸ Public Act 102-0662 Article 5, "Energy Transition," Illinois Environmental Protection Agency, pas. 212-213, 2020.

https://epa.illinois.gov/content/dam/soi/en/web/epa/topics/ceja/documents/102-0662.pdf

https://climate-xchange.org/2022/01/an-equitable-clean-energy-transition-underway-in-illinois.

⁵⁰ "Equity Provisions in Illinois' Climate and Equitable Jobs Act," *Elevate*, 2021, pg. 2,

https://www.elevatenp.org/wp-content/uploads/Equity-Provisions-in-Illinois-Climate-and-Equitable -Jobs-Act.pdf

https://climate-xchange.org/2022/01/an-equitable-clean-energy-transition-underway-in-illinois.

52 "Equity Provisions in Illinois' Climate and Equitable Jobs Act," Elevate, 2021, pg. 2,

https://www.elevatenp.org/wp-content/uploads/Equity-Provisions-in-Illinois-Climate-and-Equitable-Jobs-Act.pdf.

⁵³ Public Act 102-0662 Article 5, "Energy Transition," Illinois Environmental Protection Agency, pgs. 945-946, 2020, https://epa.illinois.gov/content/dam/soi/en/web/epa/topics/ceja/documents/102-0662.pdf.

⁴⁷ "Illinois sets the pace for EV growth in the US with powerful incentives," Electric Drives, 2025,

⁴⁹ "An Equitable Clean Energy Transition Underway in Illinois," *Climate Xchange*, 2022,

⁵¹ "An Equitable Clean Energy Transition Underway in Illinois," *Climate Xchange*, 2022,

The CEJA established a durable funding source for the new Electric Vehicle Rebate Fund through a new vehicle user fee of \$20 per vehicle, paid annually during registration renewal. The fee applies to individuals, businesses, and U.S. government agencies that register 10 or more vehicles in the state. EVs are exempt from the fee, along with rental vehicles, motorcycles, and state and local government vehicles. ⁵⁴ The revenue from this fee is solely used to fund the state's rebate program and raises between \$12 and \$19 million annually. ⁵⁵

Since the CEJA's passage, there have been three rounds of EV rebates offered. 56

TABLE 1: EV REBATES BY YEAR UNDER CEJA

Year	Funding Available	Low-Income Applications Received	Low- Income Rebates Awarded	% Low- Income Rebates Awarded	Non-Low- Income Applications Received	Non- Low- Income Rebates Awarded	% Non-Low- Income Rebates Awarded	Total Rebates Awarded
FY 2023	\$19 million	754	535	71%	6,915	4,337	62.7%	4,872
FY 2024	\$12 million	803	622	77.5%	4,784	2,378	49.7%	3,000
FY 2025	\$14 million	1,213	928	76.5%	3,711	2,509	67.6%	3,437

Table 1 shows a summary of EV rebates delivered under CEJA from FY 2023 through 2025.

While the rebate program was designed with equity as a primary goal, the structure of the rebate program can create uncertainty for applicants. Rebates cannot be awarded at the time of purchase. Instead, recipients receive a check in the mail after their purchase. Prospective recipients must apply for the rebate within both 90 days of purchasing the vehicle and that year's application window. Funding is awarded first to low-income applicants, then to other applicants on a first-come, first-served basis. ⁵⁷ If an applicant is unable to secure a rebate due to a lack of program funds, they are not eligible to reapply the following year. Despite this, the program has seen high demand. When the Illinois EPA, which administers the program, opened the 2025 application window for Jan. 21 through April 30, the agency announced that as of April 1, it had already received more applications than it had in funding. ⁵⁸

To increase deployment of EV fast-charging, the CEJA created the Driving a Cleaner Illinois program that offers grant funding of up to 80% of the cost of installing a public charger. ⁵⁹ In 2024, \$25.1 million was awarded to fund the construction of 643 public fast-charging ports throughout the state. ⁶⁰ While

https://epa.illinois.gov/content/dam/soi/en/web/epa/topics/ceja/documents/102-0662.pdf

https://epa.illinois.gov/topics/ceja/electric-vehicle-rebates.html

https://epa.illinois.gov/topics/air-quality/driving-a-cleaner-illinois.html.

60 "Illinois EPA Announces \$25.1 Million in Grant Awards for Public Electric Vehicle Charging Infrastructure," Illinois Environmental Protection Agency, 2024, https://epa.illinois.gov/content/dam/soi/en/web/epa/about-us/documents/news-releases/2024/04.10.2024-IEPA-CEJA-EV-Charging-Awards-Round1-Final.pdf.

⁵⁴ Public Act 102-0662 Article 5, "Energy Transition," Illinois Environmental Protection Agency, pg. 948, 2020,

⁵⁵ Id. pgs. 948-950.

⁵⁶ "Electric Vehicle Rebates," Illinois Environmental Protection Agency,

⁵⁷ "EV Consumers," *Illinois Drives Electric*, <u>https://ev.illinois.gov/consumers.html</u>.
⁵⁸ *Id.*

⁵⁹ "Driving a Cleaner Illinois," Illinois Environmental Protection Agency,

this program does not have a dedicated source of revenue, it currently receives funding through Gov. Pritzker's Rebuild Illinois Capital Plan. ⁶¹

Case Study 2: Colorado Green Enterprises

Colorado's Sustainability of the Transportation Sector law, or Senate Bill 21-260, passed in 2021 as an effort to modernize the state's transportation system. ⁶² A key focus of the law was to electrify the transportation system by investing in charging infrastructure and cleaner vehicles. To accomplish these electrification goals, three green enterprises were formed, which are Colorado government subagencies with boards appointed by the governor. ⁶³ The bill passed in 2021 after similar efforts failed. ⁶⁴ The enterprises are funded through fees on various activities, generating durable sources of funding, and are commissioned to last through 2032.

The Community Access Enterprise was projected to have \$310 million in funding over its lifespan. ⁶⁵ It is focused on individual uptake of EVs and invests in charging infrastructure as well as funding to offset the cost of EVs. e-bikes, and other electric alternatives to conventional vehicles. ⁶⁶

Examples of Community Access Enterprise programs that have been developed since the passage of SB21-260 include:

- Charge Ahead Colorado, a grant program aimed at reducing the cost of EV charging across a diverse set of use cases.⁶⁷
- EV Fast-Charging Plazas, which provide funding to increase community access to high-speed, reliable EV charging.
- Community Accelerated Mobility Project, a grant program for community-led e-mobility projects.
- Vehicle Exchange Colorado, a program where income-qualified individuals can trade in an older, polluting car and receive a voucher to purchase a ZEV. 70

62 "Landmark Transportation Proposal Introduced to Modernize System, Support 21st Century Economy,"

Western Slope Now, 2021, https://www.westernslopenow.com/news/colorado-news/landmark-transportation-proposal-introduced-to-modernize-system-support-21st-century-economy.

 $\underline{https://energyoffice.colorado.gov/about-us/boards-commissions/community-access-enterprise.}$

⁶⁴ "Joint Release: Colorado Lawmakers Praise CDOT Effort to Improve Transit Infrastructure, Address Climate Change, and Increase Equity in Transportation — Colorado Senate Democrats," Colorado Senate Democrats, 2021,

https://www.senatedems.co/newsroom/joint-release-colorado-lawmakers-praise-cdot-effort-to-improve-transit-infrastructure-address-climate-change-and-increase-equity-in-transportation.

65 "A Breakdown of Colorado's Giant Transportation Funding Bill," Southwest Energy Efficiency Project, 2021,

https://www.swenergy.org/colorado-sb260

 $^{\rm 66}$ "Community Access Enterprise," Colorado Energy Office,

https://energyoffice.colorado.gov/about-us/boards-commissions/community-access-enterprise

67 "Charge Ahead Colorado," Colorado Energy Office, https://energyoffice.colorado.gov/charge-ahead-colorado.
 68 "DCFC Plazas," Colorado Energy Office,

https://energyoffice.colorado.gov/transportation/grants-incentives/dcfc-plazas.

⁶⁹ "Community Accelerated Mobility Project (CAMP)," Colorado Energy Office, https://energyoffice.colorado.gov/camp.

70 "Vehicle Exchange Colorado (VXC) Program," Colorado Energy Office,

https://energyoffice.colorado.gov/vehicle-exchange-colorado.

⁶¹ "Illinois EPA Announces \$25.1 Million in Grant Awards for Public Electric Vehicle Charging Infrastructure," Illinois Environmental Protection Agency, 2024, https://epa.illinois.gov/content/dam/soi/en/web/epa/about-us/documents/news-releases/2024/04.10.2024-IEPA-CEJA-EV-Charging-Awards-Round1-Final.pdf.

^{63 &}quot;Community Access Enterprise," Colorado Energy Office,

- Community Electric Bicycle Program, which provides funds to support e-bike deployment across the state. 71
- Fleet-ZERO Program, which gives funding to support EV charging for light-, medium-, and heavy-duty fleet EVs. 72

The Clean Fleet Enterprise was allocated \$289 million over 11 years ⁷³ to support the replacement of older delivery trucks, school buses, rideshare vehicles, and other private and government fleets with ZEVs, with a focus on disproportionately impacted communities.

Examples of Clean Fleet Enterprise programs developed by the state since the passage of SB21-260 include:

- The Clean Fleet Vehicle and Technology Program, which gives incentives for the purchase of medium- and heavy-duty fleet vehicles that scale up with the size of the vehicle.
- The Transportation Network Companies grant program, which allows TNCs, like Uber and Lyft, to apply for funding to help with the electrification of light-duty vehicles, aimed at providing financial incentives for eligible drivers as defined by the state public utilities commission. ⁷⁵

The Clean Transit Enterprise directed \$134 million from 2025 through 2032 to electrify Colorado's public transit vehicles. The purpose and scope of the Clean Transit Enterprise was further expanded with the 2024 passage of Senate Bill 24-230 to increase the reliability of Colorado's public transit agencies with additional funding from new fees on Colorado's oil and gas producers. ⁷⁶ Significant additional funding is expected from these fees, but exactly how much is still yet unknown. The funding will also fluctuate based on the preceding quarter's average market price of oil and gas, along with the volume of production, and is predicted to bring in around \$82.8 million for transportation each year. ⁷⁷ The Clean Transit Enterprise supports the electrification of public transit agencies primarily through planning grants and capital investment grants. ⁷⁸

https://cdphe.colorado.gov/clean-fleet-vehicle-and-technology-program.

https://www.codot.gov/programs/innovativemobility/cte.

https://leg.colorado.gov/sites/default/files/documents/2024A/bills/fn/2024a_sb230_f1.pdf

^{71 &}quot;E-Cargo Bike Grant Program," Colorado Energy Office, https://energyoffice.colorado.gov/ecargobikegrant.

 $^{^{72}\,\}text{``Fleet-Zero\,EV\,Charging\,Grant,''}\,Colorado\,Energy\,Office, \\ \underline{\textbf{https://energyoffice.colorado.gov/fleet-zero}}.$

⁷³ "A Breakdown of Colorado's Giant Transportation Funding Bill," Southwest Energy Efficiency Project, 2021, **https://www.swenergy.org/colorado-sb260**.

⁷⁴ "Clean Fleet Vehicle and Technology Program," Colorado Department of Public Health and Environment,

^{76 &}quot;Clean Transit Enterprise," Colorado Department of Transportation

⁷⁷ "SB 24-230 Final Fiscal Notes," Colorado Legislature, Legislative Council Staff, pg. 2.

^{78 &}quot;Clean Fleet Transportation Network Companies Grant Program," Colorado Department of Health and the Environment,

Case Study 3: Portland Clean Energy Fund

The Portland Clean Energy Fund (PCEF) is a municipal program that generates revenue for clean energy and climate resiliency through a 1% surcharge on large retailers in Portland. The fund generates approximately \$150 million annually and expends these funds on programs including energy efficiency, renewable energy, transportation decarbonization, green infrastructure, workforce development, and more. ⁷⁹ The surcharge that funds PCEF is levied on sales from retailers with at least \$1 billion in national revenue and \$500,000 in local revenue. ⁸⁰

PCEF originated in 2018 when 65% of Portland voters approved a ballot initiative requiring large retailers to "pay a 1% surcharge on Portland revenues to fund renewable clean energy projects [and] job training." ⁸¹ To implement the program, Portland convenes a nine-person committee tasked with creating a five-year strategic plan for the fund. The committee members are appointed by the mayor and serve staggered four-year terms. ⁸² The committee created the current Climate Investment Plan, covering 2023 to 2028, which was approved by Portland City Council unanimously in September 2023. ⁸³ The creation of the Climate Investment Plan included intensive stakeholder engagement — a community survey, a request for proposals, the publication of a draft plan with a public comment period, and extensive committee deliberations. ⁸⁴

The PCEF Climate Investment Plan's transportation decarbonization programs have \$128 million in funding dedicated from 2023 to 2028. Within the transportation decarbonization portfolio, there are several suballocations. There is \$35 million available in community grants to be used for EV carsharing programs, education and outreach, organizational fleet EV purchases, and charging infrastructure.

Additionally, \$20 million is allocated for e-bike rebates, intended to support the deployment of 6,000 e-bikes for income-qualified Portland residents.

Beyond the targeted transportation decarbonization programs, funding for EV charging stations is available within the small commercial building program ⁸⁷ and the public schools program. For public schools, one eligible use of the \$50 million budget is school bus electrification. ⁸⁸ In a 2024 amendment to the Climate Investment Plan, \$29 million was allocated toward the electrification of the city's fleet and supporting charging infrastructure, with a goal of transitioning 700 city vehicles to electric. ⁸⁹ Last, \$35 million is allocated toward EV financing tools for the purchase of ZEVs. ⁹⁰

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<sup>79</sup> "PCEF Climate Investment Plan," Portland Bureau of Planning and Sustainability, pg. 5
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https://www.portland.gov/bps/cleanenergy/climate-investment-plan

https://www.portland.gov/revenue/business-tax/clean-energy-surcharge.

https://www.portland.gov/code/7/07

https://www.portland.gov/bps/cleanenergy/climate-investment-plan.

https://www.portland.gov/bps/cleanenergy/climate-investment-plan.

⁸⁰ Id

^{81 &}quot;Portland Clean Energy Surcharge," city of Portland,

⁸² Chapter 7.07 "Portland Clean Energy Community Benefits," city of Portland, pg. 4,

^{83 &}quot;PCEF Climate Investment Plan," Portland Bureau of Planning and Sustainability, pg. 80,

⁸⁴ *Id.*

⁸⁵ Id. pgs. 38-39.

⁸⁶ *ld.* pgs. 39-40.

⁸⁷ Id. pg. 33.

^{88 &}quot;PCEF Climate Investment Plan," Portland Bureau of Planning and Sustainability, pg. 72,

⁸⁹ *Id.* pg. 110.

⁹⁰ *Id.* pg. 65.

These financing tools, like low-interest and/or forgivable loans and matched savings, will be available to people and small businesses with high vehicle miles traveled. The ambition is that 50% of loans go to ride-sharing drivers and that 500 EVs will be in commercial use by businesses run by historically under-resourced groups. 91



Case Study 4: Denver Climate Protection Fund

The Denver Climate Protection Fund supports the Office of Climate Action, Sustainability and Resiliency's (CASR), which engages in a host of activities to deploy clean energy resources, promote sustainable transportation, and make the city's infrastructure and people more resilient to a changing climate. Denver's Climate Protection Fund was approved through a November 2020 ballot measure with 62% of voters in favor. The Denver Climate Protection Fund is supported by a 0.25% sales tax levied on certain goods sold in the city, providing roughly \$40 million per year in funding and supporting CASR in perpetuity. 92 CASR aims to spend over half its total funds on the communities in Denver most harmed by the impacts of climate change, especially disproportionately impacted communities and individuals. 93

https://denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directory/Climate-Action-Sustainability-and-Resiliency/About-Us#section-2.

⁹¹ "PCEF Climate Investment Plan," Portland Bureau of Planning and Sustainability, pgs. 38-39,

https://www.portland.gov/bps/cleanenergy/climate-investment-plan.

^{92 &}quot;Climate Protection Fund," Denver's Office of Climate Action, Sustainability and Resiliency

The effort to pass the Denver Climate Protection Fund started in early 2019 when a resident-led grassroots organization, Resilient Denver, successfully mounted a signature-gathering effort to put an energy tax on the ballot to support climate action. But the mayor and the Denver City Council intervened and asked for time to explore alternative revenue-generating mechanisms, so Resilient Denver pulled its ballot measure. Former Mayor Michael Hancock appointed a Climate Action Task Force, which explored several financial mechanisms to raise funds needed to advance Denver's climate goals and recommended a sales tax. The measure excludes food, water, fuel, medical supplies, and feminine hygiene products from the sales taxes — 70% of the sales tax is paid by nonresidents. 94

The Climate Protection Fund supports six different types of actions: 95

- Clean energy jobs through local workforce training and development of career pipelines for under-resourced individuals
- Increased investments in solar, batteries, and other renewable energy sources
- Neighborhood-based environmental and climate justice programs
- Adaptation and resiliency programs that help vulnerable communities
- Programs and services to provide affordable, clean, safe, and reliable transportation choices like EVs, biking, walking, and neighborhood-scale transit solutions
- Energy efficiency measures aimed at reducing carbon emissions, utility bills, and indoor air pollution

Denver's CASR office provides regular reporting and outlines future actions in its five-year plans, the latest of which was released in 2021.

Case Study 5: Minneapolis Climate Legacy Initiative

The Minneapolis Climate Legacy Initiative (CLI) is a municipal program that generates funding for decarbonization and climate resilience projects through an increase to the utility franchise fee. The CLI received \$10 million in funding in 2024 and will receive approximately \$8 million each year through 2029. 96

The CLI was created to fund the implementation of the city's Climate Equity Plan. The plan was unanimously approved by the city council and signed by Mayor Jacob Frey in July 2023, ⁹⁷ and the CLI was approved five months later. ⁹⁸ The plan lays out ambitious goals for a 75% reduction in citywide carbon emissions by 2030 and carbon neutrality by 2050. ⁹⁹ Both the plan and the CLI were

https://denvergov.org/Government/Agencies-Departments-Offices-Departments-Offices-Directory/Climate-Action-Sustainability-and-Resiliency/About-Us#section-2

https://stories.opengov.com/minneapolismn/published/ggauN9Qg7

 $\frac{https://mndaily.com/282569/uncategorized/climate-legacy-initiative-to-fund-citys-transition-to-carbon-neutrality.}{}$

https://www2.minneapolismn.gov/media/content-assets/www2-documents/government/MPLS-CEP_Report-2023-Digital.pdf

⁹⁴ "Climate Protection Fund," Denver's Office of Climate Action, Sustainability and Resiliency,

⁹⁵ Id

^{96 &}quot;Climate Legacy Initiative," city of Minneapolis,

⁹⁷ Id.

^{98 &}quot;Climate Legacy Initiative to fund city's transition to carbon neutrality," The Minnesota Daily, 2024,

^{99 &}quot;2023 Climate Equity Plan," city of Minneapolis, 2023,

developed with significant community input. The Just Transition Fund Coalition, a partnership of several activist organizations in the region, developed the People's Climate and Equity Plan, ¹⁰⁰ which has 90% overlap with the final plan adopted by the city. ¹⁰¹ The city also conducted intentional outreach to specific cultural communities and received feedback on the plan. ¹⁰² At least 40% of all CLI funding is required to go toward the city's overburdened communities, known as green zones. ¹⁰³ To date, the city has dedicated over 60% of all climate investments to these communities. ¹⁰⁴

The CLI is funded through an increase in the franchise fees paid by the city's electric utility, Xcel Energy, and gas utility, CenterPoint Energy. The fees, which increased in January of 2024, are paid by customers, collected by the utility, and then paid to the city of Minneapolis. The residential electricity fee increased from 5% to 5.25%, while residential gas increased from 5% to 6%. ¹⁰⁵ For a typical Minneapolis household, those fees translate to an additional \$1 on their monthly electricity bill or \$12 annually. ¹⁰⁶ Commercial and industrial customers were subject to higher increases to reflect their larger consumption. Most commercial and industrial customers saw their electricity fee increase from 5.5% to 6.75%, and their gas fee increase from 5.5% to 7.25%. ¹⁰⁷ This amounts to an additional \$12.50 for every \$1,000 on their electricity bill and \$22.50 for every \$1,000 on their gas bill. ¹⁰⁸ Less than 1% of commercial and industrial customers experienced higher increases due to receiving primary voltage services or their designation as a large-volume gas customer. ¹⁰⁹

This funding structure had precedent in Minneapolis. In 2017, the city council approved a franchise fee increase of 0.5% across all customer categories, which raised roughly \$3 million annually to fund climate projects. **10 The revenue generated by the CLI stacks with these preexisting funds, generating a total of \$11 million for climate spending each year. **11 This structure is also not unique to Minneapolis. Smaller cities across Minnesota have followed their lead and established their own franchise fees to fund climate spending, including nearby Eagan, Hopkins, and Edina. **12 Additionally, in 2021, San Diego used franchise fees to finance the city's \$4.8 million Climate Equity Fund. **13

https://drive.google.com/file/d/1A8V1_32dJTpX9Y_Yr9D8B7ve9uLe-X7I/view.

101 "Minneapolis raises utility fees to fund climate plan in first big step toward implementation," MinnPost, 2023,

https://www.minnpost.com/environment/2023/10/minneapolis-raises-utility-fees-to-fund-climate-plan-in-first-big-step-toward-implementation.

102 Id

¹⁰³ "Climate Legacy Initiative – Information for Residents," city of Minneapolis, 2024,

https://www.minneapolismn.gov/media/-www-content-assets/documents/CLI-Information-for-residents.pdf. 104 Id.

¹⁰⁵ *Id*.

¹⁰⁶ "Climate Legacy Initiative – Information for Residents," city of Minneapolis, 2024,

https://www.minneapolismn.gov/media/-www-content-assets/documents/CLI-Information-for-residents.pdf

¹⁰⁷ *Id*.

¹⁰⁸ *Id*.

¹⁰⁹ *Id*.

¹¹⁰ "Funding the Minneapolis Clean Energy Partnership," Energy Vision Advisory Committee, 2017, pg. 14,

https://lims.minneapolismn.gov/Download/RCAV2/2945/Funding%20the%20Minneapolis%20Clean%20Energy %20Partnership.pdf

"Climate Equity Plan Presentation," city of Minneapolis, 2024, https://www.youtube.com/watch?v=091jkwZHRm0.

112 "Minnesota cities tap utility fees to help fund local clean energy and climate action," Minnesota Reformer, 2024,

https://minnesotareformer.com/2024/10/17/minnesota-cities-tap-utility-fees-to-help-fund-local-clean-energy-and-climate-action.

113 "San Diego Creates 'Climate Equity Fund' For Disadvantaged Communities," KPBS, 2021,

https://www.kpbs.org/news/environment/2021/03/09/san-diego-climate-equity-fund-disadvantaged

^{100 &}quot;The People's Climate and Equity Plan," city of Minneapolis,

The CLI designates eight program areas for funding. The primary focus, which received \$4.7 million in 2024, is building upgrades that promote renewable energy and energy efficiency. ¹¹⁴ Clean transportation programs are another focus, receiving \$624,000 in 2024. ¹¹⁵ In that year, the city used the CLI funding alongside other grants to complete construction of 32 on-street public charging hubs, 90% of which are in environmental justice communities. ¹¹⁶ Forty-eight dual-port chargers were procured for municipal properties, which will support the electrification of the city's fleet. ¹¹⁷ The city is also planning to leverage these funds to expand its EV carshare program from a service area of 35 square miles to 75 square miles. ¹¹⁸ The CLI's other program areas include green workforce development programs, tree planting, carbon capture using a city-owned biochar facility, local food-waste reduction, community engagement, and program administration. ¹¹⁹



^{114 &}quot;Climate Equity Plan Presentation," city of Minneapolis, 2024, https://www.youtube.com/watch?v=091jkwZHRm0.

¹¹⁶ "Climate Legacy Initiative – Information for Residents," city of Minneapolis, 2025,

https://www.minneapolismn.gov/media/-www-content-assets/documents/CLI-Information-for-residents.pdf. 117 /d. pg. 40.

¹¹⁸ "Climate Equity Plan Presentation," city of Minneapolis, 2024, https://www.youtube.com/watch?v=091jkwZHRm0. ¹¹⁹ Id.

Case Study 6: Washington Cap-and-Invest Program

In 2021, Washington passed the Climate Commitment Act (CCA), establishing a statewide cap-and-invest program that has generated billions in funding for climate projects. Since the program went into effect in January 2023, it has raised \$3.25 billion, of which \$1.5 billion is for clean transportation projects. ¹²⁰

How the Program Works

The cap-and-invest program applies to the state's largest carbon polluters, generally businesses that emit 25,000 metric tons or more of carbon dioxide (CO₂) equivalent each year, which covers approximately 75% of the state's total emissions. ¹²¹ Covered entities must acquire allowances for the carbon they emit. These allowances can be purchased from quarterly auctions held by the Washington State Department of Ecology, which administers the program, or through trading on Washington's carbon market. ¹²² In addition, companies can cover up to 8% of their annual emissions through carbon offsets, but the Department of Ecology must verify that these offsets directly benefit Washington's environment, and that their impacts are real and permanent. ¹²³ This requires covered entities to reduce their emissions, and incentivizes them to accelerate near-term reductions as it becomes the most cost-effective option. The number of allowances issued by the department each year will reflect the emissions reductions goals codified by the legislature in 2007. ¹²⁴ The targets include emissions 45% below 1990 levels by 2030, 70% below by 2040, and 95% below by 2050.

There are different approaches to allocating allowances within the program. Three types of businesses are given emissions allowances at no cost: electric utilities, natural gas utilities, and Emissions-Intensive-Trade-Exposed industries (EITEs). While these sectors receive free allowances, they are still subject to the emissions cap and must reduce their emissions accordingly. Emissions from electric utilities are already regulated under the Clean Energy Transformation Act (2019), which requires electric utilities to phase out greenhouse gas emitting generation. ¹²⁵ About 40 manufacturing facilities in the state qualify as EITEs. These facilities manufacture products with intense price competition, like paper, food products, aluminum, fertilizer, and semiconductors. The cost of carbon allowances could drive them out of state, resulting in leakage rather than actual emissions reductions. Providing no-cost allowances protects state jobs while still incentivizing emissions reductions since EITEs are still required to reduce their emissions in line with the cap.

https://ecology.wa.gov/air-climate/climate-commitment-act/cap-and-invest.

^{120 &}quot;How The Climate Commitment Act Invests in a Pollution-free Washington," Washington Governor's Office, 2024, https://climate.wa.gov/sites/default/files/202403/How%20the%20CCA%20invests%20in%20Washington%20 https://climate.wa.gov/sites/default/files/202403/How%20the%20CCA%20invests%20in%20Washington%20 https://climate.wa.gov/sites/default/files/202403/How%20the%20CCA%20invests%20in%20Washington%20 <a href="https://climate.wa.gov/sites/default/files/202403/How%20the%20CCA%20invests%20inwests%2

^{121 &}quot;Cap-and-Invest," Washington State Department of Ecology,

¹²² Id.

¹²³ Id.

^{124 &}quot;Washington Greenhouse Gas Emission Reduction Limits," Washington State Department of Ecology

If they can reduce their emissions even further, they can sell unused allowances to other covered entities. ¹²⁶ In 2023, no-cost allowances to EITEs comprised 15% of all allowances issued by the state. ¹²⁷

The program went into effect in January 2023, and the first auction was held that February. At the beginning of each biennium, the state legislature appropriates the amount of funding that will be generated by auction revenues in the next two years. ¹²⁸ For the 2023 to 2025 biennium, the state legislature appropriated \$3.25 billion in spending from the CCA accounts. ¹²⁹ Auction revenues are deposited into five accounts, as follows, which determine how the funding can be used. However, the legislature has final say on which projects are eligible for funding. ¹³⁰

How the Funding Is Allocated

- 1. Carbon Emissions Reduction Account (CERA): The CCA specifies that approximately \$350 million, though the exact amount varies by year, must first be deposited into the CERA each fiscal year before funds are allocated to other accounts. ¹³¹ Funds in the CERA are dedicated to projects that reduce emissions from the transportation sector. This includes a variety of projects, such as the deployment of EV infrastructure, projects that increase access to public transportation, the electrification of ferries and ports, and alternative transportation infrastructure that supports biking and walking. ¹³² In 2023-2025, funds appropriated from the CERA totaled \$1.15 billion. ¹³³
- 2. Air Quality and Health Disparities Improvement Account (AQHDIA): The CCA requires that at least \$20 million be allocated to this account each biennium. ¹³⁴ Funds in this account are dedicated to reducing air pollution and its health impacts in overburdened communities. From 2023 to 2025, \$21.8 million was appropriated from the account. ¹³⁵

https://ecology.wa.gov/air-climate/climate-commitment-act/cap-and-invest/emissions-intensive-trade-exposed-industries

127 Id

¹²⁸ "Cap-and-Invest Auction Revenue," Washington State Department of Ecology,

https://ecology.wa.gov/air-climate/climate-commitment-act/auction-revenue.

129 "CCA Dashboard: How Climate Commitment Act funds are invested," Washington Climate Action Now,

https://climate.wa.gov/washington-climate-action-work/climate-commitment-act-polluters-pay-communities-benefit/cca-dashboard-how-climate-commitment-act-funds-are-invested

130 "Distribution of Funds From CCA Accounts," Washington State Department of Ecology, 2024,

https://apps.ecology.wa.gov/publications/documents/2414076.pdf

¹³¹ Washington Senate Bill 5126, Washington State Legislature, 2021,

https://lawfilesext.leg.wa.gov/biennium/2021-22/Pdf/Bills/Senate%20Passed%20Legislature/5126-S2.PL.pdf?q=20250708124338.

132 "Distribution of Funds From CCA Accounts," Washington State Department of Ecology, 2024,

https://apps.ecology.wa.gov/publications/documents/2414076.pdf

133 "CCA Dashboard: How Climate Commitment Act funds are invested," Washington Climate Action,

https://climate.wa.gov/washington-climate-action-work/climate-commitment-act-polluters-pay-communities-benefit/cca-dashboard-how-climate-commitment-act-funds-are-invested.

¹³⁴ Washington Senate Bill 5126, Washington State Legislature, 2021,

https://lawfilesext.leg.wa.gov/biennium/2021-22/Pdf/Bills/Senate%20Passed%20Legislature/5126-S2.PL.pdf?q=20250708124338

135 "CCA Dashboard: How Climate Commitment Act funds are invested," Washington Climate Action,

https://climate.wa.gov/washington-climate-action-work/climate-commitment-act-polluters-pay-communities-benefit/cca-dashboard-how-climate-commitment-act-funds-are-invested.

^{126 &}quot;Emission-intensive, trade-exposed industries (EITEs)," Washington State Department of Ecology,

- **3.** Climate Investment Account (CIA): All remaining funds raised by the CCA are deposited into this account. A small portion, which totaled \$94 million from 2023-2025, supports the administration costs of the cap-and-invest program. ¹³⁶ All other funds deposited go to one of the CIA's two subaccounts:
 - a) Climate Commitment Account: This account receives 75% of the remaining funds, which totaled \$1.52 billion in the biennium. ¹³⁷ Projects that receive funding through this account support the state's transition to a low-carbon economy, improve air quality, and increase access to clean energy. ¹³⁸
 - b) Natural Climate Solutions Account: This account receives 25% of the remaining funds, which totaled \$460 million in 2023-2025. ¹³⁹ The account funds projects that protect wildlife habitat, improve aquatic ecosystems and water quality, and protect against flooding. ¹⁴⁰

Allocations for Clean Transportation

Of the \$3.25 billion allocated from 2023 to 2025, \$1.5 billion will go to clean transportation projects. ¹⁴¹ These include:

- \$429 million for public transportation grants and programs
- \$223 million for active transportation projects, like improvements to bicycle, sidewalk, and crosswalk infrastructure
- \$130 million for incentives and infrastructure to support zero-emission commercial vehicles, like school buses and heavy-duty trucks
- \$109 million for rail electrification and electrification at ports
- \$105 million for community EV charging infrastructure
- \$88 million for hybrid and electric ferries \$45 million for EV infrastructure grants on state highways
- \$12 million for EV infrastructure at state facilities

In addition, the CCA requires that 35% of funds, with a goal of 40%, support projects that "provide direct and meaningful benefits to vulnerable populations within the boundaries of overburdened communities."

https://ecology.wa.gov/air-climate/climate-commitment-act/auction-revenue.

137 "CCA Dashboard: How Climate Commitment Act funds are invested." Washington Climate Action,

https://climate.wa.gov/washington-climate-action-work/climate-commitment-act-polluters-pay-communities-benefit/cca-dashboard-how-climate-commitment-act-funds-are-invested.

138 "Cap-and-Invest Auction Revenue," Washington State Department of Ecology,

https://ecology.wa.gov/air-climate/climate-commitment-act/auction-revenue.

139 "CCA Dashboard: How Climate Commitment Act funds are invested," Washington Climate Action,

https://climate.wa.gov/washington-climate-action-work/climate-commitment-act-polluters-pay-communities-benefit/cca-dashboard-how-climate-commitment-act-funds-are-invested.

¹⁴⁰ "Cap-and-Invest Auction Revenue," Washington State Department of Ecology,

https://ecology.wa.gov/air-climate/climate-commitment-act/auction-revenue.

141 "How the Climate Commitment Act invests in a pollution-free Washington," Office of Jay Inslee, 2024,

https://climate.wa.gov/sites/default/files/2024-

03/How%20the%20CCA%20invests%20in%20Washington%20March%202024.pdf

¹⁴² Washington Senate Bill 5126, "Concerning the Washington Climate Commitment Act," Washington State Legislature, 2021,

https://lawfilesext.leg.wa.gov/biennium/2021-22/Pdf/Bills/Senate%20Passed%20Legislature/5126-S2.PL.pdf

¹³⁶ "Cap-and-Invest Auction Revenue," Washington State Department of Ecology,

In fiscal year 2024, 61% of funds met this requirement. ¹⁴³ The CCA also requires that 10% of funds go to projects that are supported by Tribal resolution. ¹⁴⁴ In FY 2024, only 0.3% of projects met this requirement. This is because many Tribes communicated to the state that passing an official resolution is a complicated and burdensome process. ¹⁴⁵ Instead, Tribes often voiced support through legislative testimony, an official letter, or formal request. The CCA directs the state's Environmental Justice Council to review annual spending reports and recommend to the legislature which programs should receive funding. ¹⁴⁶

Case Study 7: Green Banks — Montgomery County, Maryland; Connecticut; and Nevada

Across the U.S., green banks provide favorable financing for clean energy projects and mobilize additional private sector investment. In the last few years, both the number of green banks and the amount of funding they generate have skyrocketed. Currently, there are over 45 green banks operating at national, state, and local levels, ¹⁴⁷ compared with 21 banks in 2021. ¹⁴⁸ Between 2011 and 2023, green banks across the U.S. generated \$25.4 billion in clean energy investments, with \$10.6 billion generated in 2023 alone. ¹⁴⁹ Public investment from 2011 to 2023 totaled \$9.25 billion, whereas private co-investment totaled \$16.16 billion, giving green banks in the U.S. an overall mobilization ratio of \$1.75 in private dollars for every public dollar. The Coalition for Green Capital spearheaded much of this growth, playing a role in the establishment of almost every U.S. green bank. ¹⁵⁰ In 2024, nearly 40 banks came together to establish U.S. Green Bank 50, which provides a network where green banks can work together and share resources. ¹⁵¹

Green banks can take a variety of forms. While some are established as public or quasi-public entities, others operate as fully independent nonprofit organizations. They range in scope from a single metropolitan area to nationwide coverage. Additionally, while many green banks were founded by state and local legislatures, many others were founded independently by nonprofit and philanthropic organizations.

https://apps.ecology.wa.gov/publications/documents/2414076.pdf.

5126-S2.PL.pdf?q=20250708124338.

https://ecology.wa.gov/air-climate/climate-commitment-act/auction-revenue

https://coalitionforgreencapital.com/wp-content/uploads/DAY-One-2023-CGC-Network-Highlights.pdf

^{143 &}quot;Distribution of Funds From CCA Accounts," Washington State Department of Ecology, 2024,

¹⁴⁴ Washington Senate Bill 5126, "Concerning the Washington Climate Commitment Act," Washington State Legislature, 2021, https://lawfilesext.leg.wa.gov/biennium/202122/Pdf/Bills/Senate%20Passed%20Legislature/

¹⁴⁵ Distribution of Funds From CCA Accounts." Washington State Department of Ecology, 2024,

https://apps.ecology.wa.gov/publications/documents/2414076.pdf

¹⁴⁶ "Cap-and-Invest Auction Revenue," Washington State Department of Ecology,

¹⁴⁷ "The Green Bank 50 Membership," U.S. Green Banks, https://www.usgreenbanks.org/members.

^{148 &}quot;Green Banks," U.S. Environmental Protection Agency, https://www.epa.gov/statelocalenergy/green-banks.

^{149 &}quot;2023 Coalition for Green Capital Annual Report," American Green Bank Consortium, 2024,

¹⁵⁰ "Our Impact," Consortium For Green Capital, https://coalitionforgreencapital.com/our-impact.

¹⁵¹ "Green Banks Launch Groundbreaking Partnership to Accelerate Clean Energy Investment Nationwide,"

lowa Energy Fund, 2024, https://www.iowaenergyfund.org/news/gb50-press-release.

The Connecticut Green Bank

The Connecticut Green Bank was the first green bank in the U.S. and has served as a model for many that came after. It was established in 2011 through Public Act 11-80 with bipartisan support and replaced the Connecticut Clean Energy Fund. ¹⁵² Since its founding, the bank has mobilized \$2.8 billion in clean energy funding with a total public investment of \$409 million. ¹⁵³ This translates to \$7 in private dollars raised for every public dollar. In 2024 alone, the Connecticut Green Bank attracted \$393 million in private funds with \$51 million in public funds. ¹⁵⁴

The Connecticut Green Bank is notable for its variety of durable funding sources. Primarily, the bank is funded through a surcharge on electricity rates known as the Renewable Energy Investment Charge. This charge totals \$0.001 per kilowatt-hour which adds \$0.70 on average to a household's monthly electricity bill. ¹⁵⁵ Many other green banks, including the Massachusetts Clean Energy Center, Efficiency Maine, and the New York Green Bank receive funding from similar fees. ¹⁵⁶ The Connecticut Green Bank also receives funding from federal grants, private sources, and proceeds from the Regional Greenhouse Gas Initiative, a cap-and-trade program that covers Northeast electricity generation. ¹⁵⁷ Last, the bank also sells Green Liberty Bonds and Notes, which allows Connecticut residents and businesses to invest in clean energy projects. ¹⁵⁸

The bank has a variety of offerings that promote electric transportation. The Smart E-Loan Program provides fixed-rate financing for home energy improvements, which can include EV charging stations. ¹⁵⁹ For businesses, the bank administers the state's Commercial Property Assessed Clean Energy Program (C-PACE), which provides financing for clean energy retrofits. ¹⁶⁰ The bank also has a designated loan program to support the deployment of electric school buses. ¹⁶¹ Over the bank's lifetime, nearly 9,000 households have utilized the Smart-E Loan Program, over 400 C-PACE projects have been completed, and in July 2025 the Hartford Public School District received a loan worth \$1 million to acquire 25 electric buses. ¹⁶²

https://www.ctgreenbank.com/about-us/our-history.

https://www.ctgreenbank.com/strategy-impact/reporting-and-transparency/connecticut-green-bank-annual-report-2024.

¹⁵⁴ Id.

¹⁵⁵ "Public Policy Components of Electric Bills," Connecticut Office of Legislative Research, 2024,

https://www.cga.ct.gov/2024/rpt/pdf/2024-R-0132.pdf

¹⁵⁶ "MassCEC Financial Information," Massachusetts Clean Energy Center,

https://www.masscec.com/about/financial-information.

¹⁵⁷ "Connecticut Green Bank Overview," Natural Resources Defense Council,

https://www.nrdc.org/greenbanknetwork/membership/connecticut-green-bank#overview

¹⁵⁸ Green Liberty Notes and Bonds," Connecticut Green Bank,

https://www.ctgreenbank.com/investment-solutions/green-liberty-notes-bonds

159 "Smart-E Loans," Connecticut Green Bank, https://www.ctgreenbank.com/home-solutions/smart-e-loans.
 160 "C-Pace Retrofit Financing," Connecticut Green Bank,

https://www.ctgreenbank.com/building-solutions/c-pace/retrofit-financing/c-pace-ev.

161 "School Bus Financing," Connecticut Green Bank, https://www.ctgreenbank.com/electric-school-bus-financing.
 162 "Connecticut Green Bank Annual Report 2024," Connecticut Green Bank, 2024,

https://www.ctgreenbank.com/strategy-impact/reporting-and-transparency/connecticut-green-bank-annual-report-2024

^{152 &}quot;History of the Connecticut Green Bank," Connecticut Green Bank,

^{153 &}quot;Connecticut Green Bank Annual Report 2024," Connecticut Green Bank, 2024,

The Nevada Clean Energy Fund

The Nevada Clean Energy Fund (NCEF) was the first green bank established by a Republican governor and demonstrates how they can attract bipartisan support. In 2017, after the culmination of a multiyear effort, then-Gov. Brian Sandoval signed Senate Bill 407 establishing the NCEF as an independent nonprofit. ¹⁶³ A feasibility study in 2016 found that Nevada imported nearly 90% of its energy, and as a result Nevadans paid some of the highest electricity rates in the Interior West. The report identified the potential for a green bank to significantly reduce residents' energy costs and grow Nevada's economy. ¹⁶⁴ The bank was established as an independent nonprofit organization rather than a public entity to allow it more freedom and flexibility in its funding resources, including from philanthropic organizations. ¹⁶⁵ The bank received an initial investment of unused funds from the American Recovery and Reinvestment Act and was officially launched in 2022. ¹⁶⁶ In 2024, the bank obtained \$190 million in federal, private, and philanthropic capital to support clean energy projects in the state, including an \$8.7 million federal grant to replace 25 diesel school buses with electric models. ¹⁶⁷ In June of 2025, reflecting continued bipartisan support for the NCEF, Gov. Joe Lombardo signed Senate Bill 132, which appropriated an additional \$500,000 in state funds to the bank. ¹⁶⁸



163 "Despite major vetoes, lawmakers advanced pro-renewable energy agenda," The Daily Indy, 2017,

https://thenevadaindependent.com/article/despite-major-vetoes-lawmakers-advanced-pro-renewable-energy-agenda.

164 "Nevada Governor Signs Green Bank Bill," Coalition for Green Capital,

https://coalitionforgreencapital.com/nevada-governor-signs-green-bank-bill.

166 "Nevada Clean Energy Fund," Green Bank Movement,

https://www.greenbankmovement.org/nevada-clean-energy-fund

"Annual Report 2024," Nevada Clean Energy Fund, 2024,

https://nevadacef.org/wp-content/uploads/2025/07/NCEF-2024-Annual-Report_Final.pdf

¹⁶⁸ "Governor Lombardo Signs SB132, Expanding Energy Affordability for Nevadans," Nevada Clean Energy Fund, 2025, https://nevadacef.org/governor-lombardo-signs-sb132. One of the bank's signature programs is its Residential Energy Upgrade Program. This program provides homeowners with \$25,000 to \$50,000 in fixed-interest loans to finance a variety of energy efficiency and clean energy improvements, including the installation of EV chargers. 169 In May 2025, the program surpassed \$1 million in awarded loans. 170

The Montgomery County Green Bank

Montgomery County in Maryland established the nation's first local green bank, serving as a model for other local governments. In 2015, the county council unanimously voted to pass Bill 18-15, which authorized the establishment of the Montgomery County Green Bank as an independent nonprofit. The bill was developed in collaboration between council members Roger Berliner and Reed Hunt, who was then the president of the Coalition for Green Capital. 171 The bank was initially funded with \$14 million received from a utility settlement. 172 In 2022, the county council voted unanimously to allocate 10% of revenue from the preexisting fuel-energy tax to the green bank. 173 The new funds came with some notable stipulations: They could not be used to support new fossil fuel equipment, 20% of funds must support projects in equity emphasis areas, and 15% must be used to reduce overall project costs through subsidies or similar measures. This injection of reliable annual capital allowed the bank to dramatically expand its operations. From fiscal year 2017 through 2021, the bank mobilized a total of \$2.9 million, but in FY 2022 alone the bank disbursed \$11.6 million. 174 The bank has continued to grow in scale, and in FY 2024 it closed over \$105 million in clean energy projects. That's \$4.30 in private dollars for every public dollar. 175

One of the bank's most notable EV programs is the Affordable Multi-Family Housing Electric Vehicle Charging Infrastructure Program. This program offers bridge loans that provide property owners with up-front capital equal to the amount they expect to receive from state and utility rebates, plus an additional 10%. The loan has a 0% interest rate, and all additional charges are forgiven from the loan after the payment is received from rebates. ¹⁷⁶ This helps reduce the barriers property owners may face and speed up the installation of EV chargers.

Case Study 8: South Coast's WAIRE Program

The Warehouse Actions and Investment to Reduce Emissions Program (WAIRE) is implemented by the South Coast Air Quality Management District in Southern California to regulate indirect source emissions at warehouses. The rule was enacted in May 2021 and applies to warehouse facilities with over 100,000 square feet within the air quality management district's jurisdiction. An air quality district is a local or regional entity responsible for implementing and enforcing the Clean Air Act within its

¹⁷³ Bill 44-2, "Montgomery County Green Bank," Montgomery County Council, 2022,

https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2022/20220201/20220201

174 "2024 Annual Report," Montgomery County Green Bank, 2024,

https://mcgreenbank.org/wp-content/uploads/2024/07/2024-Annual-Report-FINAL.pdf

^{169 &}quot;Residential Energy Upgrade Program," Nevada Clean Energy Fund, https://nevadacef.org/residents.

^{170 &}quot;Nevada Clean Energy Fund's Residential Upgrade Program Reaches \$1 million milestone," Nevada Clean Energy Fund, 2025, https://nevadacef.org/reup-1million.

^{171 &}quot;Montgomery County Council Passes Councilmember Berliner's Green Bank Bill," Montgomery County Council, 2015, https://www2.montgomerycountymd.gov/mcgportalapps/Press_Detail.aspx?ltem_ID=13053&Dept=1

¹⁷² "Montgomery County Green Bank," Coalition for Green Capital,

https://coalitionforgreencapital.com/montgomery-county-green-bank.

¹⁷⁵ *Id.*

¹⁷⁶ *Id.*

designated geography. ¹⁷⁷ The South Coast Air Quality Management District oversees air quality management for 16.8 million people in the greater Los Angeles area. The WAIRE rule was promulgated to address the growing e-commerce industry and its associated warehouse infrastructure, with warehouse square footage in the air district increasing by 41% over the past decade. ¹⁷⁸ Ninety percent of warehouse emissions are associated with commercial vehicles, ¹⁷⁹ and the expansion of warehouses has led to an increase in pollution from transportation, particularly diesel trucks. This boom in warehousing space has typically occurred in areas with other existing sources of environmental pollution, increasing the cumulative impacts borne by disadvantaged communities living nearby.

WAIRE is a flexible policy with multiple compliance options. Warehouses can demonstrate compliance by accumulating enough points, earned through activities that reduce emissions, to fulfill their obligations under the rule, with different actions carrying different point values. The number of points each warehouse must earn for compliance is based on the number of truck trips to the warehouse during the 12-month compliance period.

WAIRE's compliance pathways include purchasing ZEVs for use at the facility, installing charging infrastructure, deploying zero-emission cargo handling equipment, installing particulate filters, designing a custom mitigation strategy, or paying a mitigation fee, among others. In the South Coast Air Quality Management District, the mitigation fees are pooled and then used to provide funding for truck owners to purchase near-zero or zero-emission trucks, as well as to install zero-emission charging infrastructure in communities impacted by warehouse pollution. Use of the mitigation funds is decided by the air quality management district's board. ¹⁸⁰ The WAIRE rule operates on a phase-in schedule, with compliance requirements for the largest warehouses — over 250,000 square feet — beginning in 2022, followed by warehouses over 150,000 square feet in 2023, and finally those over 100,000 square feet in 2024. ¹⁸¹

While WAIRE was designed primarily to target particulate matter and nitrous oxide pollution, it has resulted in significant greenhouse gas reduction co-benefits, especially as operators have largely chosen to comply by deploying zero-emission trucks. From 2021 to 2023, the WAIRE rule spurred the acquisition of 817 commercial medium- and heavy-duty ZEVs, including: 203 zero-emission yard trucks, 172 zero-emission Class 8 trucks, 53 zero-emission Class 4-7 trucks across nine warehouses, and 389 Class 2b-3 trucks. It has also led to the installation of about 340 charging stations. ¹⁸² Implementation of the WAIRE rule is estimated to reduce CO₂ equivalent emissions by approximately

¹⁷⁷ "Basic Information about air quality SIPs," U.S. Environmental Protection Agency,

https://www.epa.gov/air-quality-implementation-plans/basic-information-about-air-quality-sips.

¹⁷⁸ "2nd Annual Report for the WAIRE Program Annual Report," South Coast Air Quality Management District, pg. 8, 2024,

https://www.aqmd.gov/docs/default-source/planning/fbmsm-docs/annual_report_waire_program_102024.pdf. 179 "Draft Staff Report," South Coast Air Quality Management District, pg. 13, 2021,

https://www.aqmd.gov/docs/default-source/planning/fbmsm-docs/pr2305_draft-staff-report_03032021.pdf.

180 "WAIRE Implementation Guide," South Coast Air Quality Management District, pg. 25, 2021,

https://www.aqmd.gov/docs/default-source/planning/fbmsm-docs/waire-implementation-guidelines.pdf.

181 "WAIRE Rule 2305," South Coast Air Quality Management District, 2021, Table 1, pg. 19,

https://www.aqmd.gov/docs/default-source/rule-book/reg-xxiii/r2305.pdf

 $^{^{182}\,\}hbox{``Hybrid Mobile Source Committee Meeting,''}\ South\ Coast\ Air\ Quality\ Management\ District,\ pg.\ 94,\ 2025,$

1.64 million metric tons by 2031, ¹⁸³ equivalent to taking nearly 400,000 internal combustion engine cars off the road for a year. ¹⁸⁴

FIGURE 2: EXAMPLES OF VEHICLE CLASSES

CLASS 1	CLASS 2	CLASS 3	CLASS 4
6,000 pounds or less	6,001 to 10,000 pounds	10,001 to 14,000 pounds	14,001 to 16,000 pounds
FULL-SIZE PICK-UP TRUCK	UTILITYVAN	CITY DELIVERY TRUCK	LARGE WALK-IN TRUCK
CLASS 5	CLASS 6	CLASS7	CLASS 8
16,001 to 19,500 pounds	19,501 to 26,000 pounds	26,001 to 33,000 pounds	33,001 pounds and over
BUCKETTRUCK	SCHOOL BUS	FURNITURE TRUCK	CEMENTTRUCK

Figure 2 shows the different classes of vehicles and their weight ranges.

Case Study 9: Hawaii Clean Ground Transportation Goals

Hawaii has one of the most ambitious fleet electrification targets in the nation, and the state is leveraging a unique public-private partnership to achieve it. Hawaii House Bill 552, passed in June 2021, establishes the following goals: ¹⁸⁵

- 1. One hundred percent of light-duty passenger cars in the state fleet will be zero-emission by Dec. 31, 2030.
- All other light-duty fleet vehicles will be zero-emission by Dec. 31, 2035.

To achieve these goals, the law requires that all new passenger fleet vehicles purchased after Jan. 1, 2022, be zero-emission. All other new light-duty vehicle purchases must be zero-emission "as soon as practicable," but no later than 2030. Exemptions from the purchase requirements can be granted if zero-emission models are unsuitable for the purpose of the vehicle, shown to be cost-prohibitive over their full life cycle, or if funds are unavailable. While Hawaii currently does not have

¹⁸³ "Board Meeting Agenda No. 27," South Coast Air Quality Management District, pg. 64, 2021, https://www.aqmd.gov/docs/default-source/Agendas/Governing-Board/2021/2021-May7-027.pdf.

¹⁸⁴ "EPA Greenhouse Gas Equivalencies Calculator," U.S. Environmental Protection Agency, https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results.

¹⁸⁵ Hawaii House Bill 552, "Clean Ground Transportation Goals," Hawaii State Legislature, 2021, https://data.capitol.hawaii.gov/sessions/session2021/bills/HB552_HD1_.PDF.

¹⁸⁶ Hawaii House Bill 552, "Clean Ground Transportation Goals," is not clear on the difference between light-duty passenger cars versus "all other light-duty fleet vehicles," but presumably this refers to the difference between light-duty sedans and light-duty pickup trucks and SUVs.

legislation explicitly targeting the electrification of medium- and heavy-duty vehicles, the state does have a separate goal of carbon neutrality by 2045, which was established by Act 15 in 2018. ¹⁸⁷ In addition, Act 75, signed by then-Gov. David Ige on the same day as Act 74, requires that all vehicles rented by Hawaiian government agencies be electric or hybrid, unless those models are unsuitable or unavailable. ¹⁸⁸

Importantly, these goals were only codified *after* Hawaii signed a contract allowing it to convert its fleet through a partnership with Arizona-based company Sustainability Partners (SP). This allowed the state to lower up-front costs. In February 2020, Hawaii contracted with SP, allowing the company to provide the state with EVs and charging infrastructure. Under the company's Electric Vehicles as a Service™ model, SP will purchase and install all requested EVs, charging equipment, and distribution upgrades at no up-front cost to the state. ¹⁸⁹ Instead, the state pays monthly per-mile usage fees on each vehicle. This fee varies depending on the vehicle's model, the kind of charger it uses, and whether transmission upgrades were installed, but it covers all costs associated with operating the vehicle, including charging and maintenance. ¹⁹⁰ SP owns and maintains all vehicles and associated equipment, but the state has full discretion over how it uses the vehicles on a day-to-day basis. ¹⁹¹ The contract lasts 10 years, and at its conclusion, state entities can decide if they are going to acquire new ZEVs through SP or through traditional means. ¹⁹²

A variety of jurisdictions signed up to participate in this contract, including all executive departments and agencies, all four county governments, the Honolulu Authority for Rapid Transportation, the Hawaii Health Systems Corporation, and the University of Hawaii. ¹⁹³ Any electric or hybrid model on the market is eligible for this contract, including light-, medium-, and heavy-duty vehicles. Since 2021, SP has helped Hawaii state agencies deploy a variety of vehicles, from sedans and SUVs to trucks, buses, street sweepers, refuse vehicles, and all-terrain vehicles. ¹⁹⁴

This contract significantly reduces the up-front costs of acquiring EVs. In spring 2021, the Hawaii Department of Transportation (HDOT) received 43 electric passenger vehicles, the first acquired through the SP contract. ¹⁹⁵ Purchasing these vehicles traditionally, along with installing all necessary chargers and infrastructure upgrades, would have cost the state between \$2.6 and \$3 million. In contrast, HDOT pays approximately \$200,000 each year for the use of these vehicles. ¹⁹⁶ This

https://legiscan.com/HI/text/HB2182/id/1788366.

https://data.capitol.hawaii.gov/sessions/session2021/Bills/GM1175_.PDF.

https://www.sustainability.partners/electric-vehicles-charging-infrastructure.

¹⁹¹ *Id.*

¹⁹² Id.

¹⁹³ *Id*.

https://www.sustainability.partners/portfolio-item/hawaii.

¹⁹⁵ "First Electric Vehicles Picked Up Through the Statewide Multi-Agency Service Contract Arrive," Hawaii Department of Transportation: Highways Division, 2021, https://hidot.hawaii.gov/highways/first-electric-vehicles-picked-up-through-the-statewide-multi-agency service-contract-arrive.

https://hidot.hawaii.gov/highways/electric-vehicles.

¹⁸⁷ Hawaii House Bill 2182, "Relating to Environmental Protection," Hawaii State Legislature, 2018,

¹⁸⁸ Hawaii House Bill 424, "Relating to Procurement of Contracts For Vehicle Rental," Hawaii State Legislature, 2021,

¹⁸⁹ "Electric Vehicles as a Service," Sustainability Partners,

¹⁹⁰ "Electric Vehicles and Charging Infrastructure Services," Hawaii Department of Transportation: Highways Division https://hidot.hawaii.gov/highways/files/2021/02/EV-service-contract-info.pdf.

¹⁹⁴ "State of Hawaii: Attaining Resiliency and Sustainability Across the Islands," Sustainability Partners,

^{196 &}quot;Electric Vehicle Fleet," Hawaii Department of Transportation: Highways Division,

approach allows the state to spread the costs over multiple years instead of one large up-front purchase for the vehicles, charging infrastructure, and needed upgrades. The EV subscription cost can also be cheaper than operating a comparable gasoline vehicle. HDOT calculated the average lifetime cost of a light-duty gasoline fleet vehicle to be \$65,800, or \$6,580 each year. ¹⁹⁷ The usage fees for a Nissan Leaf using a Level 2 charger total \$5,568 each year. ¹⁹⁸ Overall, HDOT claims that the 43 EVs are already saving the agency \$107,500 on vehicle maintenance and \$12,300 on fuel each year. ¹⁹⁹

This model is also expanding beyond Hawaii. In May 2025, the state of New Mexico awarded SP a contract to electrify over 5,000 fleet vehicles. ²⁰⁰ The contract also allows municipalities and public school districts to opt in. While SP has the most robust track record in partnering with state agencies, this business model is on the rise. ²⁰¹

Case Study 10: Miami-Dade County Fleet Electrification Program

Miami-Dade County provides an example of successful fleet electrification policies at the county level. The county is on target to electrify its light-duty municipal fleet by 2030 and will soon operate one of the largest electric transit bus fleets in the nation. ²⁰² The county benefits from a unique funding source, the People's Transportation Plan, which helped fund the transition of its fleet to ZEVs.

Miami-Dade County has a long history of climate action. Most recently, County Mayor Daniella Levine Cava announced in 2021 that the county would join the international Race to Zero, committing to reduce countywide emissions to 50% of 2019 levels by 2030 and achieve net-zero emissions by 2050. ²⁰³ To achieve these goals, the county released its Climate Action Strategy later that year. The plan set targets to electrify 80% of light-duty public fleet vehicles and 50% of public transit buses by 2030. ²⁰⁴

In April 2021, the mayor issued a directive that established electric purchasing requirements for county fleet vehicles. The directive required that 10% of all light-duty vehicles purchased in fiscal year 2021 be zero-emission. This mandatory percentage then increases by 10% each fiscal year until 100% of

https://hidot.hawaii.gov/highways/electric-vehicles.

¹⁹⁸ *Id.*

¹⁹⁹ Id.

 $^{200}\,\text{``Sustainability Partners Awarded Contract to Accelerate Statewide Fleet Electrification in New Mexico,''}$

Sustainability Partners, https://www.sustainability.partners/sustainability-partners-awarded-contract-to-accelerate-statewide-fleet-electrification-in-new-mexico.

²⁰¹ "'Charging As A Service' For Electric Vehicles Growing As A Market Offering," Forbes, 2022,

https://www.forbes.com/sites/stevetengler/2022/02/16/charging-as-a-service-for-electric-vehicles-growing-as-a-market-offering.

²⁰² "Miami-Dade County Commits to Fleet Electrification by 2030 and Establishes a Fleet Fuel Efficiency Purchase Policy," Southeast Florida Regional Climate Change Compact, 2021,

https://southeastfloridaclimatecompact.org/news-post/miami-dade-county-commits-to-fleet-electrification-by-2030-and-establishes-a-fleet-fuel-efficiency-purchase-policy

²⁰³ "Miami-Dade Climate Action Strategy: Revised December 2021," Miami-Dade County, 2021,

https://www.miamidade.gov/green/library/climate-action-strategy-final-draft.pdf

^{197 &}quot;Electric Vehicle Fleet," Hawaii Department of Transportation: Highways Division,

light-duty purchases must be electric in FY 2030. ²⁰⁵ Since these rules went into effect, the county has remained on target. In both FY 2023 and FY 2024, the county has slightly exceeded these purchasing requirements, with 32% and 41.6% electric light-duty vehicles, respectively. ²⁰⁶

The county operates the 10th-largest public transit bus fleet in the nation. ²⁰⁷ In 2018, the Miami-Dade Board of County Commissioners passed legislation that set a goal for 50% of the bus fleet to be electric by 2035. ²⁰⁸ In 2021, the Climate Action Strategy moved that goal up to 2030. ²⁰⁹ This legacy of clean transit commitments explains the county's above-average progress. In 2023, the county unveiled 75 new 40-foot battery-electric buses. Those buses comprise 10% of the entire metrobus fleet, making it one of the largest zero-emission fleets in the country. ²¹⁰ However, the buses' manufacturer, Proterra, went bankrupt shortly after, and issues in completing maintenance requests have sidelined most of those buses. ²¹¹

Despite this setback, the county remains committed to electric transportation and is currently launching record-breaking new electric bus infrastructure. The South Corridor Rapid Transit Project is a new Bus Rapid Transit (BRT) line with a 20-mile route from Dadeland to Florida City. ²¹² The line will be served by 100 new 60-foot battery-electric buses purchased from New Flyer, ²¹³ making it the longest all-electric BRT route in the country. ²¹⁴ To service these buses, the county is constructing the new South Dade Transportation Operations Center. This center will be the nation's first all-electric-transit bus depot, with the infrastructure needed to charge and maintain all 100 buses, along with 750 kW of solar capacity. ²¹⁵ Both the BRT line and the operations center are projected to begin operations later in 2025. ²¹⁶

The primary source of funding for both the operations center and the BRT line is the People's Transportation Plan, which was established in 2002. Recognizing the need for expanded public transit, the county created a long-term transit expansion plan after soliciting significant input from a variety of

https://southeastfloridaclimatecompact.org/news-post/miami-dade-county-commits-to-fleet-electrification-by-2030-and-establishes-a-fleet-fuel-efficiency-purchase-policy

https://www.miamidade.gov/govaction/legistarfiles/Matters/Y2024/242220.pdf

²⁰⁷ "U.S. Transition to Zero Emission Transit is Gaining Momentum But Faces Headwinds," WSP, 2024,

https://www.wsp.com/en-us/insights/2024-zeb-transition-white-paper.

²⁰⁸ "Miami-Dade Legislative Item File Number: 182156, Fuel Efficiency Targets," Miami-Dade County, 2018,

https://www.miamidade.gov/govaction/matter.asp?matter=182156&file=true&fileAnalysis=false&yearFolder=Y2 018.

²⁰⁹ Id.

 $^{210}\,\text{`Miami-Dade County to showcase new electric buses and new bus passenger shelters,''}\,\text{Miami-Dade County, 2023,}$

https://www.miamidade.gov/global/release.page?Mduid_release=rel1675136451787348.

²¹¹ "Shock lingers from short-circuited electric bus purchase," *Miami Today*, 2025,

https://www.miamitodaynews.com/2025/03/12/shock-lingers-from-short-circuited-electric-bus-purchase. South Corridor (South Dade TransitWay) Rapid Transit Project," Institute for Sustainable Infrastructure, 2024,

https://sustainableinfrastructure.org/project-awards/south-corridor-south-dade-transitway-rapid-transit-project

²¹³ "South Dade Transit Operations Center," Miami-Dade County,

https://www.miamidade.gov/global/transportation/public-works/south-dade-electric-bus-facility.page.

214 "State of the County Address 2025," Miami-Dade County, 2025, https://www.youtube.com/watch?v=-BoitgoGIZk.

215 "WSP Starts Work on First-of-Its-Kind Electric Bus Transit Center in Miami," ENR Texas and Southeast, 2024,

https://www.enr.com/articles/58906-wsp-starts-work-on-first-of-its-kind-electric-bus-transit-center-in-miami. 216 "State of the County Address 2025," Miami-Dade County, 2025, https://www.youtube.com/watch?v=-BoitgoGIZk.

²⁰⁵ "Miami-Dade County Commits to Fleet Electrification by 2030 and Establishes a Fleet Fuel Efficiency Purchase Policy," Southeast Florida Regional Climate Change Compact, 2021,

²⁰⁶ "Recommendation to Delegate to the County Mayor," Miami-Dade County, 2025, pg. 3,

communities. ²¹⁷ In November 2002, a ballot measure asked voters whether the county should approve the plan and establish a durable funding supply — a half-penny surtax to the county's sales tax. 218 The plan was approved by 63.5% of voters. 219 Since the measure was passed without a sunset date, it continues to provide funding for county transit improvements, including electrification. As of 2023, which was 20 years after it went into effect, the surtax had raised \$4.8 billion for the county's transit infrastructure. 220



²¹⁷ "History of the People's Transportation Plan," Miami-Dade County, 2015, https://www.miamidade.gov/citt/history.asp. ²¹⁸ "Citizens' Independent Transportation Trust," Miami-Dade County,

https://palmbeachtpa.org/wp-content/uploads/2024/01/3.-2024.02.26-Miami-Dade-Presentation.pdf ²¹⁹ "Miami-Dade County General Election Results," Miami-Dade County, 2002,

https://www.miamidade.gov/elections/results/ele02309/R0540607.HTML

²²⁰ "Citizens' Independent Transportation Trust, Miami-Dade County,

https://palmbeachtpa.org/wp-content/uploads/2024/01/3.-2024.02.26-Miami-Dade-Presentation.pdf

Case Study 11: California Clean Miles Standard

The Clean Miles Standard is a unique regulation on Transportation Network Companies (TNCs), or rideshare companies like Uber and Lyft, that requires them to electrify their fleets.

Electrifying rideshare vehicles offers greater benefits than electrifying standard vehicles. In 2018, California calculated that TNC rides were estimated to make up 1.2% of all light-duty vehicle miles traveled (VMT) ²²¹ in the state and much higher percentages in urban areas. ²²² Rideshare vehicles also travel an average of 40,000 miles per year, significantly higher than a standard passenger vehicle. ²²³ As a result, electrifying a rideshare vehicle can create three times the emissions reductions of electrifying a standard passenger vehicle. ²²⁴ Because most rideshare trips occur in densely populated urban centers, electrifying these vehicles also has a larger impact on urban air quality. Last, because EVs typically have a lower per-mile operational cost, TNC drivers are particularly well positioned to reap the financial benefits of switching to an EV. ²²⁵

Recognizing these particular benefits, the Clean Miles Standard was created in 2018 through the passage of California Senate Bill 1014. The law required the California Air Resources Board and the California Public Utilities Commission to design and enforce annual greenhouse gas emissions targets for TNCs that would go into effect in 2023. ²²⁶ After conducting stakeholder meetings with both TNCs and TNC drivers, the California Air Resources Board approved the official rule in 2021. The rule regulates two metrics: EV miles traveled (eVMT) — the percentage of those miles that were driven by an EV — and greenhouse gas emissions. In addition to the length of the trip itself, this also includes the distance traveled while looking for a ride and traveling to the pickup location. Greenhouse gas emissions are measured in grams of CO₂ released per passenger mile traveled, which only considers the carbon intensity of the ride rather than total vehicle operations. ²²⁷ The Clean Miles Standard requires that TNCs achieve 90% eVMT and zero greenhouse gas emissions by 2030, along with annual interim compliance targets. ²²⁸ The 2030 standards are aligned with emissions goals that Uber and Lyft adopted a year prior to the Clean Miles Standard's release.

²²¹ Vehicle miles traveled is defined as the total distance traveled by a vehicle during operation over a given period, usually the value is given as the distance traveled over a year.

²²² "SB 1014 Clean Miles Standard 2018 Base-Year Emissions Inventory Report," California Air Resources Board, 2018, https://ww2.arb.ca.gov/sites/default/files/201912/SB%201014%20%20Base%20year%20Emissions%20 Inventory_December_2019.pdf.

²²³ "Understanding the Clean Miles Standard Regulation for Ridehailing Companies," Rocky Mountain Institute, 2023, https://rmi.org/understanding-the-clean-miles-standard-regulation-for-ride-hailing-companies.

²²⁴ Id. ²²⁵ Id.

²²⁶ California Senate Bill 1014, "California Clean Miles Standard and Incentive Program," California State Legislature, 2018, https://trackbill.com/bill/california-senate-bill-1014-california-clean-miles-standard-and-incentive-program-zero emission-vehicles/1550266.

²²⁷ "Understanding the Clean Miles Standard Regulation for Ride hailing Companies," Rocky Mountain Institute, 2024, https://rmi.org/understanding-the-clean-miles-standard-regulation-for-ride-hailing-companies.

²²⁸ "Attachment A: Final Regulation Order Clean Miles Standard," California Air Resource Board,

https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2021/cleanmilesstandard/fro.pdf

TABLE 2: CLEAN MILES STANDARD EV MILES TRAVELED COMPLIANCE SCHEDULE

Year	Percent of Vehicle Miles Traveled Completed by EVs
2023	2%
2024	4%
2025	13%
2026	30%
2027	50%
2028	65%
2029	80%
2030	90%

Table 2 shows the percentage of vehicles that are required to be zero emissions by each year under the Clean Miles Standard.

TABLE 3: CLEAN MILES STANDARD EMISSIONS COMPLIANCE SCHEDULE

Year	Grams of CO ₂ per Passenger Mile Traveled
2023	252
2024	237
2025	207
2026	161
2027	110
2028	69
2029	30
2030	0

Table 3 shows the maximum amount of greenhouse gas emissions that can be emitted on a per trip basis under the Clean Miles Standard.

TNCs can meet these targets in a variety of ways. One is to offer incentives to drivers to encourage EV adoption. For example, Uber allows EV drivers to accept rides with Uber Green and Comfort Electric, which pay more than standard Uber trips, and Lyft began giving California drivers EV bonuses in December 2022, which has led to an increase in all of Lyft's eVMT. ²²⁹ The companies can also deprioritize or deactivate the accounts of drivers using internal combustion engine vehicles, so long as they provide sufficient notice, although this has not yet occurred in practice. ²³⁰ Once eVMT targets have been met, TNCs have even more options to meet the greenhouse gas targets. They can incentivize ride-sharing, or pooling, to reduce emissions. TNCs can also earn overcompliance credits if their grams of CO₂ per passenger mile traveled is lower than the requirement for that year. These credits can be used in the subsequent three years to meet compliance. ²³¹ If a TNC falls short of its requirements, it can earn optional credits by either investing in alternative transportation projects, such as sidewalks and bike lanes, or by demonstrating that a rideshare trip was used to connect to public transit. ²³² Every two years, TNCs must develop and submit greenhouse gas reduction plans for approval by the California Public Utilities Commission that outline their strategy for achieving these standards. ²³³

The law includes a suite of equity provisions to protect rideshare drivers during this transition. TNCs are required to track and report drivers' income information and ensure that low- and middle-income (LMI) drivers, defined as those who earn less than 120% of the state's median income, spend no more than

https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2021/cleanmilesstandard/fro.pdf

²²⁹ "Clean Miles Standard Interim GHG Plan Workshop," California Public Utilities Commission, pg. 32, 2024, https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/consumer-protection-and-enforcement-division/documents/tlab/clean-miles-standard/2024-0813-cms-interim-ghg-plan-workshop-slides_final_v2.pdf. ²³⁰ "Understanding the Clean Miles Standard Regulation for Ridehailing Companies," Rocky Mountain Institute, 2024, https://rmi.org/understanding-the-clean-miles-standard-regulation-for-ride-hailing-companies.

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²³³ "Attachment A: Final Regulation Order Clean Miles Standard," California Air Resource Board,

15% of their annual income on renting, leasing, or buying an EV. ²³⁴ LMI drivers with internal combustion engine vehicles must be provided with 120-day notice before their accounts are deactivated or deprioritized. ²³⁵ Last, the Clean Miles Standard establishes the Drivers Assistance Program (DAP) to provide rebates to LMI drivers looking to purchase an EV. The DAP is administered by a third-party organization, the Center for Sustainable Energy, ²³⁶ and is funded by a \$0.09 fee on each rideshare trip and provides an up-front rebate of \$10,400 to qualifying drivers. To access the rebate, drivers must complete 4,500 trips over a 12-month period, which roughly equates to driving 40 hours. ^{237, 238, 239, 240}

The California Public Utilities Commission is currently designing the fines for noncompliance. The proposed draft would fine rideshare companies between \$2,500 and \$7,500 per day, per violation, depending on the size of the rideshare company. For example, if a company with over 500 million annual VMT, the largest size designation, failed to meet both its eVMT and greenhouse gas targets for 2025, then beginning on Jan. 1, 2026, the company would be charged \$15,000 per day until it meets the 2025 targets. With this formula, the maximum possible fine for a full year of noncompliance on both metrics would be \$5.475 million. The commission is currently accepting comments and will release the official rule by the end of the year. ²⁴¹

The targets set by the Clean Miles Standard align with the sustainability goals independently adopted previously by Uber and Lyft and provide an opportunity to hold these companies accountable to their promises. Lyft pledged to transition 100% of its fleet to ZEVs by 2030, ²⁴² and Uber pledged to transition all vehicles in the U.S., Canada, and Europe to ZEVs by 2030 and achieve zero emissions globally by 2040. ²⁴³ In addition, Uber announced an interim target for 2025 of having 50% of eVMT in seven European capitals and 100% eVMT in London and Amsterdam. In May 2025, Uber announced that it will be unable to achieve those 2025 goals, with only 15% of miles in Europe completed by ZEVs. ²⁴⁴

https://energycenter.org/program/california-clean-miles-standard-drivers-assistance-program?utm_source=chatgpt.com.

https://rmi.org/understanding-the-clean-miles-standard-regulation-for-ride-hailing-companies.

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²⁴² "Leading the Transition to Zero Emissions: Our Commitment to 100% Electric Vehicles by 2030," Lyft, 2020,

https://www.lyft.com/blog/posts/leading-the-transition-to-zero emissions.

²³⁴ "Understanding the Clean Miles Standard Regulation for Ridehailing Companies," Rocky Mountain Institute, 2024, https://rmi.org/understanding-the-clean-miles-standard-regulation-for-ride-hailing-companies.

²³⁵ Id

²³⁶ "California Clean Miles Standard—Drivers Assistance Program," Center for Sustainable Energy,

²³⁷ "Resolution Approving Uber Technologies, Inc.'s Interim Greenhouse Gas Emissions Reduction Plan Submitted As Uber Advice Letter 27," Public Utilities Commission of the State of California, 2025,

 $[\]frac{\text{https://view.officeapps.live.com/op/view.aspx?src=https\%3A\%2F\%2Fdocs.cpuc.ca.gov\%2FPublishedDocs\%2FPublishedW2FG000\%2FM559\%2FK819\%2F559819130.docx.}{\text{https://view.officeapps.live.com/op/view.aspx?src=https%3A\%2F\%2Fdocs.cpuc.ca.gov\%2FPublishedDocs%2FPublishedDocs%2FPublishedW2FG000\%2FM559\%2FK819\%2F559819130.docx.}{\text{https://view.officeapps.live.com/op/view.aspx?src=https%3A\%2F\%2Fdocs.cpuc.ca.gov\%2FPublishedDocs%2FPublish$

²³⁸ "Understanding the Clean Miles Standard Regulation for Ridehailing Companies," Rocky Mountain Institute, 2024,

²³⁹ "Resolution Approving Uber Technologies, Inc.'s Interim Greenhouse Gas Emissions Reduction Plan Submitted As Uber Advice Letter 27," Public Utilities Commission of the State of California, 2025,

²⁴¹ "Clean Miles Standard Phase 2 Staff Proposal," California Public Utilities Commission, 2025,

https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M572/K574/572574634.PDF

²⁴³ "Sustainability," Uber, https://www.uber.com/us/en/about/sustainability/#.

²⁴⁴ "Sustainability Report," Uber, 2025, https://www.uber.com/us/en/about/reports/sustainability-report.

In contrast, as of August 2024, both Uber and Lyft were on track to meet the 2025 compliance standard for eVMT in California, each with about 12% eVMT. ²⁴⁵ Both companies expressed greater difficulty meeting the greenhouse gas limits and are requesting that the commission revise the requirements. ²⁴⁶

Comparison — New York City's Green Rides Initiative

New York City is the only other jurisdiction that has regulated TNC emissions, and its model has several key differences from the California Clean Miles Standard. The Green Rides Initiative was enacted by the Taxi and Limousine Commission (TLC) in 2023 and applies to high volume for-hire services, which are businesses dispatching over 10,000 trips each day in the city. The initiative does not measure electrification through eVMT. Rather, each year these services are required to complete an increasing percentage of their total trips with either ZEVs or wheelchair-accessible vehicles, with the requirement to reach 100% eVMT or wheelchair accessibility in 2030. ²⁴⁷ The TLC decided to use this metric for two reasons. First, due to the densely populated nature of New York City, there is very little variation in trip distance. Second, the TLC already had experience collecting this metric, and using eVMT would be a heavier administrative load. ²⁴⁸ The fines for noncompliance also follow a different model. For every 1,000 rides out of compliance, the rideshare company is fined \$50. ²⁴⁹ In the first six months of 2025, rideshare companies completed over 4 million trips in New York City, so noncompliance penalties could reach hundreds of millions if the benchmarks are missed by just 10%. ²⁵⁰

In addition, unlike California's Clean Miles Standard, the Green Rides Initiative does not include equity considerations for LMI drivers. High-volume for-hire services are not required to notify drivers if they are being deprioritized, and there is no equivalent to California's Drivers Assistance Program. The TLC stated in the rule that it anticipates EVs will reach price parity with internal combustion engine vehicles in 2027, after which purchasing an EV will make the most financial sense for drivers. ²⁵¹ As a result, the ZEV requirements rapidly increase after 2027. The TLC also encourages drivers to access the EV incentives offered through the New York State Energy Research and Development Authority, which currently offers rebates up to \$2,000 for the purchase of a new EV or plug-in hybrid. ²⁵²

https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/consumer-protection-and-enforcement-division/documents/tlab/clean-miles-standard/2024-0813-cms-interim-ghg-plan-workshop-slides_final_v2.pdf.

https://rules.cityofnewyork.us/wp-content/uploads/2023/08/TLC-Notice-of-Promulgation-CR-Green-Rides-Initiative-10-19-23-1.pdf

²⁴⁵ "Clean Miles Standard Interim GHG Plan Workshop," California Public Utilities Commission, 2024,

²⁴⁷ "Notice of Promulgation," New York City Taxi and Limousine Commission, pg. 6, 2023,

²⁴⁸ Id.

²⁴⁹ Id

²⁵⁰ "Taxi and Ridehailing Usage in New York City," Todd W Schneider,

https://toddwschneider.com/dashboards/nyc-taxi-ridehailing-uber-lyft-data

²⁵¹ "Notice of Promulgation," New York City Taxi and Limousine Commission, 2023, https://rules.cityofnewyork.us/wp-content/uploads/2023/08/TLC-Notice-of-Promulgation-CR-Green-Rides-Initiative-10-19-23-1.pdf.

²⁵² "Drive Clean Rebate for Electric Cars," New York State Energy Research Development Authority,

To work for a TLC in New York City, a driver must use a vehicle with an official TLC For-Hire-Vehicle license. Historically, there has been a cap on the total number of licenses awarded, but that cap was lifted with the passage of the Green Rides Initiative in October 2023. Then, in November 2024, the Taxi Workers Alliance sued the TLC, and the court ordered the commission to stop accepting new license applications. ²⁵³ However, in the three weeks between the lifting of the cap and the court order, the TLC received over 7,500 applications for the EV license, which it was able to process. This brought the percentage of rideshare trips in the city that were carried out by EVs from 2% in 2023 to 12% in 2024. ²⁵⁴ In April 2025, the TLC and the Taxi Workers Alliance settled the lawsuit, with the TLC agreeing to only issue a specific number of new licenses each year to avoid flooding the market. ²⁵⁵ It is still unclear how many that will be.

TABLE 4: NYC GREEN RIDES INITIATIVE COMPLIANCE SCHEDULE 256

Year	Percentage of Trips Completed by a Zero-Emission or Wheelchair-Accessible Vehicle	
2024	5%	
2025	15%	
2026	25%	
2027	40%	
2028	60%	
2029	80%	
2030	100%	

Table 4 shows the percentage of trips that need to be completed by a ZEV or a wheelchair-accessible vehicle by TNCs per year.

https://www.govtech.com/fs/nyc-all-electric-rideshare-push-charges-ahead-amid-lawsuit.

https://www.nyc.gov/assets/tlc/downloads/pdf/electrification_in_motion_report_2024.pdf.

²⁵³ "NYC All-Electric Rideshare Push Charges Ahead Amid Lawsuit," Government Technology, 2024,

²⁵⁴ "Electrification in Motion," New York City Taxi and Limousine Commission, 2024,

²⁵⁵ "NYC taxi commission and drivers' union reach agreement on ride-share permitting and electric vehicles," *AM NY*, 2025, **https://www.amny.com/nyc-transit/nyc-taxi-commission-ev-taxi-applications**.

²⁵⁶ "Notice of Promulgation," New York City Taxi and Limousine Commission, 2023, https://rules.cityofnewyork.us/wp-content/uploads/2023/08/TLC-Notice-of-Promulgation-CR-Green-Rides-Initiative-10-19-23-1.pdf.