



Infrastructure Investment and Jobs Act (IIJA)
Reimagining Highway Investments/Carbon Reduction Program Sub-Working Group
Meeting #2: Carbon Reduction Program
May 16, 2022, | 1:00 pm – 2:00 pm

Agenda

- House Keeping and Ground Rules
- Overview of Carbon Reduction Program (CRP)
- Discussion Topics – CRP and FHWA
 - **FHWA** guidance was issued today, and we will spend the bulk of our discussion on the guidance
- Wrap-Up and Next Steps

Carbon Reduction Sub-Working Group

Jeanie Ward-Waller, Caltrans

Jeanie provided an overview of the history and latest updates regarding the Carbon Reduction Program

Questions, Comments, and Group Discussion

- Carbon Reduction is a key aspect of the larger California Transportation Plan; Many strategies already in place. How can this program and strategy add value and provide a unique opportunity for the State and its partners to collaborate and reduce carbon emissions?
- How will this plan relate to the AB 32 Climate Change Scoping Plan? Apportionments out to metro areas – who is getting this funding?
 - AB 32 is statewide/all sectors, CRP is focused on transportation.
 - Total local apportionment is \$65m, MPOs/RTPAs will distribute based on population; two new population categories, boundaries not released, unclear how these will be apportioned
- What projects could qualify for natural gas and hydrogen infrastructure?
 - Considers charging infrastructure, related equipment, and the deployment of alternative fuel vehicles.

- o We would want to develop some guidance on how these funds will be used.
- Can the funding go towards maintenance and operations of zero emission services or other transit services?
 - o The maintenance and operations of publicly accessible vehicle charging stations are eligible under the [National Electric Vehicle Infrastructure Formula Program \(NEVI\)](#); CRP allows for the acquisition, installation, or operation of publicly accessible electric vehicle and does not mention maintenance. Under the CRP, construction of a bus rapid transit corridor or dedicated bus lanes are an eligible expense; and CRP funds may be ‘flexed’ to FTA.
 - o *Per the guidance: Project to support deployment of alternative fuel vehicles, including—the acquisition, installation, or operation of publicly accessible electric vehicle charging infrastructure or hydrogen, natural gas, or propane vehicle fueling infrastructure; and the purchase or lease of zero-emission construction equipment and vehicles, including the acquisition, construction, or leasing of required supporting facilities.*
 - o *a public transportation project eligible for assistance under 23 U.S.C. 142 (this includes eligible capital projects for the construction of a bus rapid transit corridor or dedicated bus lanes as provided for in BIL Section*
- Will rural areas of the state be eligible for the 35% apportioned to the State?
 - o Areas of the State with populations of less than 5,000 will receive apportionment from 65% Local apportionment share; for the any area funds, we are thinking about how these will be distributed and will gather additional details from FHWA regarding how we can use that 35% for very transformative investment.
- Would be helpful if CalSTA used the Carbon Reduction Strategy to communicate transportation GHG mitigation investment priorities to MPOs and local governments; develop a statewide discretionary grant program where MPOs and/or local governments compete for CRP funds to support CalSTA’s highest priority state GHG mitigation projects. All or some of the state's share could be allocated as such
- Consider development of a new discretionary program - have three or four projects the State wants to pursue.
 - o There is time each year to refine and adjust.
 - o With strong criteria to address equity and disadvantaged community benefits, this would be a good approach.
- Please be mindful to not use a “one size fits all” approach; small urban/rural areas have different needs than large areas; we’ll use funds for bike/ped, rail, transit projects; unable to apply these funds to all eligible activities
- Role/level of oversight needed in terms of this program? Need guidance on where we can support this; we definitely promote bike and pedestrian projects.
- The State has done a great deal of work- various plans and objectives; save time and recognize the work we have already done; move forward based on the various plans and guidance that already exists; transit operations are identified in multiple plans as a strategy to help with carbon reduction. If funding could be used in an ongoing way for transit operations, would really help move the needle.

- Is there is anyway this funding could go to transit agencies in an ongoing way. We would need funding beyond the initial startup and funding.
- Will FHWA be issuing the boundaries/data needed for Caltrans to identify the 5-49K and under 5K and when would that be?
 - o Right now, we do not have an answer; will get back to you with an update.
- What will be the process to develop the Carbon Reduction Strategy?
 - o Must coordinate with MPOs and implement; up to us to determine the process
- What is the framework/guidance for FY22 CRP funding?
 - o eligibility is quite broad, one thought is can we actually allow projects to be obligated this year OR put together a sound strategy and then obligate funds after meanwhile using other program funding for projects.
- Are we looking to narrow the list of projects or get project suggestions from the group? Pricing would be an important activity/topic to consider going forward.
 - o State has a narrower list; will spell that out in future guidelines
- I'd encourage maximizing use of existing plans and programs to streamline delivery. Looking forward to the discussion on CR Strategy next meeting.
- Suggest projects focus on reimagining how provide transportation strategies-traditional TDM services, application of technology/congestion pricing to improve throughput/increase mode shift/EV implementation, with a lens of equity.
- Any intension to include consideration of cost-effectiveness of various strategies or projects - e.g., \$\$ per unit of carbon reduction? Could this be a criterion for scoring for funding?
 - o There is two parts – what will qualify and what will be used to evaluate the projects.
- Need to take into consideration what project types are the best fit for rural regions of the state.
- Who reviews project funding applications, MPOs or Caltrans?
 - o 35% share will be used by the State, 65% of funding will go to RTPAs and MPOs
- MPOs/RTPAs can set their own criteria for selecting/funding projects?
 - o Yes, MPOs and RTPAs will be responsible for establishing their own criteria.
 - o A lot of work already done developing these strategies, applying funding to these would be very helpful.
- Strongly recommend Caltrans leverage existing RTPs and roll them up into a statewide CR strategy, given that the RTP process in California has been exactly about that, and involves significant public input. Implementation funds for the RTP strategies have been lacking, CRP program can play a small role toward implementation.

Action Items

- Follow up on apportionment questions.
- Distribute FHWA guidance to members when more information on CRP is released.

-----Meeting Adjourned-----

