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**SENATE COMMITTEE ON ENVIRONMENTAL QUALITY**

**Senator Allen, Chair**

**2021 - 2022 Regular**

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**Bill No:** AB 992  
**Author:** Cooley  
**Version:** 3/25/2021  
**Urgency:** No  
**Consultant:** Eric Walters

**Hearing Date:** 7/12/2021  
**Fiscal:** Yes

**SUBJECT:** California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program

**DIGEST:** Adds peer-to-peer truck sharing platform demonstration projects as an eligible project under the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program.

**ANALYSIS:**

Existing law:

- 1) Establishes the Air Resources Board (ARB) as the air pollution control agency in California and requires ARB, among other things, to control emissions from a wide array of mobile sources and coordinate, encourage, and review the efforts of all levels of government as they affect air quality. (Health and Safety Code (HSC) §39500 et seq.)
- 2) Requires ARB to ensure that statewide GHG emissions are reduced to at least 40% below the 1990 level by December 31, 2030 (i.e., SB 32); and allows ARB, until December 31, 2030, to adopt regulations that utilize market-based compliance mechanisms (i.e., the cap-and-trade program) to reduce GHG emissions. (HSC §§ 38566, 38562)
- 3) Establishes the Greenhouse Gas Reduction Fund (GGRF) in the State Treasury, requires all moneys, except for fines and penalties, collected pursuant to a market-based mechanism be deposited in the fund. (Government Code §16428.8)
- 4) Establishes, under SB 1204 (Lara, Chapter 524, Statutes of 2014) the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program (Clean Truck Program) to use GGRF funds for development, demonstration, pre-commercial pilot, and early commercial deployment of zero- and near-zero-emission truck, bus, and off-road vehicle and equipment technologies including, but not necessarily limited to, medium-

and heavy-duty trucks, vocational trucks, short-haul and long-haul trucks, buses, and off-road vehicles and equipment, port equipment, agricultural equipment, marine equipment, and rail equipment.

- 5) Requires, until December 31, 2021, that no less than 20% of funding for the Clean Truck Program support commercial deployment of existing zero- and near-zero-emission heavy-duty trucks.

This bill makes peer-to-peer truck sharing platform demonstration projects eligible for funding under the Clean Truck Program.

## Background

- 1) *Clean Truck Program*. In 2014, SB 1204 (Lara) established the Clean Truck Program, which is administered by ARB. The intent of SB 1204 was to create a single, overarching program to develop and deploy heavy-duty vehicles. The Program develops zero-and near-zero emission technologies not only for trucks, but also for buses, off-road vehicles, and equipment at the ports, as well as in agricultural, marine, and rail sectors. It is a competitive program with funding priority generally given to projects that demonstrate benefits to disadvantaged communities, the ability to leverage additional public and private funding, and provide the potential for co-benefits.

ARB carries out the Clean Truck Program in concert with the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), which provides point-of-sale voucher discounts to fleet owners, and the Zero-Emission Truck and Bus Pilot Commercial Deployment Project, which provides funding for large scale deployments of medium- and heavy-duty trucks and buses, as well as accompanying fueling infrastructure and supporting vehicle service and repair facility upgrades.

- 1) *Peer-to-peer truck sharing*. The sponsor of this bill, Fluid Truck, was founded in 2016 and is a technology-based vehicle rental platform. It allows users to rent vehicles, including box trucks, cargo vans, pickup trucks, cars, SUVs, scooters, trailers or campers at any time through an app. The vehicles available for rental may be either Fluid-owned or made available by users to other users (peer-to-peer). This service is marketed as being helpful to vehicle renters (who may only need a vehicle for a short period) and vehicle owners (who can make money renting out a vehicle they are not currently using to another user on the platform). Although the majority of vehicles currently available on the service have internal combustion engines, users can choose to only show electric vehicles.

## Comments

- 1) *Purpose of Bill.* According to the author, “AB 992 will help California achieve its GHG reduction goals, reduce the use of high polluting vehicles for last mile deliveries, and improve the air quality for local communities and drivers by ensuring that small businesses and independent delivery truck drivers have access to a wide variety of zero-emission trucks. Peer-to-peer sharing platforms can help get more zero-emission trucks on the road. Purchasers who list their vehicles on a platform are able to take advantage of resource sharing of their investment, while making the vehicle broadly available to a diverse group of small and medium sized businesses. AB 992 will allow for a demonstration where users place their vehicle on a truck sharing platform, which will permit the vehicle to be used instead of sitting idle, replacing vehicle miles traveled of a gasoline or diesel vehicle with a ZEV or hybrid vehicle.”
- 2) *Clean Truck Program alignment.* The Clean Truck Program was created to “fund development, demonstration, precommercial pilot, and early commercial deployment of zero- and near-zero-emission truck, bus, and off-road vehicle and equipment technologies.” Adding peer-to-peer truck sharing platform demonstrations as eligible projects seems to fit this direction, insofar as it is used for zero- and near-zero emission trucks.
- 3) *Peer-to-peer or flexible fleet?* The sponsor of this bill, Fluid Truck, touts their platform as a way for truck owners to earn revenue by renting out a vehicle they own on the platform. Theoretically, this can help EV purchasers subsidize the higher costs of EVs by making money during otherwise idle times.

Fluid Truck also maintains their own vehicles that are available for rental on the platform. Though the app does not make it obvious which vehicles are owned by Fluid versus other users, a search of vehicles available in the Sacramento area showed 32 vehicles available for rental, all of which were one of three models, and many of which featured Fluid Truck branding. In October of 2020, Fluid Truck announced that they had purchased 600 Lightning EVs for use by customers.

Ultimately, AB 992 adds “peer-to-peer truck sharing platform demonstration” to the list of Clean Truck Program eligible projects that advance zero- and near-zero-emission medium- and heavy-duty truck technology. There is merit to using a peer-to-peer rental model to help manage costs for ZEV truck owners and occasional users, and a demonstration project would be a rational

first step to implementing such a platform more broadly.

**Related/Prior Legislation**

AB 214 (The Budget Act of 2021) appropriates \$150,000,000 from the Greenhouse Gas Reduction Fund for clean trucks, buses, and off-road freight equipment including HVIP and advanced technology freight demonstration and pilot commercial deployment projects.

SB 1204 (Lara, Chapter 524, Statutes, 2014) creates the Clean Truck and Bus Program, funded from cap-and-trade revenues, to fund zero- and near-zero-emission truck, bus, and off-road vehicle and equipment technologies and related projects, with priority to be given to certain projects, including those that benefit disadvantaged communities.

**SOURCE:** Fluid Truck

**SUPPORT:**

Breathe California

**OPPOSITION:**

None received

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