Metropolitan Transportation Commission and Association of Bay Area Governments

MTC Planning Committee and ABAG Administrative Committee

July 11, 2025 **Agenda Item 8a**

Summary of Bay Area Transportation Electrification Progress

Subject:

Summary of transportation electrification progress in the Bay Area, and an assessment of necessary actions and investments to meet state and regional climate targets.

Background:

Transportation is the largest source of greenhouse gas (GHG) emissions in the Bay Area, accounting for approximately 40 percent.[1] As the impacts of climate change continue to accelerate, electric vehicles (EVs), which produce zero tailpipe emissions, offer an essential path to reducing GHG and other air pollutant emissions and creating a more sustainable transportation system.

Recognizing the value of EVs to reduce transportation emissions, MTC has incorporated strategies to incentivize electric vehicle adoption and to expand public charging infrastructure in every iteration of Plan Bay Area since its inception in 2013. Plan Bay Area 2050+, currently under development, features Strategy EN8, which generates more GHG emissions reductions than any other strategy in the long-range plan. This strategy accounts for more than one-third of all climate emission reductions in Plan Bay Area 2050+ and thus is essential to meet the 19% GHG emissions reduction target established by the California Air Resources Board (CARB) under Senate Bill (SB) 375.

MTC has also invested in implementation of these strategies — most recently through a suite of $65 million Transportation Electrification (TE) initiatives approved at the April 2023 Joint MTC Planning Committee with the ABAG Administrative Committee meeting. This investment, funded through the One Bay Area Grant (OBAG3) program, included funding for the installation of charging infrastructure, local jurisdiction EV fleet planning, and the expansion of electric bikeshare.

[1] https://www.baaqmd.gov/funding-and-incentives/funding-sources/regional-fund

Electric Vehicle Adoption and Charging Deployment

To accelerate the shift to EVs and mitigate climate change and air quality impacts, California has been implementing a range of policies and regulations aimed at both consumers and automakers. One of the State's most influential measures is the Advanced Clean Cars II (ACCII) regulation, which requires all new vehicles sales in California to be zero-emission vehicles by 2035. Staff is aware that recent federal action moved to repeal ACCII and is continuing to monitor next steps.

EV adoption has been particularly strong in the Bay Area, with EVs representing roughly a third of all new vehicle sales in 2024. However, the share of EV sales in the region plateaued in 2024, and less than a tenth of all passenger vehicles on Bay Area roads are EVs. Even by the time the full EV sales requirement begins in 2035, more than half of all vehicles in the region will still be gas-powered. To address the gasoline vehicles that remain on the roads, Plan Bay Area 2050+ Strategy EN8 includes vehicle buyback and incentive approaches to accelerate the replacement of those vehicles with EVs.

The expansion of charging infrastructure in the Bay Area has also been relatively strong with over 55,000 public and workplace chargers installed across the region. However, to meet the anticipated EV transition under ACCII, the California Energy Commission projects that the region needs over ten times more chargers by 2035. Furthermore, the deployment of public chargers has been unequal across the region, with many "charging deserts," particularly in neighborhoods with multifamily residential and/or renter populations. Plan Bay Area 2050+ Strategy EN8 envisions approximately $720 million in charging infrastructure investments to help narrow the charging gap and reduce hesitancy in EV adoption.

Zero-Emission Bus Transition

In addition to encouraging the electrification of passenger vehicles, the State has established the Innovative Clean Transit (ICT) rule. This rule phases in zero-emission bus (ZEB) purchase requirements for transit operators, with all new buses required to be ZEBs starting in 2029 toward the goal of a 100 percent zero-emission bus fleet by 2040. MTC has supported an assessment of costs, collaboration opportunities, and challenges of this fleet conversion for the transit operators, while reflecting the costs of this mandate in Plan Bay Area 2050+ for the first time. Because zero-emission bus transition costs are high, funding opportunities are limited, and

transit revenues have not recovered from the pandemic, compliance with the ICT rule could result in diverting funds from other critical capital investments and service operations. Unlike our investments in transitioning passenger vehicles to EVs, the state does not provide MTC any GHG credit for transit electrification as part of the Plan Bay Area process, as the SB 375 GHG target is limited to cars and light-duty trucks.

Next Steps:

The technical methodology for Plan Bay Area 2050+ and its GHG emission estimates has not yet been approved by CARB. Strategy EN8, and its quantification of GHG reductions from transportation electrification, remains a hurdle in this approval process. In recent months, CARB staff have asserted that state actions, such as the ACCII regulation, reduce the need and impact from regional and local efforts to expand electric vehicle adoption; as a result, CARB has argued that less GHG credit should be awarded to Plan Bay Area 2050+ from Strategy EN8. As illustrated by the data in the attached presentation, given the significant number of gas-powered vehicles in the Bay Area and the resources needed to transition to EVs, regional and local investments in this space play a critical role in accelerating the transition by 2035. The recent action at the federal level to repeal ACCII reinforces the importance and need for the EV initiatives included in Strategy EN8 to achieve State GHG emissions reduction goals.

Given the "all hands" approach needed to achieve ambitious state and regional climate goals, staff will continue to implement TE initiatives and collaborate with partners to leverage other funding and resources to address the gaps in EV and EV charging deployment. As in OBAG3, staff will seek TE investment within the upcoming OBAG4 framework to implement Strategy EN8.

Issues:

As noted, discussions with CARB about GHG emissions estimates included in Plan Bay Area 2050+ are ongoing. Without Strategy EN8, the Plan will not meet the region's SB 375 target, which would impact the Bay Area's ability to access critical Senate Bill 1 (SB 1) transportation funding programs. Staff will also continue to monitor federal actions related to the repeal of ACCII and other efforts to reduce transportation electrification support, and their impact on achieving California and regional climate goals.

Recommendations:

Information

Attachments:

- Attachment A: Presentation

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