



METROPOLITAN  
TRANSPORTATION  
COMMISSION

**Agenda Item 3c**  
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## *Memorandum*

TO: Legislation Committee

DATE: April 6, 2018

FR: Executive Director

RE: Senate Bill 1014 (Skinner): Transportation Network Companies and Electric Vehicles – Support and Seek Amendments

### **Background**

SB 1014 would create the Clean Miles Standard and Incentive Program with the non-binding goal of greening the fleet of vehicles used to provide ride-hailing services through transportation network companies (TNCs), starting with a target of 20 percent vehicle miles traveled (VMT) by Zero Emission Vehicles (ZEVs) in 2020 and increasing to 100 percent by 2028. The program would be administered by the Public Utilities Commission (PUC), which would be required to work with the Air Resources Board (ARB) to establish quarterly targets for the portion of VMT by ZEVs on behalf of a TNC. The bill would also reserve up to \$300 million from future Clean Vehicle Rebate Project appropriations to provide rebates and other incentives for TNC drivers to purchase replacement ZEVs.

**Recommendation:** Support and Seek Amendments

### **Discussion**

*Plan Bay Area 2040*, MTC's current regional transportation plan and sustainable communities strategy, projects that ZEVs will be instrumental to achieving the region's state-mandated climate goals. More than half of the Bay Area's required emissions reductions are expected to be achieved through the Climate Initiatives Program which focuses on two primary strategies: reducing VMT and increasing ZEV adoption rates.

Over the last decade, TNCs have become an increasingly popular transportation option in the Bay Area and recent studies have suggested that this trend is increasing VMT. A UC Davis Institute of Transportation Studies October 2017 report researched trends in the San Francisco Bay Area and six other major metropolitan areas across the country and found that 50-60 percent of TNC trips would have been made by public transit, biking, walking, or avoided altogether. This suggests that TNCs are likely contributing more VMT than they are reducing in cities. A recent San Francisco County Transportation Authority study revealed that on a typical weekday, TNCs make more than 170,000 trips within San Francisco – approximately 12 times the number of taxi trips – and account for 20 percent of all local VMT. As TNC trips continue to increase, a greener TNC fleet would help ensure that TNCs are woven into the region's transportation network in a way that supports the Bay Area's efforts to reduce greenhouse gas emissions and other tailpipe emissions.

While not binding, SB 1014 would take a step in the right direction by establishing ambitious statewide targets to convert TNC vehicles to a zero-emission fleet. By 2020, the bill would set a goal that 20 percent of miles driven on behalf of TNCs be driven in ZEVs, with the percentage increasing to 50 percent by 2023 and 100 percent by 2028. Though these are aggressive targets, the bill would provide up to \$300 million in incentive funding to drivers, assuming the Clean Vehicle Rebate Project receives future appropriations.

Of note, the current version of the bill does not clarify how the proposed TNC-specific targets and funding incentives would be coordinated with current state funding and planning efforts to achieve Governor Brown's new target to reach 5 million ZEVs in California by 2030 and significantly expand electric and hybrid vehicle charging infrastructure. Additionally, although TNCs are investing heavily in self-driving technology, the bill appears to exclude from the SB 1014 targets TNC trips provided by self-driving vehicles.

We recommend MTC adopt a "support and seek amendments" position of the bill and direct staff to work with the author on amendments to provide that SB 1014 complement other ongoing state ZEV efforts and that SB 1014 targets apply to all TNC vehicle miles, regardless of whether the trip is provided by an individual using a personal vehicle or through a vehicle that is part of a shared autonomous fleet.

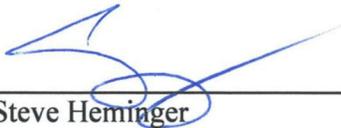
#### **Known Positions**

##### **Support:**

Office of Ratepayer Advocates  
Plug in America

##### **Oppose:**

Amalgamated Transit union  
California Labor Federation  
California New Car Dealers  
Association  
California Teamsters  
Internet Association  
Silicon Valley Leadership Group  
TechNet



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Steve Heminger

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