

**Metropolitan Transportation Commission
Programming and Allocations Committee**

October 9, 2024

Agenda Item 4a-24-1194

Regional Zero Emission Transit Transition Strategy

Subject:

Presentation on the Regional Zero-Emission Transit Transition Strategy, including summary takeaways and proposed next steps.

Background:

Since 2023, in close coordination with transit operators, MTC has engaged a consultant team to develop the Regional Zero-Emission Transit Transition Strategy. The executive summary of the strategy is attached.

In the context of two key regulations from the California Air Resources Board – the Innovative Clean Transit Rule (ICT), which requires bus operators to transition fleets to fully zero-emission by 2040 through purchase requirements already underway, and the Commercial Harbor Craft regulation, which requires significant emissions reductions by ferry operators, most transit operators have some zero-emission vehicles in service or on order today. However, there are significant challenges to completing the full transition as a region.

The Transition Strategy collects and summarizes a wealth of information regarding regional transit operators' transition plans, costs, and sequencing, explores risks and challenges faced by agencies, and recommends numerous best practices and opportunities for agency collaboration.

From this Strategy, some overarching takeaways include:

1. **The transition to a full zero-emission fleet is expensive and not fully funded.** The capital cost estimate to transition the fleet -- facilities, equipment, and the first wave of zero-emission vehicles -- is several billion dollars higher than expected revenues.
2. **The cost of the transition comes with tradeoffs and is in an unsettled market.** In the context of transit operating and ridership needs, the high capital cost is a big tradeoff. Further challenges include power availability, the bus manufacturing market, the evolution of zero-emission technology, and general capital risk.

3. **MTC and the region should fully support the transition where it makes sense.** With available funding and/or success in discretionary grants, certain small operators and large operator subfleets are ready, willing, and able to make the transition.
4. **MTC and the region should support alternatives where it makes sense.** Together, we can help operators plan for official ICT rule deferrals and coordinate statewide for alternative compliance in greenhouse gas reductions through more transit service and ridership.
5. **MTC will support all operators in coordination and best practice sharing.** Convening a forum will help with the myriad transition issues large and small.
6. **Next steps** should include identification of investments based on a strategic sequencing of transition projects.

Staff is working with transit agency partners and the consultant team to finalize the report and will publish on the MTC website this fall.

Recommendations:

Information.

Attachments:

- Attachment A - Executive Summary: MTC Regional Zero Emission Transit Transition Strategy
- Presentation



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