

# Draft CSIS

CALTRANS SYSTEM INVESTMENT STRATEGY

MARCH 2024



# Contents

.....	3
<b>Executive Summary .....</b>	<b>3</b>
<b>1 INTRODUCTION .....</b>	<b>4</b>
<b>2 CSIS INVESTMENT FRAMEWORK .....</b>	<b>5</b>
2.1 Program Fit.....	5
2.2 CAPTI Alignment .....	6
<b>3 PROJECT NOMINATION PROCESS.....</b>	<b>6</b>
3.1 Call for Project Nominations .....	6
3.2 Project Evaluation.....	7
3.3 Prioritized List of Projects.....	9
<b>4 CALTRANS LETTER OF SUPPORT &amp; PARTNERSHIP .....</b>	<b>10</b>
<b>5 CSIS IMPLEMENTATION &amp; PUBLIC ENGAGEMENT .....</b>	<b>10</b>
<b>6 10-Year MULTIMODAL INVESTMENT PLAN .....</b>	<b>11</b>
<b>Appendices .....</b>	<b>12</b>
Appendix A – 10 CAPTI Guiding Principles .....	12
Appendix B – EO N-19-19 .....	13
Appendix C – EO N-79-20.....	17



## Executive Summary

The California Department of Transportation (Caltrans) is committed to leading climate action and advancing social equity in the transportation sector, consistent with the California State Transportation Agency's (CalSTA) [Climate Action Plan for Transportation Infrastructure](#) (CAPTI, 2021). CAPTI supports the [California Transportation Plan](#) (CTP) 2050 (2021) goals that work to meet the state's ambitious climate change mandates, targets, and policies set forth by Executive Order (EO) N-19-19 and N-79-20, signed by Governor Gavin Newsom in 2019 and 2020, respectively. CTP 2050 is the state's broad vision for the future of the transportation system in California, with a focus on advancing equity and climate priorities by expanding travel modal options for all Californians.

Additionally, CAPTI aligns with the Caltrans 2020-24 Strategic Plan (2021), which signals a fundamental shift for the Department to lead climate action as a strategic priority for the first time. Caltrans is in a significant leadership role to carry out meaningful measures that advance the state's goals and priorities through the development and implementation of the Caltrans System Investment Strategy (CSIS). CSIS implements one of CAPTI's key actions (Figure 1) through a data and performance-driven approach that guides how Caltrans plans to invest billions of dollars of state and federal discretionary funding to address transportation deficiencies, while also achieving the CAPTI Guiding Principles (Appendix A).

**Figure 1 – CAPTI Strategy**

### CAPTI Strategy 4

Advance State Transportation Leadership on Climate and Equity through Improved Planning & Project Partnerships

#### S4.1

Develop and Implement CSIS to Align Caltrans Project Nominations with the CAPTI Investment Framework.

# 1 INTRODUCTION

The Interim CSIS was released in December 2021 to immediately implement CAPTI in prioritizing and nominating projects for various state and federal discretionary programs. The 2021 ITSP scoring criteria served as the foundation for the Interim CSIS to assess alignment with the 10 CAPTI Guiding Principles (Appendix A) under a qualitative approach. A major update to the Interim CSIS was initiated in the fall of 2022 to transition the CAPTI alignment metrics from qualitative to quantitative since these metrics apply to all projects seeking state and federal discretionary funding. This CSIS update included robust stakeholder engagement and public workshops throughout 2023 and 2024 to solicit feedback and input on the proposed metric transition and methodologies. It is important to note that CSIS document focuses on Caltrans investment framework and general processes for evaluating and prioritizing projects for various competitive programs. The CSIS is supported by its companion documents, the first being the Draft CAPTI Alignment Metrics to assess projects for alignment with the 10 CAPTI Guiding Principles. Additional companion documents will be developed through public engagement as new metrics are proposed for specific discretionary programs. The CSIS companion documents and related materials are available on the [Caltrans CSIS Webpage](#).

Figure 4 illustrates various areas in which transportation decisions are impacted by the CSIS investment framework. This framework is a transparent decision-making process that guides statewide investments from programming through project delivery by implementing standardized methodologies and processes to evaluate, prioritize, and nominate projects for state and federal competitive funding programs.

Ultimately, the CSIS guides how Caltrans nominates the most competitive projects for a specific funding program, while also advancing state goals. Through the prioritization process, Caltrans can make well-informed investment decisions, enhance collaboration with partners, and communicate the value of these investments to stakeholders, decision makers, and the communities we serve. The CSIS is subject to future updates to address emerging needs and information, process improvements, and partner input.

**Figure 2 – Transportation Decisions Impacted by CSIS**



## 2 CSIS INVESTMENT FRAMEWORK

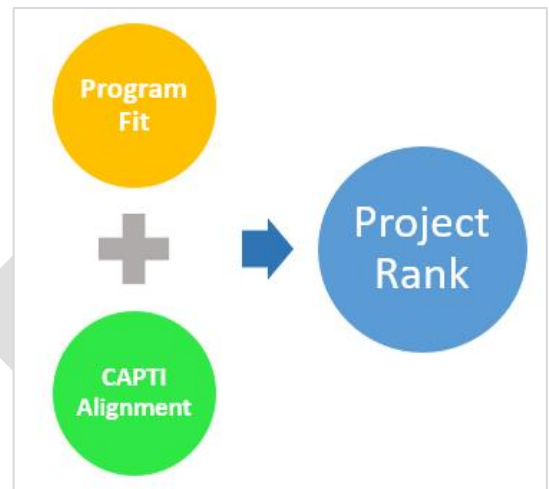
The purpose of the CSIS is to establish a transportation investment framework with standard methodologies to guide investments decisions through a transparent and collaborative process. This framework applies to major capital projects<sup>1</sup> proposed on the State Highway System (SHS) that have completed the Project Initiation Documents (PID), commonly referred to as post-PID projects, and ready to seek competitive funding for environmental, design, right-of-way, and/or construction phases. The investment framework establishes a two-tier process to evaluate and prioritize projects for various discretionary funding programs (Figure 3). This two-tier approach ensures that projects are prioritized based on competitiveness for a specific funding program in which the projects are being considered, referred to as Program Fit, as well as how well the projects align with the 10 CAPTI Guiding Principles (Appendix A).

It is important to note that the CSIS does not impact highway rehabilitation and maintenance projects funded by the State Highway Operation and Protection Program (SHOPP). It also does not impact new projects proposing to initiate PID development, which are guided by Caltrans guidance available [here](#).

### 2.1 Program Fit

While a project's alignment with CAPTI is an important piece of the CSIS investment framework, it is crucial that projects are competitive for the programs in which they are nominated. For this reason, the CSIS Investment Framework prioritizes projects based on Program Fit first, which assesses how well the project meets the program's eligibility, requirements, objectives, and overall criteria. Caltrans' assessment of Program Fit is not intended to evaluate and score projects in the same manner the funding agency would perform those evaluations. Rather, the Program Fit evaluation will mirror the program's objectives and criteria based on prior program guidelines if current cycle guidelines are not available. Projects are evaluated for Program Fit by a Project Review Committee that includes the appropriate subject matter experts. Projects are given a rating of High-Medium-Low.

Figure 3 – CSIS Investment Framework



<sup>1</sup> Construction cost thresholds within State's right-of-way of greater than \$3 million



## 2.2 CAPTI Alignment

The CAPTI alignment assessment applies to all projects seeking discretionary funding and is secondary to Program Fit in the prioritization process. This assessment is guided by the Draft CAPTI Alignment Metrics, a companion document of the CSIS, available on the [Caltrans CSIS](#) webpage, which evaluates projects using a combination of quantitative and qualitative metrics to assess alignment with the 10 CAPTI Guiding Principles (Appendix A).

## 3 PROJECT NOMINATION PROCESS

Under the CSIS Investment Framework, the nomination process refers to a series of processes comprising of project evaluation and prioritization to select projects for a specific discretionary program. This linear process, illustrated in Figure 4, begins with Caltrans Headquarter (HQ) Call for Project Nominations and concludes with an approved list of projects being nominated for a specific competitive program.

**Figure 4 – Project Nomination process**



### 3.1 Call for Project Nominations

Caltrans' HQ solicitation of a Call for Project Nominations is the first step in the nomination process. Prior to any calls for nominations, Caltrans Districts are strongly encouraged to collaborate with partner agencies and stakeholders to develop a list of district priority projects. Partnership nominations should include robust district engagement that is coordinated through the district investment planning manager. District investment planning manager, or designee, submits the project nominations to HQ via an intake form, which is a mechanism for gathering project information necessary to evaluate Program Fit and CAPTI alignment. Districts are encouraged to consult with the appropriate HQ programs for feedback as they prepare the intake form prior to submitting their nominations. For the latest information on Caltrans call for nominations and program timelines, please visit the HQ [Office of Strategic Investment Planning](#).

### 3.2 Project Evaluation

The project evaluation process includes an assessment of Program Fit and CAPTI alignment. The assessments are accomplished by a multi-disciplinary project review committee (committee) composed of subject matter experts (SME) and other key programs.

#### 3.2.1 Project Review Committee

The committee plays a vital role in the success of the evaluation process. For this reason, members of the committees are carefully selected from HQ and District volunteers from various programs. The members vary for each funding program and cycle based on the volunteers received. In general, the committee comprises of various programs and divisions illustrated in Figure 5 formed for specific funding program to evaluate and score projects. The committee take part in a kick-off meeting where they are given specific instructions and guidelines for evaluating and scoring each project. This includes the overall nomination process, project data and information, program guidelines, scoring rubrics, evaluation materials, and general rules and expectations. Projects are then assigned to the reviewers to evaluate the projects based on a set of criteria and associated scoring rubrics and record their individual scores along with justifications for each score given.

Figure 5 – General Members of the Project Review Committee



Note: Not all-inclusive

### 3.2.2 Program Fit Rating

The Program Fit assessment is the first consideration in the prioritization process to identify competitive projects for a specific discretionary funding program. Program Fit is defined as an eligible project that is of a suitable quality and readiness to be competitive for a particular funding program. The first review for Program Fit is the eligibility screening, which confirms the project's eligibility for the program in which it is nominated before entering the scoring process. Caltrans verifies that the project is included or initiated the process to include in the RTP/SCS, has the required environmental clearance, and meets other program and statutory requirements. Since program eligibility may change for each program cycle, a screening checklist is updated accordingly. Projects that do not meet program eligibility will be communicated to the nominating district and partners. Eligible projects will proceed into the evaluation and scoring process.

Projects are evaluated for Program Fit based on a set of criteria and are given a rating of High, Medium, or Low for overall program competitiveness based on program objectives and criteria as listed in the program guidelines for each cycle. Program Fit criteria must be developed for each discretionary funding program and updated based on changes to program guidelines. Program Fit criteria are posted on [Caltrans CSIS Webpage](#) as they are developed.

### Regional Transportation Plans

Federal law requires a project to be in a federally approved Regional Transportation Plan (RTP) to receive federal funding. The statute governing SB 1 programs also requires the project be included in an approved RTP with an approved Sustainable Communities Strategy (SCS), if a SCS is required. The Program Fit assessment will verify the following:

- The proposed project is included in an approved RTP, or
- The Project sponsors have initiated the process to request inclusion of the proposed project in the RTP.

### 3.2.3 CAPTI Alignment Score

The second part of the evaluation process is an assessment of the project's alignment with the 10 CAPTI Guiding Principles (Appendix A). This evaluation utilizes a combination of quantitative and qualitative metrics described in the Draft CAPTI Alignment Metrics document available on the [Caltrans CSIS Webpage](#). The scores for all metrics are added to produce a total CAPTI Alignment score for the project.



### 3.2.4 Project Scorecard

A project scorecard is prepared for each project, which contains the program fit rating and CAPTI alignment score for each metric. Once the scores have been reviewed and quality checked, the scorecard is shared with the district and the partner. Under limited circumstance, additional data and information may be accepted for consideration if new information is likely to significantly impact the score. Please note that consideration of new information is at the discretion of the program, which may vary based on the process established by each funding program.

### 3.3 Prioritized List of Projects

Once projects have been evaluated for Program Fit and CAPTI Alignment, the projects are prioritized under a two-tier approach, which ranks projects based by Program Fit first, then by the CAPTI Alignment scores as a secondary ranking. The objective is to prioritize competitive projects that are also CAPTI aligned.

The two-tier prioritization approach is likely to result in projects with mixed results, such as a project that is high in Program Fit but receiving a medium or low CAPTI alignment score. Vice versa, there may be a project with low Program Fit and high CAPTI alignment score. Further coordination with the districts and partners may be necessary to obtain additional information for further consideration. As part of an informed decision-making process by executive management, relevant project information is included with the project scores, such as history of partnership, completion of a network or corridor, rural, local and regional context, delivery risks, funding plan and leveraging of other funds, and political and community sensitivity.

A recommended list of prioritized projects is developed and submitted to Caltrans Executive Management for review and approval. The final list is also presented to CalSTA for their review and concurrence. Districts are subsequently notified of the project selections and instructed to proceed with development of the grant applications.

## 4 CALTRANS LETTER OF SUPPORT & PARTNERSHIP

Caltrans is often requested to provide letters of support (LOS) for projects submitting federal grant applications. Support letters are either signed by Caltrans Director or delegated to Caltrans District Directors to increase efficiency. All LOS requests designated for Caltrans Director signature undergo a formal Call for Letters of Support. Programs where signature authority are delegated to the District Director undergo the district LOS request process.

In general, the LOS review process involves coordination with Caltrans HQ and District investment planning staff, in collaboration with the appropriate HQ SMEs to evaluate the projects for general alignment with program objectives and the CAPTI guiding principles. The evaluation process results in a recommended list LOS for signature by Caltrans Director or District Director, depending on the fund program.

HQ Division of Transportation Planning retains the lead role in determining LOS guidance and signature authority for all discretionary funding programs and providing the appropriate oversight to ensure Caltrans-supported projects are consistent with state goals and priorities. For more information on Letter of Support, please refer to the [Caltrans Letter of Support Guide](#) available on the [Caltrans HQ Office of Strategic Investment Planning](#) webpage.

Requests for Caltrans partnership on a specific discretionary program have been generally evaluated similar to the LOS process but include an extra lens of statewide and national significance and other factors relevant to the program. Partnership request guidelines are under development and will be posted on the [Caltrans HQ Office of Strategic Investment Planning](#) webpage.

## 5 CSIS IMPLEMENTATION & PUBLIC ENGAGEMENT

CSIS implementation will set California on a successful path of leveraging discretionary funding sources to achieve state goals and priorities. It is paramount that state and local partnerships are successfully established and maintained to ensure project progression and commitment to the CAPTI framework are carried through the life of the project. To this end, Caltrans will continue to collaborate with partners to implement the CSIS and facilitate and strengthen investment planning work through all phases of project development. Furthermore, Caltrans is committed to engaging the public in future CSIS updates to ensure a collaborative and a transparent process.

The CSIS is subject to future updates that may enhance or modify the investment framework to adapt to changes in legislations, state goals and policies, and other factors. Similarly, the CSIS companion documents (CAPTI Alignment Metrics and Program Fit metrics) are also subject to future updates to introduce new metrics or adjustments to existing metrics to maintain consistency with the CSIS framework and incorporate lessons-learned, best practices, and the latest data and tools. The CSIS and its companion documents may be reviewed annually to determine the necessary updates that take into consideration the timing of state federal competitive programs and the extent of public engagement.

Caltrans acknowledges the immense value of robust public engagement in the development of the CSIS, particularly in the 2024 CSIS update in which the feedback received have greatly influenced the CSIS investment framework and CAPTI alignment metrics. Public engagement may include, but not limited to, the following:

- Public workshops to introduce the proposed CSIS updates
- Focus comment period on the administrative draft documents
- Individual stakeholder meetings to discuss concerns and feedback
- 30 to 45-day public comment period
- Feedback loop with the public to share changes based on the feedback

Caltrans will continue to engage the public and stakeholders in future CSIS updates and ensure the level of engagement is appropriate for the type of updates being considered.

## 6 10-Year MULTIMODAL INVESTMENT PLAN

An actionable next step for CSIS is development of a 10-Year Multimodal Investment Plan (10-Year Plan), which is a list of multimodal projects planned over a 10-year horizon to pursue state and federal discretionary funds. The 10-Year Plan is dependent on development of the multimodal project database with various features and capability to generate the 10-Year Plan and other internal and external reporting needs to increase efficiency, transparency, and accountability. The 10-Year Plan will be developed through internal and external engagement to ensure the methodologies and processes are well supported by Caltrans internal programs and external stakeholders. Future updates on development of the 10-Year Plan will be available on Caltrans HQ [Office of Strategic Investment Planning](#) webpage.

## Appendices

### Appendix A – 10 CAPTI Guiding Principles

1. **Building toward an integrated, statewide rail and transit network**, centered around the existing California State Rail Plan that leverages the California Integrated Travel Project to provide seamless, affordable, multimodal travel options in all context, including suburban and rural settings, to all users.
2. **Investing in networks of safe and accessible bicycle and pedestrian infrastructure**, particularly by closing gaps on portions of the State Highway System that intersect local active transportation and transit networks or serve as small town or rural main streets, with a focus on investments in low-income and disadvantaged communities throughout the state.
3. **Investments in light, medium, and heavy-duty zero-emission vehicle (ZEV) infrastructure** as part of larger transportation projects. Support the innovation in and development of the ZEV market and help ensure ZEVs are accessible to all, particularly to those in more rural or remote communities.
4. **Strengthening our commitment to social and racial equity by reducing public health and economic harms and maximizing community benefits** to disproportionately impacted disadvantaged communities, low-income communities, and Black, Indigenous, and People of Color (BIPOC) communities, in urbanized and rural regions, and involve these communities early in decision-making. Investments should also avoid placing new or exacerbating existing burdens on these communities, even if unintentional.
5. **Making safety improvements to reduce fatalities and severe injuries of all users towards zero** on our roadways, railways and transit systems by focusing on context appropriate speeds, prioritizing vulnerable user safety to support mode shift, designing roadways to accommodate for potential human error and injury tolerances, and ultimately implementing a safe systems approach.
6. **Assessing physical climate risk** as standard practice for transportation infrastructure projects to enable informed decision making, especially in communities that are most vulnerable to climate-related health and safety risks.
7. **Promoting projects that do not significantly increase passenger vehicle travel**, particularly in congested urbanized settings where other mobility options can be provided and where projects are shown to induce significant auto travel. These projects should generally aim to reduce VMT and not induce significant VMT growth. When addressing congestion, consider alternatives to highway capacity expansion, such as providing multimodal options in the corridor, employing pricing strategies, and using technology to optimize operations.
8. **Promoting compact infill development while protecting residents and businesses from displacement** by funding transportation projects that support housing for low-income residents near job centers, provide walkable communities, and address affordability to reduce the housing-transportation cost burden and auto trips.
9. **Developing a zero-emission freight transportation system** that avoids and mitigates environmental justice impacts, reduces criteria and toxic air pollutants, improves freight's economic competitiveness and efficiency, and integrates multimodal design and planning into infrastructure development on freight corridors.
10. **Protecting natural and working lands** from conversion to more intensified uses and enhance biodiversity by supporting local and regional conservation planning that focuses development where it already exists and align transportation investments with conservation priorities to reduce transportation's impact on the natural environment.



**CAPTI**  
Climate Action Plan for  
Transportation Infrastructure

**CalSTA**  
July 2021 – Final Draft

## Appendix B – EO N-19-19

EXECUTIVE DEPARTMENT  
STATE OF CALIFORNIA

EXECUTIVE ORDER N-19-19

**WHEREAS** California is proof that a bold climate agenda is good for the economy, for workers, for health and for our future, as evidenced by our state having achieved record economic growth while reaching some of the strongest climate goals in the world; and

**WHEREAS** in the face of inaction on climate change from the federal government, California is a global leader in climate change mitigation efforts through bold climate goals and actions, as well as leadership in the US Climate Alliance and Under2 Coalition, using the state's power as the fifth largest economy in the world to drive positive action; and

**WHEREAS** California has ambitious and essential climate goals to transition to a healthier, more sustainable and more inclusive economy, including: reducing greenhouse gas emissions 40 percent below 1990 levels by 2030; providing 100 percent of the state's electricity from clean energy sources by 2045; reducing methane emissions and hydrofluorocarbon gases by 40 percent; and adding five million zero-emission vehicles to California's roads by 2030; and

**WHEREAS** California has made substantial, measurable progress on many of the goals enumerated above, but in recent years, direct tailpipe emission from cars, ships, diesel trains, airplanes, and other transportation sources have remained a stubborn driver of greenhouse gas emissions, totaling 40.1 percent of all greenhouse gas emissions statewide; and

**WHEREAS** the California Air Resources Board has a fifty-year history of leading the globe in addressing harmful pollution through innovative air pollution control standards, including the nation's first NOx emissions standards for motor vehicles; and

**WHEREAS** California's renewable energy targets have spurred innovation and private investment in new technologies with California leading the nation in clean technology patents and bringing in more than 50 percent of all clean energy investment in the nation; and

**WHEREAS** the state has made significant progress in lowering greenhouse gas emissions and mitigating climate risk in California's own state government operations and public schools; and

**WHEREAS** achieving California's climate goals will require concerted commitment and partnership by government, the private sector, and California residents.





**NOW, THEREFORE, I, GAVIN NEWSOM**, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and the statutes of the State of California, do hereby issue the following Order to become effective immediately to require that every aspect of state government redouble its efforts to reduce greenhouse gas emissions and mitigate the impacts of climate change while building a sustainable, inclusive economy.

1. To leverage the state's \$700 billion investment portfolio to advance California's climate leadership, protect taxpayers, and support the creation of high-road jobs, the Department of Finance shall create a Climate Investment Framework.
  - a. The Framework shall include a proactive investment strategy for the state's pension funds that reflects the increased risks to the economy and physical environment due to climate change.
  - b. The Framework shall provide the timeline and criteria to shift investments to companies and industry sectors that have greater growth potential based on their focus of reducing carbon emissions and adapting to the impacts of climate change, including but not limited to investments in carbon-neutral, carbon-negative, climate resilient, and clean energy technologies.
  - c. The Framework shall align with the fiduciary responsibilities of the California Public Employees' Retirement System, California State Teachers' Retirement System and the University of California Retirement Program.
  - d. The Department of Finance shall consult with the Governor's Office of Planning and Research, and the California Department of Human Resources on the Framework.
  
2. The State Transportation Agency shall leverage the more than \$5 billion in annual state transportation spending for construction, operations, and maintenance to help reverse the trend of increased fuel consumption and reduce greenhouse gas emissions associated with the transportation sector. To accomplish this, the State Transportation Agency, in consultation with the Department of Finance, shall:
  - a. Align the state's climate goals with transportation spending on planning, programming and mitigation to achieve the objectives of the state's Climate Change Scoping Plan, where feasible,
  - b. Reduce vehicle miles traveled by strategically directing discretionary transportation investments in support of housing production near available jobs and in accordance with the state's smart growth principles, as defined in Government Code section 65041.1, and taking public health into account,



- c. Reduce congestion through innovative strategies designed to encourage people to shift from cars to other modes of transportation,
  - d. Fund transportation options that contribute to the overall health of Californians and reduce greenhouse gas emissions, such as transit, walking, biking and other active modes, and
  - e. Mitigate increases in transportation costs for lower income Californians.
3. The Department of General Services shall leverage its management and ownership of the state's 19 million square feet in managed buildings, 51,000 vehicles and other physical assets and goods to minimize state government's carbon footprint. To accomplish this, the Department of General Services shall:
- a. Maximize reduction of greenhouse gas emissions, including harmful diesel emissions, from the state fleet,
  - b. Develop and implement sustainable purchasing policies across state agencies that prioritize the purchase of environmentally preferable goods such as more sustainable food and recycled materials, consistent with state climate policies,
  - c. Reduce greenhouse gas emissions and mitigate climate risk from the state's owned and future-leased buildings,
  - d. Manage energy demand to maximize benefits to the grid, and
  - e. Promote zero-emission vehicle purchasing in state and local government fleets.
4. To accelerate progress towards California's goal of five million zero emissions vehicles sales by 2030, the California Air Resources Board shall:
- a. Develop new criteria for clean vehicle incentive programs to encourage manufacturers to produce clean, affordable cars,
  - b. Propose new strategies to increase demand in the primary and secondary markets for zero emissions vehicles, and
  - c. Consider strengthening existing or adopting new regulations to achieve the necessary greenhouse gas reductions from within the transportation sector.

**IT IS FURTHER ORDERED** that as soon as hereafter possible, this Order shall be filed with the Office of the Secretary of State and that widespread publicity and notice shall be given to this Order.



This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its departments, agencies, or other entities, its officers or employees, or any other person.

**IN WITNESS WHEREOF** I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 20th day of September 2019.



\_\_\_\_\_  
GAVIN NEWSOM  
Governor of California

**ATTEST:**

\_\_\_\_\_  
ALEX PADILLA  
Secretary of State

## Appendix C – EO N-79-20

EXECUTIVE DEPARTMENT  
STATE OF CALIFORNIA

EXECUTIVE ORDER N-79-20

**WHEREAS** the climate change crisis is happening now, impacting California in unprecedented ways, and affecting the health and safety of too many Californians; and

**WHEREAS** we must accelerate our actions to mitigate and adapt to climate change, and more quickly move toward our low-carbon, sustainable and resilient future; and

**WHEREAS** the COVID-19 pandemic has disrupted the entire transportation sector, bringing a sharp decline in demand for fuels and adversely impacting public transportation; and

**WHEREAS** as our economy recovers, we must accelerate the transition to a carbon neutral future that supports the retention and creation of high-road, high-quality jobs; and

**WHEREAS** California's long-term economic resilience requires bold action to eliminate emissions from transportation, which is the largest source of emissions in the State; and

**WHEREAS** the State must prioritize clean transportation solutions that are accessible to all Californians, particularly those who are low-income or experience a disproportionate share of pollution; and

**WHEREAS** zero emissions technologies, especially trucks and equipment, reduce both greenhouse gas emissions and toxic air pollutants that disproportionately burden our disadvantaged communities of color; and

**WHEREAS** California is a world leader in manufacturing and deploying zero-emission vehicles and chargers and fueling stations for cars, trucks, buses and freight-related equipment; and

**WHEREAS** passenger rail, transit, bicycle and pedestrian infrastructure, and micro-mobility options are critical components to the State achieving carbon neutrality and connecting communities, requiring coordination of investments and work with all levels of governments including rail and transit agencies to support these mobility options; and

**WHEREAS** California's policies have contributed to an on-going reduction in in-state oil extraction, which has declined by over 60 percent since 1985, but demand for oil has not correspondingly declined over the same period of time; and

**WHEREAS** California is already working to decarbonize the transportation fuel sector through the Low Carbon Fuel Standard, which recognizes the full life cycle of carbon in transportation emissions including transport into the State; and



**WHEREAS** clean renewable fuels play a role as California transitions to a decarbonized transportation sector; and

**WHEREAS** to protect the health and safety of our communities and workers the State must focus on the impacts of oil extraction as it transitions away from fossil fuel, by working to end the issuance of new hydraulic fracturing permits by 2024; and

**WHEREAS** a sustainable and inclusive economic future for California will require retaining and creating high-road, high-quality jobs through sustained engagement with communities, workers and industries in changing and growing industries.

**NOW THEREFORE, I, GAVIN NEWSOM**, Governor of the State of California by virtue of the power and authority vested in me by the Constitution and the statutes of the State of California, do hereby issue the following Order to pursue actions necessary to combat the climate crisis.

**IT IS HEREBY ORDERED THAT:**

1. It shall be a goal of the State that 100 percent of in-state sales of new passenger cars and trucks will be zero-emission by 2035. It shall be a further goal of the State that 100 percent of medium- and heavy-duty vehicles in the State be zero-emission by 2045 for all operations where feasible and by 2035 for drayage trucks. It shall be further a goal of the State to transition to 100 percent zero-emission off-road vehicles and equipment by 2035 where feasible.
2. The State Air Resources Board, to the extent consistent with State and federal law, shall develop and propose:
  - a) Passenger vehicle and truck regulations requiring increasing volumes of new zero-emission vehicles sold in the State towards the target of 100 percent of in-state sales by 2035.
  - b) Medium- and heavy-duty vehicle regulations requiring increasing volumes of new zero-emission trucks and buses sold and operated in the State towards the target of 100 percent of the fleet transitioning to zero-emission vehicles by 2045 everywhere feasible and for all drayage trucks to be zero-emission by 2035.
  - c) Strategies, in coordination with other State agencies, U.S. Environmental Protection Agency and local air districts, to achieve 100 percent zero-emission from off-road vehicles and equipment operations in the State by 2035.

In implementing this Paragraph, the State Air Resources Board shall act consistently with technological feasibility and cost-effectiveness.

3. The Governor's Office of Business and Economic Development, in consultation with the State Air Resources Board, Energy Commission, Public Utilities Commission, State Transportation Agency, the





8. To support the transition away from fossil fuels consistent with the goals established in this Order and California's goal to achieve carbon neutrality by no later than 2045, the California Environmental Protection Agency and the California Natural Resources Agency, in consultation with other State, local and federal agencies, shall expedite regulatory processes to repurpose and transition upstream and downstream oil production facilities, while supporting community participation, labor standards, and protection of public health, safety and the environment. The agencies shall report on progress and provide an action plan, including necessary changes in regulations, laws or resources, by July 15, 2021.
9. The State Air Resources Board, in consultation with other State agencies, shall develop and propose strategies to continue the State's current efforts to reduce the carbon intensity of fuels beyond 2030 with consideration of the full life cycle of carbon.
10. The California Environmental Protection Agency and the California Natural Resources Agency, in consultation with the Office of Planning and Research, the Department of Finance, the Governor's Office of Business and Economic Development and other local and federal agencies, shall develop strategies, recommendations and actions by July 15, 2021 to manage and expedite the responsible closure and remediation of former oil extraction sites as the State transitions to a carbon-neutral economy.
11. The Department of Conservation's Geologic Energy Management Division and other relevant State agencies shall strictly enforce bonding requirements and other regulations to ensure oil extraction operators are responsible for the proper closure and remediation of their sites.
12. The Department of Conservation's Geologic Energy Management Division shall:
  - a) Propose a significantly strengthened, stringent, science-based health and safety draft rule that protects communities and workers from the impacts of oil extraction activities by December 31, 2020.
  - b) Post on its website for public review and consultation a draft rule at least 60 days before submitting to the Office of Administrative Law.

Department of Finance and other State agencies, local agencies and the private sector, shall develop a Zero-Emissions Vehicle Market Development Strategy by January 31, 2021, and update every three years thereafter, that:


- a) Ensures coordinated and expeditious implementation of the system of policies, programs and regulations necessary to achieve the goals and orders established by this Order.
  - b) Outlines State agencies' actions to support new and used zero-emission vehicle markets for broad accessibility for all Californians.
4. The State Air Resources Board, the Energy Commission, Public Utilities Commission and other relevant State agencies, shall use existing authorities to accelerate deployment of affordable fueling and charging options for zero-emission vehicles, in ways that serve all communities and in particular low-income and disadvantaged communities, consistent with State and federal law.
  5. The Energy Commission, in consultation with the State Air Resources Board and the Public Utilities Commission, shall update the biennial statewide assessment of zero-emission vehicle infrastructure required by Assembly Bill 2127 (Chapter 365, Statutes of 2018) to support the levels of electric vehicle adoption required by this Order.
  6. The State Transportation Agency, the Department of Transportation and the California Transportation Commission, in consultation with the Department of Finance and other State agencies, shall by July 15, 2021 identify near term actions, and investment strategies, to improve clean transportation, sustainable freight and transit options, while continuing a "fix-it-first" approach to our transportation system, including where feasible:
    - a) Building towards an integrated, statewide rail and transit network, consistent with the California State Rail Plan, to provide seamless, affordable multimodal travel options for all.
    - b) Supporting bicycle, pedestrian, and micro-mobility options, particularly in low-income and disadvantaged communities in the State, by incorporating safe and accessible infrastructure into projects where appropriate.
    - c) Supporting light, medium, and heavy duty zero-emission vehicles and infrastructure as part of larger transportation projects, where appropriate.
  7. The Labor and Workforce Development Agency and the Office of Planning and Research, in consultation with the Department of Finance and other State agencies, shall develop by July 15, 2021 and expeditiously implement a Just Transition Roadmap, consistent with the recommendations in the "Putting California on the High Road: A Jobs and Climate Action Plan for 2030" report pursuant to Assembly Bill 398 (Chapter 135, Statutes of 2017).



**IT IS FURTHER ORDERED** that as soon as hereafter possible, the Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

**IN WITNESS WHEREOF** I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 23rd day of September 2020.



\_\_\_\_\_  
GAVIN NEWSOM  
Governor of California

**ATTEST:**

\_\_\_\_\_  
ALEX PADILLA  
Secretary of State