



ALJ/SL5/asf 7/7/2025

**FILED**

07/07/25

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

02:47 PM

R2111014

Order Instituting Rulemaking to  
Implement Senate Bill 1014-the  
California Clean Miles Standard  
Program.

Rulemaking 21-11-014

**ADMINISTRATIVE LAW JUDGE'S RULING REQUESTING COMMENTS ON  
PHASE 2 STAFF PROPOSAL**

**Summary**

This ruling invites parties to file comments on the Consumer Protection and Enforcement Division's Phase 2 Staff Proposal. Opening comments must be filed by August 11, 2025, and Reply comments must be filed by August 26, 2025.

**1. Background**

On September 13, 2018, Governor Newsom signed Senate Bill (SB) 1014 (Skinner), Stats. 2018, ch. 369 to enact the California Clean Miles Standard Program (CMS). SB 1014 added Section 5450 to the Public Utilities Code to require the California Air Resources Board (CARB) to adopt, and the Commission to implement, annual targets to reduce greenhouse gas emissions by transportation providers regulated by the Commission that provide prearranged transportation services for compensation using an online-enabled application or platform to connect passengers.

The CMS program requires CARB and the Commission to jointly work to lower greenhouse gas (GHG) emissions in the transportation sector from

transportation network companies (TNCs) and other regulated entities.<sup>1</sup> The California Legislature recognizes the severity of air pollution<sup>2</sup> in the state and CMS is one of a suite of policies to address the increasing share of carbon emissions from the transportation sector. CMS focuses on reducing the carbon emissions per passenger mile traveled (PMT) and increasing the share of vehicle miles traveled (VMT) by CMS Regulated Entities' services that are made by zero-emission vehicles (ZEVs). CARB has established two sets of targets for calendar year 2023 and beyond that together comprise the CMS Annual Targets: a GHG reduction target and an electric vehicle miles traveled (eVMT) target. These targets provide a reference point to track emissions reductions on an ongoing basis and to consider future compliance scenarios. The Commission began working with CARB on policy and program design for the Clean Miles Standard since 2019. In response to SB 1014, the Commission launched the instant rulemaking on November 18, 2021. Rulemaking (R.) 21-11-014 is focused on implementing the Clean Miles Standard program (CMS). In January 2024, the Commission adopted Decision (D.) 24-03-001, implementing the CMS for Phase 1 of this proceeding. With Phase 1 of the program underway, it is time to look to the second phase of this proceeding. On March 5, 2024, the assigned Administrative Law Judge (ALJ) issued the CMS Phase 2 Issues Ruling. On

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<sup>1</sup> SB 1014, PU Code Section 5450(a)(3): "This section applies to transportation providers regulated by the commission that provide prearranged transportation services for compensation using an online-enabled application or platform to connect passengers, including autonomous vehicles, charter-party carriers, and new modes of ridesharing technology that may arise through innovation and subsequent regulation."

<sup>2</sup> Ibid. Section 1 - "The transportation sector accounts for almost 50 percent of the emissions of greenhouse gases in California, with light-duty vehicles making up 70 percent of the sector's emissions. Additionally, approximately 80 percent of the smog that continues to plague our state comes from the tailpipes of cars."

March 18, 2024, comments on the Phase 2 Issues Ruling were filed by Center for Sustainable Energy, SEIUs, Uber, and Waymo. The Phase 2 Scoping Ruling was issued on March 29, 2024. An amended Phase 2 Scoping Ruling was issued on October 22, 2024.

Accompanying this ruling is a comprehensive staff proposal prepared by the Consumer Protection and Enforcement Division (CPED) for Phase 2 of this proceeding. Of note, the Phase 2 Staff Proposal addresses the issues identified in the Phase 2 Scoping Memo, which include:

- Enforcement of CMS requirements;
- AV passenger carriers and non-TNC TCPs;
- Sustainable land-use objectives;
- GHG target optional credits;
- CMS incentives for rentals;
- Incentives for drivers with ZEVs;
- CMS vehicle requirements and prioritization of ZEVs;
- driver outreach and engagement; and
- process for concluding program elements.

Parties are requested to review the Phase 2 Staff Proposal and respond to issues in written comments.

## **2. Request for Party Comments**

This ruling request party comments on the Phase 2 Staff Proposal. Parties may comment on any portion of the staff proposal, with particular focus on the questions embedded throughout the proposal.

Opening comments must be filed by August 11, 2025, and Reply comments must be filed by August 26, 2025.

**IT IS RULED.**

Dated June 7, 2025, at San Francisco, California.

/s/ SASHA GOLDBERG

Sasha Goldberg  
Administrative Law Judge