

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

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

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**ORDER INSTITUTING RULEMAKING TO IMPLEMENT SENATE BILL 1014 –  
THE CALIFORNIA CLEAN MILES STANDARD PROGRAM**

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## **ORDER INSTITUTING RULEMAKING TO IMPLEMENT SENATE BILL 1014 – THE CALIFORNIA CLEAN MILES STANDARD PROGRAM**

### **Summary**

This proceeding will implement the California Clean Miles Standard and Incentive Program, enacted through Senate Bill (SB) 1014 (Skinner, 2018).

Section 5450 of the Public Utilities Code (Pub. Util. Code) requires the California Air Resources Board and the California Public Utilities Commission (Commission) to jointly work to lower greenhouse gas (GHG) emissions from transportation network companies that the Commission regulates,<sup>1</sup> “including autonomous vehicles, charter-party carriers, and new modes of ridesharing technology that may arise through innovation and subsequent regulation.”<sup>2</sup>

The legislature established the California Clean Miles Standard and Incentive Program in conjunction with other state programs like the Air Quality Improvement Program, the Clean Vehicle Rebate Project, and the California Global Warming Solutions Act of 2006 to continue reductions and “achieve the maximum degree of emissions reduction possible from vehicular and other mobile sources to accomplish the attainment of state standards at the earliest practicable date.”<sup>3</sup>

On September 14, 2021, the California Air Resources Board released the Proposed Modifications to the Proposed California Clean Miles Standard and

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<sup>1</sup> Pub. Util. Code Section 5431(c).

<sup>2</sup> Pub. Util. Code Section 5450(a)(3). Taxis, limousines, and goods/food delivery services are exempt from the regulation per Pub. Util. Code Section 5430(b)(4).

<sup>3</sup> SB 1014 (Skinner, 2018).

Incentive Program Regulation Order,<sup>4</sup> which would establish the GHG reduction and electric vehicle miles traveled targets for transportation network companies to meet beginning in 2023 to reduce emissions from their operations in California.

This proceeding will implement the California Air Resources Board's targets and goals for SB 1014, ensure minimal negative impact on low-income and moderate-income drivers, support the goals of clean mobility for low- and moderate-income individuals, and ensure that the California Clean Miles Standard and Incentive Program complements and supports sustainable land-use objectives.<sup>5</sup> This proceeding will also examine how to coordinate with other proceedings to advance the goals of SB 1014 in the review of transportation electrification applications and the Commission's other transportation electrification efforts.

## **1. Background**

### **1.1. Jurisdiction**

The California Clean Miles Standard and Incentive Program (CMS or Clean Miles Standard) was enacted through Senate Bill (SB) 1014 (Skinner, 2018) and codified in Public Utilities Code (Pub. Util. Code) Section 5450 and Health and Safety Code Section 44274.4.<sup>6</sup> SB 1014 requires the California Air Resources Board (CARB) and the California Public Utilities Commission (Commission) to

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<sup>4</sup> See CARB's Attachment A: Proposed Modifications to the Proposed Regulation Order for the Clean Miles Standard Regulation (September 14, 2021) (hereafter CARB Proposed Regulation Order) available at <https://ww2.arb.ca.gov/rulemaking/2021/cleanmilesstandard>.

<sup>5</sup> Pub. Util. Code Section 5450(d).

<sup>6</sup> Health and Safety Code Section 44274.4 requires CARB to work with stakeholders to evaluate the role of rental fleet, car share fleet, and business Clean Vehicle Rebate Project Incentives with CMS.

take specified actions intended to lower greenhouse gas (GHG) emissions from transportation network company (TNC) operations.

Specifically, Section 5450:

- a. Establishes the “California Clean Miles Standard and Incentive Program” and requires CARB to establish a baseline for GHG emissions on a per passenger-mile basis for vehicles used on behalf of TNCs by January 1, 2020.
- b. Requires CARB to establish annual targets and goals by January 1, 2021 for the reduction of GHG emissions under that baseline commencing in 2023. The targets and goals must include annual goals for increasing passenger-miles traveled using zero-emission vehicles. Additionally, the targets and goals shall be consistent with the Zero-Emission Vehicle Action Plan, be consistent with the stated goals detailed in Executive Order B-48-18, be technically and economically feasible, and be based upon data reported by the TNCs to the Commission.
- c. Requires TNCs to develop GHG emissions reduction plans by January 1, 2022 (and every two years thereafter) containing proposals to meet CARB’s annual GHG emissions reduction targets and goals based on: increased proportion of participating drivers with zero-emission vehicles using transportation network companies; increased proportion of vehicle-miles completed by zero-emission vehicles relative to all vehicle miles; decreased gram-per-mile GHG emissions rates; and increased passenger-miles in proportion to overall vehicle-miles.
- d. Requires the Commission to implement the annual targets and goals (adopted by CARB) for the reduction under the baseline of emissions of GHG per passenger-mile driven on behalf of a TNC. Additionally, the Commission must advance the goals of CMS in the review of transportation electrification applications by encouraging collaboration between electric vehicle charging companies, investor-owned utilities, transportation network companies, and fleet owners that serve transportation network companies

- on investments that would support the program. The Commission shall ensure that ongoing state planning efforts and funding programs that are intended to accelerate the adoption of zero-emission vehicles and charging infrastructure shall consider the goals of CMS.
- e. Requires the Commission to ensure minimal negative impact on low-income and moderate-income drivers; to support the goals of clean mobility for low-and moderate-income individuals; and to ensure that the program complements and supports the sustainable land-use objectives contained in Section 65080 of the Government Code.

Section 5450(a)(3) of the Pub. Util. Code states, “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.”

Pub. Util. Code Section 5431(a) defines a “transportation network company” as “an organization, including, but not limited to, a corporation, limited liability company, partnership, sole proprietor, or any other entity, operating in California that provides prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using a personal vehicle.”

The Commission regulates passenger carriers pursuant to Article XII of the California Constitution and the Passenger Charter-party Carriers’ Act.<sup>7</sup> In 2012, the Commission initiated Rulemaking (R.) 12-12-011 to protect public safety, encourage innovators to use technology to improve the lives of Californians, and

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<sup>7</sup> Pub. Util. Code Section 5351, *et seq.*

respond to the emergence of new transportation businesses using online-enabled applications (apps) to arrange passenger transportation for compensation.

In 2013, the Commission adopted Decision (D.) 13-09-045, which established TNCs as a new subtype of charter-party carrier utilizing drivers' personal vehicles for trips prearranged via online-enabled application or platform.<sup>8</sup>

The Commission has enacted numerous regulations for TNCs, including requirements for driver criminal background checks, accessibility, autonomous vehicles and data reporting. D.14-11-043 established safety regulations for TNCs. The Commission already regulates some aspects of TNC drivers' personal vehicles, including requiring annual 19-point safety inspections,<sup>9</sup> but it does not currently regulate the emissions of the vehicles.

Section 701 broadly states that "[t]he commission may supervise and regulate every public utility in the State and may do all things ... which are necessary and convenient in the exercise of such power and jurisdiction."<sup>10</sup> The California Constitution also authorizes the Commission to regulate transportation companies like TNCs: "The commission may fix rates and establish rules for the transportation of passengers and property by transportation companies... ." <sup>11</sup> Further, Pub. Util. Code Section 5431(b) specifically requires that any vehicle used for TNC service must "[meet] all inspection and other safety requirements imposed by the commission." Public safety is impacted by the GHG emissions of vehicles, which create air pollution

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<sup>8</sup> D.13-09-045 at 3.

<sup>9</sup> General Order 157, Section 4.05.

<sup>10</sup> Pub. Util. Code Section 701.

<sup>11</sup> Cal. Const. art. XII, § 4.

and endanger lives, as noted by SB 1014. In sum, the Commission possesses the authority to impose requirements as to the emissions of the vehicles operated under the TNC framework it regulates.

In D.16-12-037, the Commission amended the definition of “personal vehicle” that is used by a TNC driver in accordance with Assembly Bill 2764 (Gatto, 2016). A personal vehicle is defined as a vehicle that is (i) owned, (ii) leased, (iii) rented for a term that does not exceed 30 days, or (iv) otherwise authorized for use by the participating driver.<sup>12</sup> This amended definition of “personal vehicle” authorizes arrangements between TNCs and rental car fleet owners to make vehicles available to their drivers.

The assigned Commissioner’s scoping memo issued on October 25, 2019 in R.12-12-011 noted the Commission’s intent to address zero-emissions vehicles and GHG emissions in a new rulemaking to implement CMS.

## **1.2. CARB CMS Regulations**

SB 1014 requires CARB to establish a TNC GHG emissions baseline, using 2018 as the base year,<sup>13</sup> and annual targets that reduce emissions below that established baseline.<sup>14</sup> As directed by the statute, CARB used data from TNC operations in 2018, obtained through data requests issued by the Commission’s Consumer Protection and Enforcement Division and information routinely submitted to the Commission through TNCs’ Annual Reports, to establish a baseline for GHG emissions in CMS.<sup>15</sup> In December 2019, CARB Staff released its

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<sup>12</sup> D.16-12-037 at 1.

<sup>13</sup> Pub. Util. Code Section 5450(b)(1).

<sup>14</sup> Pub. Util. Code Section 5450(b)(2).

<sup>15</sup> See CARB’s SB 1014 Clean Miles Standard 2018 Base-year Emissions Inventory Report (December 2019) (hereafter CARB’s 2018 Baseline Inventory).



“2018 Base-year Emissions Inventory Report” (Baseline Inventory) establishing the base year inventory of CO<sub>2</sub> emissions in units of grams of CO<sub>2</sub> per passenger-mile traveled (gCO<sub>2</sub>/PMT).<sup>16</sup>

CARB staff estimated that, in 2018, the TNC fleet emitted approximately 301 grams of CO<sub>2</sub> (g CO<sub>2</sub>) per passenger mile traveled (PMT).<sup>17</sup> While the TNC fleet is relatively more fuel efficient than the California light duty fleet (due to having a higher fraction of new model year vehicles), the TNC fleet’s emissions, on a per-passenger mile basis, are about 50% higher than the statewide average of 203 g CO<sub>2</sub>/PMT.<sup>18</sup> The TNC fleet’s emissions are higher primarily due to deadhead miles traveled – miles associated with TNC operations in which no passenger is in the vehicle.<sup>19</sup>

CARB’s 2018 Baseline Inventory serves as the reference point to establish emission targets and evaluate compliance scenarios. Using TNC data, CARB developed a model and proposed two targets for TNCs to decrease emissions by increasing vehicle electrification and displacing PMT by internal-combustion engine (ICE) vehicles with miles traveled by electric vehicles.<sup>20</sup> These two targets are the Electric Vehicle Miles Traveled (eVMT) target and the Annual Greenhouse Gas (GHG) target proposed by CARB on September 14, 2021.<sup>21</sup>

The eVMT target is based on vehicle miles traveled (VMT) by electric vehicles when a passenger is in the vehicle, divided by the VMT of all TNC

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<sup>16</sup> CARB’s 2018 Baseline Inventory.

<sup>17</sup> CARB’s 2018 Baseline Inventory at 42.

<sup>18</sup> CARB’s 2018 Baseline Inventory at 42.

<sup>19</sup> CARB’s 2018 Baseline Inventory at 43.

<sup>20</sup> CARB’s 2018 Baseline Inventory.

<sup>21</sup> CARB Proposed Regulation Order at A-4 and A-10.

vehicles when a passenger is in the vehicle.<sup>22</sup> The GHG target calculates the grams of CO<sub>2</sub> per passenger mile traveled, by calculating total TNC GHG emissions including dead-head miles, less any CO<sub>2</sub> credits, divided by passenger miles traveled, which is a product of VMT generated only when carrying passengers and an occupancy factor.<sup>23</sup>

**Annual GHG Targets set by CARB<sup>24</sup>**

Calendar Year	GHG Target (grams CO <sub>2</sub> /PMT)
2023	252
2024	237
2025	207
2026	161
2027	110
2028	69
2029	30
2030+	0

**Annual Electric Vehicle Miles Traveled Targets set by CARB<sup>25</sup>**

Calendar Year	eVMT
2023	2%
2024	4%
2025	13%
2026	30%

<sup>22</sup> CARB Proposed Regulation Order at A-10.

<sup>23</sup> CARB Proposed Regulation Order at A-5.

<sup>24</sup> CARB Proposed Regulation Order, Table 1

<sup>25</sup> CARB Proposed Regulation Order, Table 6

2027	50%
2028	65%
2029	80%
2030+	90%

**Exemptions.** CARB’s Proposed CMS Regulation Order exempts small TNCs and certain wheelchair-accessible trips.

**Small TNCs.** According to CARB’s analysis, in 2018, “small” TNCs travelled about 5.9 million miles, representing just 0.14% of Lyft and Uber’s combined VMT.<sup>26</sup> CARB’s CMS regulations apply only to TNCs that exceed five million vehicle miles traveled annually.<sup>27</sup> As calculated from 2018 data, this means that only Lyft and Uber are initially subject to CMS regulation. If another TNC exceeds five million vehicle miles travelled in a calendar year, it will also be subject to the CMS regulation the same calendar year it exceeds five million VMT.

**Wheelchair-Accessible Vehicles.** CARB exempts certain wheelchair-accessible trips from inclusion in the calculation of a TNC’s annual GHG emissions. Per CARB’s regulation, “Trips on TNC apps that are requested and fulfilled as wheelchair-accessible vehicle trips shall not be included in the calculation of [annual GHG emissions per passenger mile traveled].”<sup>28</sup>

**Credits.** CARB’s regulation allows TNCs to reach their GHG targets with several types of credits, as detailed below. Credits are granted in the unit of

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<sup>26</sup> Proposed Clean Miles Standard Regulation Staff Report: Initial Statement of Reasons at 43.

<sup>27</sup> CARB Proposed Regulation Order at A-2.

<sup>28</sup> CARB Proposed Regulation Order at A-9.

grams CO<sub>2</sub> and contribute toward a company's GHG target. There is no credit program associated with companies' eVMT targets.

Over-Compliance Credits. Over-compliance credits are issued when a TNC exceeds the GHG emissions compliance targets for a given year. If a TNC's annual CO<sub>2</sub>/PMT emissions are lower than the requirement shown in the GHG target table for a given year, the Commission may issue over-compliance credits equal to the difference between the target and the emissions achieved. These credits may be used in any of the subsequent three calendar years and will expire after this three-year period. Credits may not be used to comply with prior calendar years' GHG targets.<sup>29</sup>

Optional Credits. CARB established two optional credit programs, which offer covered entities alternative methods for achieving the GHG emissions targets in addition to transitioning passenger miles traveled to electric vehicles.

The Commission may issue optional CO<sub>2</sub> credits for TNCs' (i) investments in bikeway and sidewalk infrastructure projects, and (ii) mass transit connected TNC trips. Mass transit connected trips are where a TNC vehicle trip connects to or from a mass transit trip. If issued, the Commission shall use the CO<sub>2</sub> credit equations provided for each credit provision in CARB's Proposed CMS Regulation<sup>30</sup>. The investments in bikeway and sidewalk infrastructure projects credit is based on multiplying the total dollars invested in the project by 907,185 CO<sub>2</sub> grams/ton and dividing by the product of \$128 per ton and the project life in years.<sup>31</sup> The mass transit connected TNC trip credit is based on multiplying the VMT of the total distance of the TNC vehicle trip that is

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<sup>29</sup> CARB Proposed Regulation Order at A-9.

<sup>30</sup> CARB Proposed Regulation Order at A-13.

<sup>31</sup> CARB Proposed Regulation Order at A-13.

connected with a mass transit trip (verified through the TNC's app or other methods from which verified TNC-to-mass-transit-connected trip data can be collected and submitted) with 242 grams per mile (the California fleet-wide average fuel economy for light-duty vehicles in the 2018 base year).<sup>32</sup> The resulting CO<sub>2</sub> credits may be applied to the GHG compliance equation.

The Commission may also develop its own optional credit programs for TNCs to comply with annual GHG targets.<sup>33</sup>

### **1.3. Transportation Electrification**

On September 23, 2020, California Governor Gavin Newsom issued Executive Order N-79-20 requiring all new cars and passenger trucks sold in California to be zero-emission vehicles (ZEV) by 2035.<sup>34</sup> This executive order follows previous announcements from both Lyft and Uber in 2020 that promise to shift their fleets to 100% electric vehicles (EV) by 2030 and 2040, respectively.<sup>35</sup>

The Commission is currently developing a Transportation Electrification Framework, in R.18-12-006, which will incorporate the issues that need to be addressed for a comprehensive transition to EVs in the state and the supporting charging infrastructure that needs to be built by the electric investor-owned utilities (IOU).<sup>36</sup> Rulemaking 18-12-006 will address the SB 1014 mandates that the Commission advance the goals of the Clean Miles Standard in the review of transportation electrification applications and ensure that ongoing state planning

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<sup>32</sup> CARB Proposed Regulation Order at A-13.

<sup>33</sup> CARB Proposed Regulation Order at A-14.

<sup>34</sup> Governor Newsom Executive Order N-79-20.

<sup>35</sup> See "Leading the Transition to Zero Emissions: Our Commitment to 100% Electric Vehicles by 2030" (June 17, 2020) and "Driving a Green Recovery" (September 8, 2020).

<sup>36</sup> See Administrative Law Judge ruling in R.18-12-006 on February 3, 2020 attaching the Commission staff proposal for a Transportation Electrification Framework.

efforts and funding programs that are intended to accelerate the adoption of zero-emission vehicles and charging infrastructure shall consider the goals of the Clean Miles Standard.

## **2. Purpose of Proceeding**

The purpose of this proceeding is to implement the Clean Miles Standard in accordance with SB 1014 and Pub. Util. Code Section 5450. As directed by SB 1014, CARB adopted regulations specifying the GHG emissions and eVMT targets and goals for the TNCs.

This proceeding will implement CARB's adopted CMS targets and goals, ensure minimal negative impact on low-income and moderate-income drivers, support the goals of clean mobility for low- and moderate-income individuals, and ensure that CMS complements and supports sustainable land-use objectives.

The Commission will establish a framework and a standard template for TNCs' GHG reduction plans. The Commission will review the TNCs' plans, collect data, verify compliance with the approved plans, and enforce compliance with the approved plans.

## **3. Preliminary Scoping Memo**

This rulemaking will be conducted in accordance with Article 6 of the Commission's Rules of Practice and Procedure (Rules). As required by Rule 7.1(d), this Order Instituting Rulemaking (OIR) includes a preliminary scoping memo as set forth below, and preliminarily determines the category of this proceeding and the need for hearing.

In this Preliminary Scoping Memo, we describe the issues to be considered in this proceeding and the timetable for resolving the proceeding. In response to this OIR, parties will have the opportunity to provide preliminary comments on the issues raised. After a prehearing conference, the assigned Commissioner will

issue a Scoping Ruling that will establish the issues and procedural path in greater detail.

### **3.1. Preliminary Issues**

This proceeding will implement the requirements of SB 1014 and Pub. Util. Code Section 5450 relating to the development of the Clean Miles Standard. The preliminary issues for the scope of this proceeding are as follows:

- a. GHG Emissions Reduction Plans
  - i. Framework and standard template for plans
  - ii. Meeting CARB targets and goals
  - iii. Ensuring minimal negative impact on low- and moderate-income drivers
  - iv. Supporting the goals of clean mobility for low- and moderate-income individuals
  - v. Supporting sustainable land-use objectives in Section 65080 of the Government Code
- b. Verification of Compliance
  - i. Data Collection
  - ii. Data Verification
  - iii. Data Reporting and Sharing
- c. Enforcement
  - i. CMS Citation Program
- d. Exemptions
- e. Optional Credit Programs
- f. Coordination to advance CMS in Transportation Electrification efforts
- g. Environmental and Social Justice

### **3.2. Request for Comments**

This OIR requests party comments on the following questions in accordance with the schedule set forth in Section 3.3 below.

1. Preliminary Scoping and Schedule.
  - a. Should the preliminary scope of issues be revised to include additional issues? Should certain issues be prioritized for an initial decision or addressed later in the proceeding?
  - b. How should the schedule of the proceeding be revised?
2. GHG Emissions Reduction Plans.
  - a. What specific content and level of detail should the Commission include in the standard template for GHG emissions reduction plans?
  - b. What review and reporting framework should the Commission adopt for GHG emissions reduction plans? Should a framework from another Commission proceeding, such as the Renewables Portfolio Standard or Integrated Resources Plans be adopted?
  - c. On what basis or by what metric(s) or criteria should the Commission evaluate the TNCs' GHG emissions reduction plans for compliance?
  - d. What model solutions or resources should TNCs include or consider in their GHG emissions reduction plans?
3. Low-Income and Moderate-Income Drivers and Individuals.
  - a. How should the Commission define and identify low- and moderate-income (LMI) drivers and individuals for the purposes of CMS implementation and monitoring of impact?
  - b. How should the Commission define "the goals of clean mobility" for LMI individuals for the purposes of CMS implementation and monitoring of impact?
  - c. How should the Commission advance the goals of clean mobility for LMI individuals?



- d. How should the Commission evaluate barriers to transitioning to zero-emission vehicles for LMI drivers? What types of data are needed to identify barriers to acquiring zero-emission vehicles, and what is the best method for the Commission to collect this data?
  - e. How should the Commission “ensure minimal negative impact on low-income and moderate-income drivers”?
  - f. How should the Commission evaluate the financial impact of CMS on individual LMI individuals and drivers? What data sources, criteria, or metrics should the Commission use or create?
  - g. How should the Commission evaluate whether CMS supports the goals of clean mobility for LMI individuals? What data sources, criteria, or metrics should the Commission use? What additional data should the Commission collect to measure and evaluate service quality and availability?
  - h. What other impacts of CMS on LMI drivers and individuals, aside from financial and access to clean mobility, should the Commission seek to evaluate?
4. Environmental and Social Justice (ESJ).
- a. How can CMS be designed to advance the goals of the Commission’s ESJ Action Plan? For example, should the GHG reduction plans include specific solutions for Tribal communities?
  - b. Should the Commission measure, evaluate or implement CMS to improve public health for ESJ communities?
  - c. How should CMS support clean mobility for Access and Functional Needs communities?
5. Supporting Sustainable Land-Use Objectives.
- a. How can CMS support sustainable land-use objectives in Section 65080 of the Government Code?
  - b. What criteria, metrics, and data should the Commission use to evaluate whether CMS supports sustainable

land-use objectives in Section 65080 of the Government Code?

- c. What data, if any, should the Commission collect or use to evaluate other environmental impacts of CMS on communities?

6. Outreach and Engagement.

- a. How can the Commission engage with TNC drivers and LMI community-based organizations to mitigate the above impacts? What types of outreach and engagement will be effective for LMI groups?
- b. What types of outreach and engagement should TNCs be required to conduct prior to filing their proposed plans?

7. Data.

- a. Data Collection. The Commission currently collects a significant amount of data from TNCs through Annual Reports (submitted in September each year as required in D.13-09-045 and D.16-04-041) and Quarterly Reports on its WAV services (as required in D.20-03-007 and D.21-03-005). The Commission will collect similar data from permitted companies in the Commission's Autonomous Vehicle Phase I Deployment Program on a quarterly basis (D.20-11-046) once permits are issued. What data or information, if any, should the Commission collect in addition to the data specified in CARB's regulation? Why is this data necessary?
- b. Data Verification. How should the Commission verify that compliance data received from TNCs is consistent, complete, and accurate?
- c. Data Sharing. Should compliance data be shared with other government entities, researchers, and the public? If the Commission were to share compliance with other government entities, researchers, and the public, how should this sharing be structured?

8. CMS Enforcement.

- a. How should the Commission structure a citation program and fines for noncompliance with GHG Reduction Plans?
- b. How should we incorporate lessons learned from other citation programs into the proposed CMS citation program?

9. Exemptions.

- a. Should the Commission use its existing authority to regulate emissions of TNCs' WAV services and/or Small TNCs? If so, how?
- b. Does the WAV exemption impact Access and Functional Needs communities?

10. Optional Credit Programs.

- a. Should the Commission adopt the Optional Credit Programs as defined by CARB's Proposed Regulation Order? Should the Commission adopt other credit programs other than those in CARB's Proposed Regulation Order?
- b. Should certain thresholds in GHG emission reductions or eVMT be met before TNCs may avail themselves of the credit programs?
- c. For any credit programs, what criteria should the Commission use to evaluate the applications if different from the criteria identified in CARB's Proposed Regulation Order?

11. Coordination to advance CMS in Transportation Electrification efforts.

- a. How should this proceeding coordinate with R.18-12-006<sup>37</sup> to develop infrastructure and rate design to support the goals of CMS?

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<sup>37</sup> R.18-12-006 is the Commission's Rulemaking to Continue the Development of Rates and Infrastructure for Vehicle Electrification (DRIVE).

### 3.3. Preliminary Schedule

The preliminary schedule for this proceeding is presented below.

EVENT	DATE
Opening Comments filed and served	Within 40 days of the date of this OIR
Reply Comments filed and served	Within 10 days of the date opening comments are due
Workshop held	Q1 2022
Prehearing Conference held	Q1 2022
Scoping Memo issued	Q1 2022
Staff Proposal issued	Q2 2022
Rulings with questions for party comments issued	Q2-Q3 2022
Proposed Decision issued	No later than 90 days after submission
Commission Decision issued	No sooner than 30 days after Proposed Decision

The assigned Commissioner or the assigned Administrative Law Judge (ALJ) may change the schedule to promote efficient and fair administration of this proceeding. We leave open the possibility that issue areas may be decided in more than one decision, if necessary.

We note that Pub. Util. Code Section 5450 requires CARB to establish annual CMS targets and goals by January 1, 2021, and requires each TNCs to develop a GHG emissions reduction plan by January 1, 2022. On September 14, 2021, CARB released the modifications to its proposed regulation order to establish CMS targets and goals. We anticipate that CARB will formally adopt a CMS regulation order after January 1, 2022. We expect that this delay will impact the schedule of

this proceeding, including the issuance of guidance to TNCs for development of GHG emissions reduction plans.

Due to the complexity and number of issues in this proceeding, it is the Commission's intent to complete this proceeding within 24 months of the date this Order Instituting Rulemaking is adopted in accordance with Pub. Util. Code Section 1701.5(b).

Notice of workshops in this proceeding will be served to the service list of this proceeding and posted on the Commission's Daily Calendar to inform the public that a decision-maker or an advisor may be present at those meetings or workshops.

**4. Category of Proceeding; *Ex Parte* Communications; and Need for Hearing**

The Commission's Rules of Practice and Procedure require that an order instituting rulemaking preliminarily determine the category of the proceeding and the need for hearing. As a preliminary matter, we determine that this proceeding is quasi-legislative, because our consideration and approval of this matter would establish policy or rules affecting transportation network companies, a class of regulated entities. Accordingly, *ex parte* communications are permitted pursuant to Article 8 of the Rules. However, parties are reminded to only contact the assigned ALJ(s) outside of a publicly noticed forum with procedural questions by email with a copy to the entire service list.

We are also required to preliminarily determine if hearings are necessary. We preliminarily determine that hearings are not necessary. However, we plan to give parties an opportunity to discuss this further at the prehearing conference.

## **5. Respondents**

TNCs Lyft, Inc., Uber Technologies Inc., Silver Ride LLC, Wingz, Inc., Executive Ride LLC, Nomad Transit LLC, Ziro Ride LLC, Alto Operations California LLC, Pawar Transportation LLC, Zum Services, Inc., Dolightful, Inc., Adroit Advanced Technologies, Inc., Argo AI, Aurora Innovation, Inc., AutoX Technologies, Inc., Cruise LLC, DeepRoute.ai, Pony.ai, Inc, Voyage Auto, Inc., Waymo LLC, and Zoox, Inc. are named as respondents to this proceeding. These entities represent the TNCs and autonomous vehicle companies licensed with the Commission as of the date of this OIR.

## **6. Service of OIR**

This OIR shall be served on all respondents. In addition, in the interest of broad notice, this OIR will be served on the official service lists for the following proceedings: R.12-12-011, R.19-02-012 and R.18-12-006.

Service of the OIR does not confer party status or place any person who has received such service on the Official Service List for this proceeding, other than respondents. Instructions for obtaining party status or being placed on the official service list are given below.

## **7. Filing and Service of Comments and Other Documents**

Filing and service of comments and other documents in the proceeding are governed by the Commission's Rules of Practice and Procedure.

Parties are instructed to only serve documents on the assigned Commissioner, advisors to the assigned Commissioner, and the assigned ALJ(s) by electronic copy and *not* by paper copy, unless specifically instructed to do otherwise.

## **8. Addition to the Official Service List**

Addition to the official service list is governed by Rule 1.9(f) of the Commission's Rules of Practice and Procedure.

Respondents to this OIR automatically become parties to the proceeding (*see* Rule 1.4(d)) and will be immediately placed on the official service list.

Any person will be added to the "Information Only" category of the official service list upon request, for electronic service of all documents in the proceeding, and should do so promptly in order to ensure timely service of comments and other documents and correspondence in the proceeding. (*See* Rule 1.9(f).) The request must be sent to the Process Office by e-mail ([process\\_office@cpuc.ca.gov](mailto:process_office@cpuc.ca.gov)). Please include the Docket Number of this rulemaking in the request.

Persons who file responsive comments thereby become parties to the proceeding (*see* Rule 1.4(a)(2)) and will be added to the "Parties" category of the official service list upon such filing. In order to assure service of comments and other documents and correspondence in advance of obtaining party status, persons should promptly request addition to the "Information Only" category as described above; they will be removed from that category upon obtaining party status.

## **9. Subscription Service**

Persons may monitor the proceeding by subscribing to receive electronic copies of documents in this proceeding that are published on the Commission's website. There is no need to be on the official service list in order to use the subscription service. Instructions for enrolling in the subscription service are available on the Commission's website at <http://subscribecpuc.cpuc.ca.gov/>.

## **10. Intervenor Compensation**

Intervenor compensation rules are governed by §§ 1801 et seq. of the Pub. Util. Code. Intervenor Compensation is not permitted in this proceeding.

## **11. Public Advisor**

Any person or entity interested in participating in this rulemaking who is unfamiliar with the Commission's procedures should contact the Commission's Public Advisor in San Francisco at (415) 703-2074 or (866) 849-8390 or e-mail [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov). The TTY number is (866) 836-7825.

## **12. Public Outreach**

The Commission's staff will share this OIR with representatives of Rideshare Drivers United, Working Partnerships USA/Gig Workers Rising, and Driver's Seat Cooperative and will work with the California Workforce Development Board and CARB to share this OIR with their relevant mailing lists. Any additional public outreach to be conducted will be described in the scoping memo.

## **O R D E R**

### **IT IS ORDERED** that:

1. This Order Instituting Rulemaking is adopted pursuant to Rule 6.1 of the Commission's Rules of Practice and Procedure.
2. The preliminary categorization is quasi-legislative.
3. The preliminary determination is that a hearing is not needed.
4. The preliminary scope of issues is as stated above in Section 3.
5. The preliminary schedule for this proceeding is set in Section 3 above.
6. Lyft, Inc., Uber Technologies Inc., Silver Ride LLC, Wingz, Inc., Executive Ride LLC, Nomad Transit LLC, Ziro Ride LLC, Alto Operations



California LLC, Pawar Transportation LLC, Zum Services, Inc., Dolightful, Inc., Adroit Advanced Technologies, Inc., Argo AI, Aurora Innovation, Inc., AutoX Technologies, Inc., Cruise LLC, DeepRoute.ai, Pony.ai, Inc, Voyage Auto, Inc., Waymo LLC, and Zoox, Inc. are named as respondents to this proceeding.

7. Respondents to this Order Instituting Rulemaking and any other person may file opening comments responding to this Order Instituting Rulemaking within 40 days of the effective date of this Order Instituting Rulemaking.

8. The Executive Director shall cause this Order Instituting Rulemaking to be served on all respondents and on the service lists for the following Commission proceedings: Rulemaking (R.) 12-12-011, R.19-02-012, and R.18-12-006.

This order is effective today.

Dated November 18, 2021, at San Francisco, California.

MARYBEL BATJER

President

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

DARCIE HOUCK

Commissioners