

Decision 26-02-005 February 5, 2026

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Rulemaking 21-11-014

DECISION ADDRESSING MODIFICATIONS TO DECISION 24-03-001

Summary

Today's decision addresses and implements three modifications to the Clean Miles Standard Program, established by Decision 24-03-001. These three modifications will ensure continual smooth operation of the Clean Miles Standard Program.

This proceeding remains open.

1. Background

On September 13, 2018, Governor Gavin Newsom signed Senate Bill (SB) 1014 (Skinner), Stats. 2018, ch. 369 to enact the California Clean Miles Standard and Incentive Program (Clean Miles Standard or CMS). SB-1014 added Section 5450 to the Public Utilities (Pub. Util.) Code to require the California Air Resources Board (CARB) to adopt, and the California Public Utilities Commission (Commission) to implement, annual targets to reduce greenhouse gas (GHG) emissions by transportation network companies (TNCs). CARB

submitted the Clean Miles Standard Final Regulation Order (CARB CMS Order) to the Office of Administrative Law for approval on March 8, 2022. The Office of Administrative Law approved the CARB CMS Order on October 1, 2022. On November 18, 2021, the Commission issued an Order Instituting Rulemaking (OIR) to open this proceeding to implement the Clean Miles Standard. The OIR noted that the purpose of this proceeding is to implement CARB's adopted CMS targets and goals, ensure minimal negative impact on low income and moderate income (LMI) drivers, support the goals of clean mobility for LMI individuals, and ensure that CMS complements and supports sustainable land use objectives.

After public workshops, comments on a Staff Proposal, and comments on a supplement ruling, the Commission issued Decision (D.) 24-03-001, the decision implementing the CMS Program. Decision 24-03-001 established the initial rules and regulations for entities subject to the CMS Program, including transportation network companies, charter-party carriers, and autonomous vehicle passenger companies. Decision 24-03-001 directs regulated entities to file plans to meet CMS Program goals, including the annual targets established by the California Air Resources Board (CARB) to increase vehicle miles traveled by zero-emissions vehicles (ZEVs) to 90 percent and eliminate greenhouse gas emissions by 2030.

After one-year of CMS Program implementation, it was clear to Commission staff that modifications to the program were necessary to ensure the Clean Miles Standard Program operates efficiently. On May 28, 2025, the assigned Administrative Law Judge (ALJ) issued a ruling inviting parties to

comment on four proposed modifications to D.24-03-001. Lyft, Inc. (Lyft) and Uber Technologies, Inc. (Uber) were the only parties to file comments.

2. Issues Before the Commission

Today's decision addresses four proposed modifications to D.24-03-001. These proposed modifications were first identified in the May 2025 ALJ Ruling, and address:

1. Advice Letter Tiers;
2. Deadlines for Staff Reports;
3. Extension Request Specifications; and
4. Timing for Regulatory Fee Reports.

3. Modifications to D.24-03-001

The purpose of the proposed modifications to D.24-03-001 is to improve program efficiency and effectiveness based on initial implementation experience. The following addresses what modifications are made in response to party comments to the May 2025 ALJ Ruling.

3.1. Advice Letter Tier Modification

Ordering Paragraph 2 of D.24-03-001 currently mandates that each transportation network company seeking an exemption for Small CMS Regulated Entity status based on vehicle miles traveled must file a Tier 2 advice letter by January 15th of each year; the advice letter requests exemption status for the current calendar year based on the regulated entity's total vehicle miles traveled for all periods in passenger service during the previous calendar year. Parties were requested to comment on changing this advice letter filing from a Tier 2 to Tier 1. As the May 2025 assigned ALJ Ruling indicated, Staff believes this change will reduce the administrative burden of reviewing numerous Small

CMS Regulated Entities' Tier 2 advice letter filings, and the validity of their Small CMS Regulated Entity status can still be confirmed through existing data collection.

In Comments, Uber agrees with the proposed modification to change the advice letter tier for the exemption from Tier 2 to Tier 1 and generally supports the reduction of regulatory burden. Lyft does not address this proposed modification in its comments. Given no opposition, the proposal to change the exemption filing from a Tier 2 to a Tier 1 is adopted. Accordingly, Ordering Paragraph 2 of D.24-03-001 is modified as follows:

Each transportation network company that seeks an exemption from requirements of this decision based on vehicle miles traveled shall file a Tier-1 advice letter by January 15th of each year to request exemption status for the current calendar year based on its total vehicle miles traveled for all periods in passenger service during the previous calendar year.

3.2. Deadlines for Staff Reports Modification

Decision 24-03-001 discusses requirements for internal Commission reports on (1) LMI Driver Impact(s) and (2) Unanticipated Barriers and Progress toward meeting the CMS goals. The Decision sets December 31, 2026, for the first LMI Driver Impact Report and Unanticipated Barriers and Progress Report to be published by Commission Staff. However, due to workload concerns, staff proposed changing this so that both reports would commence in 2026. With this potential change, Commission Staff will ensure reports cover CMS program implementation in years prior as well.

In comments on the ALJ Ruling, Lyft does not oppose extending the due date for the LMI Driver Impact(s) and Unanticipated Barriers and Progress

Reports but requests that if the Commission extends the due date for these reports, it should also delay enforcement of CMS targets. In Comments on the proposed decision, Lyft repeats this request, noting delaying the Unanticipated Barriers and Progress report without simultaneously delaying enforcement of the CMS program would “unfairly and unnecessarily leave regulated entities in a position of significant regulatory uncertainty, and would contravene the express terms of Public Utilities Code Section 5450.”¹

In comments on the ALJ Ruling, Uber expressed no objection to the proposed change in timing for the referenced reports. However, in Uber’s comments on the Proposed Decision, Uber expressed concern on extending the deadline for the Unanticipated Barriers and Progress Report. Uber supports Lyft’s position that if the Commission extends the deadline for that report, it must also delay enforcement of the CMS targets until after the report is released. Uber states that “Proceeding with enforcement in the absence of any such analysis would be contrary to the CMS framework and constitute a prejudicial abuse of discretion.”²

The Commission acknowledges Lyft and Uber’s position that the Unanticipated Barriers and Progress Report will provide information to inform the feasibility of the CMS targets, and we recognize the importance of producing that report expeditiously. We are also aware Lyft and Uber filed comments in response to the Phase 2 staff proposal urging the Commission to delay

¹ Lyft Opening Comments on PD at 4.

² Uber Opening Comments on PD at 5.

enforcement of the CMS targets until after the issuance of the Unanticipated Barriers and Progress Report.³ The issues before the Commission in this Decision include the timing of the staff reports, but do not include the enforcement of CMS targets. As such, the Commission will address the CMS enforcement program in a subsequent Decision.

Given the considerations discussed above, the first LMI Driver Impact Report and Unanticipated Barriers and Progress Report will commence in 2026. The following modifications are made to D.24-03-001, to support this intention:

- Conclusion of law 40(a) is modified to read:
The first Annual LMI Driver Impact Report and the first Biennial Unanticipated Barriers and Progress Report should commence in 2026 and cover the years prior; and
- Conclusion of law 40(b) is modified to read:
Each subsequent Annual LMI Driver Impact Report should be published on the Commission's website and served to the service list of this proceeding; and
- Conclusion of law 40(c) is modified to read:
Each subsequent Biennial Unanticipated Barriers and Progress Report should commence during each even-numbered calendar year and be published on the Commission's website and served to the service list of this proceeding.

3.3. Extension Request Specifications

Pursuant to Rule 16.6 of the Commission's Rules of Practice and Procedure (Rule), parties may request extensions of time to comply with a Commission

³ Opening Comment of Uber, Inc. on ALJ Ruling Seeking Comment on Phase 2 Staff Proposal (September 8, 2025) at 5 to 21; Lyft Opening Comment on ALJ Ruling Requesting Comment on Phase 2 Staff Proposal (September 8, 2025) at 5 to 8.

decision or order via letter or e-mail to the Commission's Executive Director. To streamline extensions of time for D.24-03-001 compliance, staff proposed that the Commission request parties to coordinate amongst themselves prior to requesting an extension of time from the Commission's Executive Director.

In Comments, Uber notes it has no objection to the proposed request for party coordination on extensions. Lyft does not address this proposed modification in comments. Given no opposition, parties are requested to coordinate amongst themselves prior to requesting an extension of time from the Commission's Executive Director pursuant to Rule 16.6.

3.4. Timing for Regulatory Fee Reports

Pursuant to D.24-03-001 Uber Technologies, Inc. (Uber), as the Contracting Agent, is required to submit reports on the CMS Regulatory Fee Account to Commission staff 30 business days after the end of each calendar quarter. Upon review, this timing is not consistent with other established deadlines for staff to review regulatory fee matters. To promote an efficient review of this information, staff proposed to require Uber to submit this report to staff 30 days after the end of each calendar quarter.

Uber strongly opposes this proposed modification, requesting that the current deadline for regulatory fee reporting (i.e., 30 business days following the close of each calendar quarter) remain unchanged. Uber notes it has additional responsibilities than other parties as the contracting agent for the CMS. Uber is required to both collect the CMS Regulatory Fee and transfer those funds to the CMS Regulatory Fee Account within 15 business days of the end of each quarter. If the regulatory fee report is changed to 30 calendar days after the end of each

quarter, that would typically leave Uber with little more than one week to complete it. If there are any delays in the funds being submitted into the account, the timing for the fee report would be even tighter. Changing the regulatory fee reporting deadline to 30 calendar days after the close of the quarter would create additional overlapping obligations and increase the likelihood of needing an extension. Lyft does not provide comments on this issue.

Given the direct impact this proposed modification will have on Uber's role as the contracting agent, we decline to adopt the proposed modification to the regulatory fee reporting. Accordingly, the deadline adopted in D.24-03-001 remains the same.

4. Summary of Public Comment

As of October 22, 2025, there is one public comment on this proceeding's docket card. The public comment does not address issues within scope of this proceeding.

5. Conclusion

The modifications to D.24-03-001, as outlined in Section 3 are adopted. The three adopted modifications will improve the efficiency and effective operation of the Clean Miles Standard Program.

6. Comments on Proposed Decision

The proposed decision of Commissioner John Reynolds in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Uber and Lyft were the only parties to file comments.

In comments, Uber recommends that no changes be made to the December 31, 2026, deadline requiring preparation of the first Unanticipated Barriers and Progress report and requests that if the deadline is extended, the Commission should also delay enforcement of the CMS targets (discussed in Section 3.2). Lyft similarly requests that the Commission delay enforcement of the CMS targets if the report deadline is extended.

7. Assignment of Proceeding

John Reynolds is the assigned Commissioner and Sasha Goldberg is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. Decision 24-03-001 established the Clean Miles Standard Program.
2. The May 28, 2025, ALJ Ruling identifies four proposed modifications to D.24-03-001 for parties to comment on.
3. Uber and Lyft were the only parties to this proceeding to comment on the May 28, 2025, ALJ Ruling.

Conclusions of Law

1. Conclusion of law 40(a), 40(b), and 40(c) should be modified consistent with the language in Section 3 of this decision.
2. Ordering Paragraph 2 of D.24-03-001 should be modified consistent with the language in Section 3 of this decision.

O R D E R

IT IS ORDERED that:

1. Ordering Paragraph 2 of Commission Decision 24-03-001 is modified as follows:

Each transportation network company that seeks an exemption from requirements of this decision based on vehicle miles traveled shall file a Tier 1 advice letter by January 15th of each year to request exemption status for the current calendar year based on its total vehicle miles traveled for all periods in passenger service during the previous calendar year.

2. Rulemaking 21-11-014 remains open.

This order is effective today.

Dated February 5, 2026, at Sacramento, California

ALICE REYNOLDS
President

DARCIE L. HOUCK
JOHN REYNOLDS
KAREN DOUGLAS

Commissioners

Commissioner Matthew Baker recused himself from this agenda item and was not part of the quorum in its consideration.