



January 13, 2026

**To:** The Honorable Monique Limón, Senate President pro Tempore  
 The Honorable Robert Rivas, Speaker of the Assembly  
 The Honorable John Laird, Chair, Senate Budget & Fiscal Review Committee  
 The Honorable Eloise Gómez Reyes, Chair Senate Budget & Fiscal Review Subcommittee #2 on Resources, Environmental Protection & Energy  
 The Honorable Roger Neillo, Vice Chair, Senate Budget & Fiscal Review Committee  
 The Honorable Jesse Gabriel, Chair, Assembly Budget Committee  
 The Honorable Steve Bennett, Chair, Assembly Budget Subcommittee #4 on Climate Crisis, Resources, Energy & Transportation  
 The Honorable Heath Flora, Vice Chair, Assembly Budget Committee

**Subject: Request for \$100 Million Appropriation to Accelerate Low NOx Heavy-Duty Truck Deployment**

Dear Legislative and Budget Committee Leadership:

We the undersigned coalition, respectfully request a **\$100 million budget appropriation**, from the Greenhouse Gas Reduction Fund (GGRF) or another appropriate source, **to accelerate deployment of low NOx clean combustion heavy-duty trucks statewide**. These trucks are defined as those meeting or exceeding 50 mg (0.05 g/bhp-hr) NOx emissions standard, with preference for vehicles achieving even lower NOx performance where available and suitable for the duty cycle.

**Why Immediate Action Is Needed**

Recent federal actions revoking California’s EV waivers have created significant uncertainty in the implementation of the state’s strategy for electrifying the transportation sector. In the absence of an enforceable zero-emission mandate for heavy-duty trucks, fleets are retaining

their existing diesel trucks or purchasing diesel units from secondary markets rather than adopting cleaner combustion alternatives. If this trend continues, diesel will remain the default technology during this mid-transition phase—particularly in Class 7–8 trucks, which account for nearly 50% of transportation sector NOx emissions, despite representing only 12% of the state’s truck population<sup>1</sup>.

Additionally, local governments—particularly those operating refuse collection and wastewater treatment fleets—face mounting costs to comply with air-quality mandates while maintaining essential public services. These fleets often run heavy-duty trucks on fixed routes in disadvantaged communities, making them prime candidates for low NOx technology. Without state incentives, cities and counties will be forced to either absorb higher compliance costs or defer fleet upgrades, risking penalties and service disruptions. By supporting cleaner combustion trucks now, the Legislature can help municipalities avoid millions in future regulatory fines and infrastructure retrofits, while delivering immediate health and climate benefits to the communities they serve.

Overall, zero-emission truck (ZET) penetration remains slow due to affordability challenges, infrastructure limitations, and operational realities typical of mainstreaming a nascent technology. Without immediate intervention, **CARB projects a net increase of 175 tons of NOx emissions by 2037**, undermining air-quality and public-health progress in communities that can least afford additional pollution burdens. This trajectory not only jeopardizes California’s ability to meet federal attainment standards but also exposes the state to costly sanctions and local governments to escalating compliance expenses, **making swift legislative action essential to protect both public health and fiscal stability**.

### **California’s Leadership & the Near-Term Opportunity**

California’s Heavy-Duty Low-NOx Omnibus Regulation<sup>2</sup>, implemented in 2024, established a cleaner combustion standard of 50 mg (0.05 g/bhp-hr)—75% cleaner than the current 200 mg (0.2 g/bhp-hr) national standard. Engines meeting this standard, such as the Cummins X15N natural gas engine, are commercially available today and can deliver significant near-term emissions reductions while charging infrastructure and economics mature.

However, fleets are hesitant to invest hundreds of thousands of dollars in cleaner combustion technologies due to regulatory uncertainty and challenging economic conditions. Aggressive, widespread deployment of these trucks—and expanded use of renewable fuels—would likely increase the number of clean trucks on California’s roads, significantly reducing emissions and accelerating progress toward the state’s air-quality and climate goals.

### **The Consequence of Diesel Dependence**

Allowing diesel to remain the default option during this mid-transition period will have serious consequences:

- **Public Health Harm:** Continued diesel NOx and particulate matter (PM) emissions exacerbate asthma, cardiovascular disease, and respiratory illnesses—

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<sup>1</sup> Slide 6-[Advanced Clean Trucks Pooling Workshop, November 28, 2023](#)

<sup>2</sup> [Heavy-Duty Low NOx Omnibus Regulation](#)

disproportionately impacting disadvantaged communities and people of color living along freight corridors, railyards, ports, and major highways.

- **Air-Quality Setbacks:** Diesel dependence risks non-attainment of ozone and PM standards, increasing federal sanctions risk and local compliance costs while delaying clean-air benefits. Caltrans recently warned this could cost California **\$75 billion in federal transportation funding**.
- **Climate and Cost Lock-In:** More diesel on the road means higher-polluting assets for years, slowing progress toward our decarbonization goals.

### **Proposed Investment and Program Structure**

We request **\$100 million** appropriation from the GGRF fund to be provided through the Clean Truck and Bus Voucher Incentive Project (also known as HVIP) to cover the incremental cost between diesel and qualifying low NOx trucks.

#### **Key Elements:**

- **Eligible Vehicles:** Heavy-duty trucks (prioritizing Class 7–8) certified at  $\leq 0.05$  g/bhp-hr (50 mg) NOx; additional points for trucks achieving lower NOx or operating in high-impact corridors.
- **Targeted Incentives:** Focus on severe non-attainment areas for maximum impact.
- **Incremental Cost Coverage:** Based on industry data, an incentive covering the ~\$50,000 per-vehicle incremental cost would catalyze adoption.
- **Scale and Impact:** Industry research has shown with \$100 million investment, California could deploy **over 1,300** low NOx natural gas trucks running on renewable fuels such as renewable natural gas (RNG)<sup>3</sup>—delivering both criteria pollutant reductions and climate benefits.
- **Equity Prioritization:** Prioritize deployment along disadvantaged community corridors, near ports/rail hubs, and in non-attainment air basins.

#### **Expected Benefits:**

- **Immediate NOx Reductions:** Rapidly reduces emissions in the highest-emitting classes, alleviating public-health burdens in frontline communities.
- **Market Certainty:** Incentives counteract regulatory uncertainty, steering fleets away from diesel defaults and secondary-market purchases while signaling manufacturers to accelerate cleaner technology development.
- **ZET Strategy Support:** Establishes a cleaner baseline during infrastructure build-out, protecting air-quality and equity goals while long-term ZET solutions mature.

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<sup>3</sup> [Decarbonizing California Fleets with RNG Transportation](#)

- **Climate Progress Now:** Clean combustion trucks provide near-term GHG reductions while ZET infrastructure scales.

**Conclusion**

California has proven that strong standards and smart incentives drive innovation and protect public health. By appropriating **\$100 million** to accelerate low NOx heavy-duty trucks, the Legislature can avert a diesel resurgence, deliver near-term NOx and GHG reductions, and protect disadvantaged communities—all while keeping California’s goods movement reliable and competitive.

We appreciate your leadership and stand ready to assist with program design, fleet engagement, and implementation. Thank you for your consideration of this request.

**Respectfully,**

California Renewable Transportation Alliance  
Agricultural Energy Consumers Association  
Bioenergy Association of California  
Clean Energy  
CleanWaterSoCal  
Hexagon Agility  
League of California Cities  
Loves’ Alternative Energy  
OPAL Fuels  
Republic Services  
Resource Recovery Coalition of California  
RNG Coalition  
The Transport Project  
West Biofuels  
Western Propane Gas Association  
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