SFMTA

California Air Resources Board Innovative Clean Transit Regulation

SFMTA Board of Directors

September 1, 2026

Current Fleet: One of the Greenest in North America

CARB Resolution

- The California Air Resources Board (CARB) enacted the Innovative Clean Transit regulation in December 2018. It was the first zero-emission bus mandate to be passed in the US.
- The long-term vision of the Innovative Clean Transit regulation is to achieve a zero-emissions transit system by 2040. This goal is to be achieved by requiring a gradually increasing percentage of zero emissions buses as part of all bus procurements, with 100% of bus purchases being zero emissions by 2029.

CALIFORNIA
AIR RESOURCES BOARD

Innovative Clean Transit Regulation

ICT Regulation ZEB Purchasing Requirements (% of new buses purchased annually)

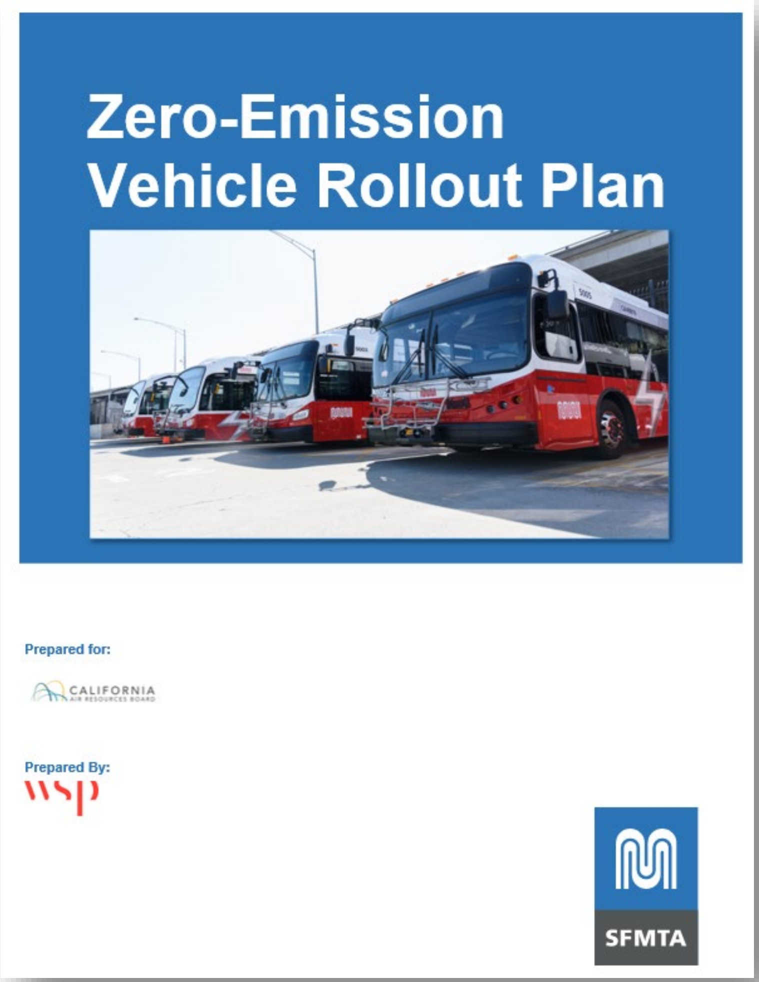
Date	Large Transit Agency	Small Transit Agency
2023-2025 (standard 40-ft buses only)	25%	N/A
2026-2028 (all bus types, including paratransit over 14k lbs)	50%	25%
January 1, 2029, and thereafter	100%	100%

ICT regulation also requires transit agencies to develop and maintain a Zero Emission Vehicle Rollout Plan detailing agencies' plans for transitioning their fleet to 100% zero emission. The SFMTA developed its Rollout Plan in 2021 and updated it in 2025.

SFMTA Rollout Plan Update

In 2025, the SFMTA updated its Zero Emission Vehicle Rollout Plan. Changes to the plan included:

- Addition of paratransit fleet procurement schedule
- Incorporation of details from the 2024 Facilities Framework update
- Cost estimates for implementing the Facilities Framework and associated bus purchases
- Other revisions & corrections



SFMTA Zero Emission Vehicle Policy

SFMTA's Current ZEV Policy

Aligns with current CARB ICT regulation

- Procure Hybrid buses through 2031
- Request exemptions allowed under ICT
- Zero-emission trolley and other ZEB are allowed

Current Zero-Emission Procurements

- Procured 12 Battery Electric Buses in 2021
- Procured 1 Battery Electric Paratransit in 2026
- Procured 4 40-ft and 3 60-ft BEBs from New Flyer coming in FY27
- Procured 3 40-ft and 3 60-ft BEBs from Solaris coming in FY27/28
- Procured 5 40-ft BEBs from Gillig coming in FY26/27

Upcoming Procurements

Under the requested exemption, SFMTA will procure 456 vehicles from 2027–2031:

- 132 40’ Diesel Hybrid Buses
- 224 60’ Diesel Hybrid Buses (If Available)
- 22 Large Paratransit
- 78 Paratransit

No battery-electric bus purchases are planned 2027-2031 due to funding availability and facility electrification costs and constraints

Exemption Justification

A 5-Year ICT Exemption for Financial Hardship is Needed.

- Aligns with FY 2027-2031 CIP – Potrero Yard is major facilities project. Insufficient funding for additional facility electrification projects
- Enables continued investment in vehicle replacement, preserving transit service and reliability, maintaining low/no emission progress
- Continued Hybrid Bus procurement only viable path

ICT Exemption Criteria

Agencies can seek exemptions from ICT purchasing requirements under certain circumstances:

- Delays in bus deliveries
- Insufficient bus range or performance
- No buses available in weight class
- **Financial hardship**

SFMTA Exemption – Financial Hardship

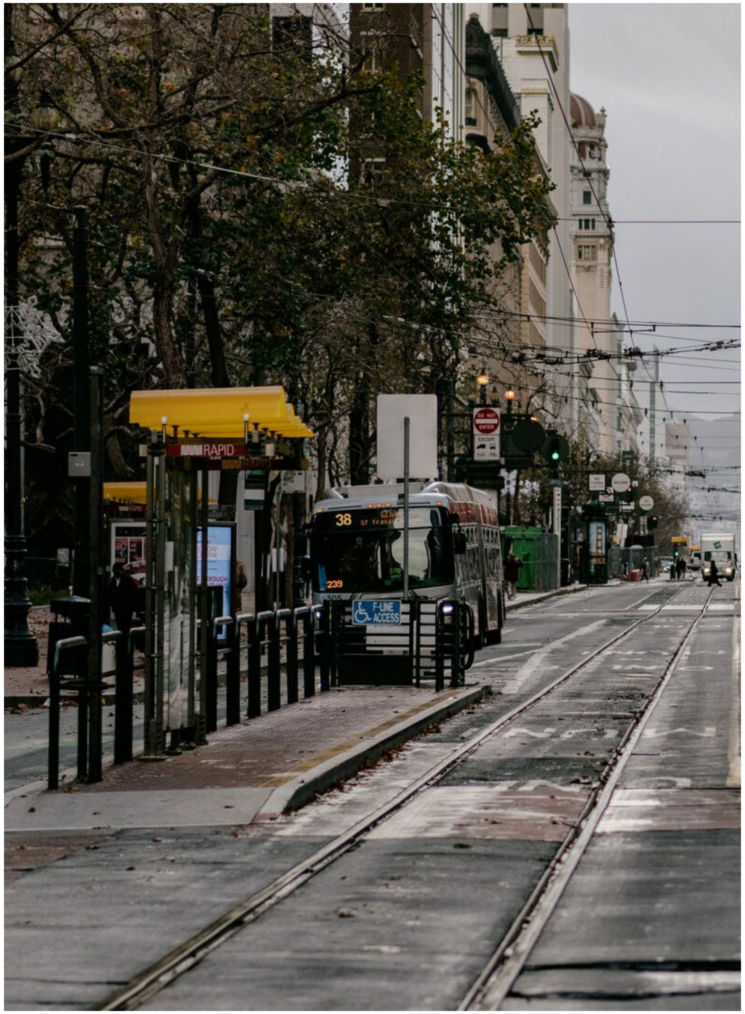
A transit agency may request an exemption from the ICT purchasing requirement due to financial hardship.

To request this exemption, the SFMTA must:

1. Adopt a resolution to declare fiscal emergency; or

2. Demonstrate that we cannot offset the initial capital cost of purchasing zero-emission buses and infrastructure, or

3. Demonstrate that we cannot offset the cost of managed net electricity costs.



SFMTA Exemption – Financial Hardship

The SFMTA's exemption request documents the following:

1. Of $473M requested in FTA/USDOT related grants since 2019, only ~$79M has been awarded

2. Operating budget challenges precludes financing options for bus procurement and infrastructure

3. Cannot offset the $223M in added bus costs and $229M in facility electrification costs needed through 2031

Next Steps

1. SFMTA Board approves submission of the exemption request to CARB (this item).
2. Chair or Vice Chair of the SFMTA Board of Directors submits a letter on behalf of the full Board for annual exemption requests based on financial hardship, as needed.
3. Director of Transportation submits five one-year exemption requests to CARB, seeking exemptions covering procurements for calendar years 2027 through 2031 as needed.
4. SFMTA continues to pursue funding and update its Rollout Plan and Facilities Framework as facility electrification decisions evolve.


Thank you

Appendix 1: SFMTA 2025 Zero-Emission Rollout Plan Cost Estimate

Based on the 2024 Facilities Framework, with updated Potrero costs

Facility	Facility Infrastructure Cost		Total
	Electrification	Other Upgrades	
Kirkland	$117M	$25M	**$142M**
Islais Creek	$112M	$0	**$112M**
Potrero	$0	$1,397M	**$1,397M**
Presidio	$211M	$844M	**$1,055M**
Flynn	$336M	$767M	**$1,103M**
Woods	$318M	$1,002M	**$1,320M**
Paratransit	TBD	TBD	**TBD**
Total	**$1,094M**	**$4,035M**	**$5,129M**

Vehicle cost of electrification: $569M

Facility cost of electrification: $1.094B

Total cost of electrification: $1.663B