

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Consumer Protection and Enforcement Division
Transportation Licensing and Analysis Branch**

**RESOLUTION TL-19153
March 13, 2025**

RESOLUTION

**RESOLUTION APPROVING HOPSKIPDRIVE, INC.'S INTERIM
GREENHOUSE GAS EMISSIONS REDUCTION PLAN SUBMITTED AS
HOPSKIPDRIVE ADVICE LETTER 2**

SUMMARY

This Resolution approves HopSkipDrive, Inc.'s (HopSkipDrive's) Advice Letter 2 and 2A submission of an Interim Greenhouse Gas Emissions Reduction Plan (Interim GHG Plan) per the Clean Miles Standard (CMS) Decision (D.) 24-03-001. Consumer Protection and Enforcement Division (CPED) staff reviewed the Interim GHG Plan and found the submission to be sufficient in terms of completeness, feasibility, and accuracy. This Resolution, along with the corresponding Resolutions on Interim GHG Plan Advice Letter submissions from Lyft, Inc. (Lyft) and Uber Technologies, Inc. (Uber), establishes a uniform statewide CMS Regulatory Fee, Drivers Assistance Program budget, and minimum driving threshold for drivers to access the CMS incentives.

BACKGROUND

Senate Bill 1014 and Public Utilities Code Section 5450(c) requires the submission of greenhouse gas emissions reduction plans (GHG Plans) for the Clean Miles Standard (CMS) program. In Decision (D.) 24-03-001 (CMS Phase 1 Decision), the Commission required CMS Regulated Entities to submit Interim GHG Plans within 120 days of the effective date of D.24-03-001, by July 5, 2024. The CMS Phase 1 Decision specified the Interim GHG Plan should be submitted via a Tier 3 advice letter.

The minimum requirements for GHG Plans, per D.24-03-001 Attachment E, include a narrative plan and supplemental calculations. The narrative plan must have the following sections:

- Cover Page and Executive Summary
- Study/Plan Design for Achieving Targets describing how the GHG Plan was developed.
- Action Plan with the following sections:
 - Annual Targets
 - Low- and Moderate-Income (LMI) Drivers
 - Clean Mobility
 - Environmental and Social Justice (ESJ) Action Plan and Charging Infrastructure
 - Marketing, Education, and Outreach
- Anticipated Barriers and Minimization Proposals
- Supplemental Calculations with the following sections:
 - Regulatory Fee Assumptions
 - GHG Plan Compliance Estimates
 - Analysis Results (optional if there are other analyses to share)
- Lessons Learned

In addition to establishing each CMS Regulated Entities' plan for achieving CMS Annual Targets and program goals, the GHG Plans must include submissions that will enable the Commission to set a uniform statewide CMS Regulatory Fee (per Attachment D of D.24-03-001), Drivers Assistance Program Budget, and minimum trip threshold for LMI drivers to qualify for the CMS incentives. CPED uses a scorecard system to review GHG Plans based on the following criteria: completeness, feasibility, and accuracy. Each element will be scored as "exemplary," "sufficient," or "deficient."

Pursuant to D.24-03-001, CMS Regulated Entities will submit a full GHG Plan via a Tier 3 advice letter within 90 days of the effective date of a Phase 2 decision in the CMS proceeding. CMS Regulated Entities that submit a full GHG Plan after a Phase 2 decision do not need to submit a new GHG Plan on January 15, 2026.

On July 5, 2024, HopSkipDrive submitted AL 2, a Tier 3 advice letter, submitting the Interim GHG Plan for Commission approval. On November 1, 2024, CPED requested HopSkipDrive submit a supplemental AL with additional information. On November 15, 2024, HopSkipDrive submitted the supplemental AL 2A. The Commission sets a uniform statewide CMS Regulatory Fee, Drivers Assistance Program Budget, and minimum trip threshold for low- and moderate-drivers to qualify for the CMS

incentives by adopting this resolution and the resolutions corresponding to the Interim GHG Plan submittals from the other regulated entities.

On August 13, 2024, CPED staff hosted an Interim GHG Plan workshop where HopSkipDrive, Lyft, and Uber presented on their plans and took questions from workshop attendees.¹

DISCUSSION

Review of HopSkipDrive's Interim GHG Plan

HopSkipDrive submitted an Interim GHG Plan on July 5, 2024. Pursuant to D.24-03-001, CPED staff reviewed the Interim GHG Plan and on November 1, 2024, CPED requested HopSkipDrive provide a supplemental advice letter to provide additional information responsive to the Interim GHG Plan requirements of D.24-03-001. The supplemental advice letter request included the following to be addressed in the supplemental submittal:

- **Action Plan Contributions:** HopSkipDrive did not include “an estimate or indication of how much each action contributes to the targets” as required in D.24-03-001 Attachment E. The estimate or indication does not have to be exact. For example, estimates could indicate which actions are anticipated to have relatively high/medium/low impact towards helping HopSkipDrive to meet the annual targets.
- **HopSkipDrive Drivers:** Staff recommended HopSkipDrive include additional information about their drivers in the Interim GHG Plan to inform the Action Plan. Staff guided HopSkipDrive to consider surveying their drivers to inform future GHG Plans but considered sufficient the use of existing data on driving patterns to inform their current plans. Staff also recommended that HopSkipDrive add insights from this driver information to the following sections of the Interim GHG Plan, although it was not explicitly required: Annual Targets, LMI Drivers, Anticipated Barriers and Minimization Proposals, ESJ Action Plan and Charging Infrastructure, Marketing, Education, and Outreach, and Clean Mobility.

¹ CMS Interim GHG Plan Workshop on August 8, 2024, links to materials can be found here: <https://www.cpuc.ca.gov/regulatory-services/licensing/transportation-licensing-and-analysis-branch/clean-miles-standard>

CPED reviewed the supplemental advice letter, AL 2A, and found that HopSkipDrive included all required information in the submission. With the supplemental AL 2A taken into account, CPED finds the HopSkipDrive Interim GHG Plan is sufficient in terms of completeness, feasibility, and accuracy.

HopSkipDrive proposed actions to enable meeting the annual targets, primarily: education and outreach for drivers, promoting shared rides, and developing partnerships and/or driver incentives. HopSkipDrive noted the differences in their services and the driving patterns of drivers on their services. HopSkipDrive will gather feedback and information on drivers and will utilize existing data on drivers to inform their actions, particularly to better understand low- and moderate-income drivers on their platform.

HopSkipDrive provided sufficient information in their Action Plan to allow staff and the public to understand their plans in the required areas of low- and moderate-income drivers; clean mobility; ESJ Action Plan and charging infrastructure; and marketing, education, and outreach. CPED staff will monitor progress toward the program goals for these areas through compliance data collection and other program oversight required in the Phase 1 Decision.

HopSkipDrive identified anticipated barriers to ZEV adoption that HopSkipDrive is seeking to address through its proposed actions; these include lack of access to the Drivers Assistance Program for small TNC platforms, lack of driver awareness, and range anxiety and vehicle performance concerns.

CPED finds that HopSkipDrive submitted all required supplemental calculations and the submitted information was sufficient in terms of completeness, feasibility, and accuracy. CPED encourages HopSkipDrive to continue to collect and leverage data from their operations and drivers to improve their supplemental calculations and inform future GHG Plans.

Establishing a Total Program Budget and Statewide CMS Regulatory Fee

The methodology for establishing the Total Program Budget and calculating the CMS Regulatory fee was established by the CMS Phase 1 Decision. The CMS Regulatory Fee

will fund the Drivers Assistance Program and CMS incentives, Contracting Agent, programmatic evaluation, and financial audit. This fee will be collected on a per-trip basis by the CMS Regulated Entities.

The CMS Phase 1 Decision established the process for estimating the Total Program Budget and setting a uniform statewide CMS Regulatory Fee in accordance with Attachment D of the Decision and with information submitted by each of the CMS Regulatory Entities. CPED is tasked with calculating both the Total Program Budget and the CMS Regulatory Fee.

As detailed in Attachment D of the CMS Phase 1 Decision, CMS Regulated Entities were required to submit the following data with projections for the years 2024 and 2025 as part of their Interim GHG Plans:

- a. Number of drivers.
- b. Number of trips.
- c. Estimated percentage of drivers transitioning to ZEV in a given year to meet CARB target.
- d. Estimated percentage of drivers transitioning to ZEV who will access upfront incentives.
- e. Estimated percentage of drivers transitioning and receive the upfront incentives who will access ongoing incentives.
- f. Proposed driver trip eligibility threshold to receive the CMS incentive.

CMS Regulated Entities HopSkipDrive, Lyft, and Uber each submitted data with projections based on company or statewide data, which CPED used to calculate the Total Program Budget and CMS Regulatory Fee. CPED followed the guidance in Attachment D in the CMS Phase 1 Decision with additional assumptions for the years 2024 and 2025, as follows in Table 1.

Table 1: Assumptions from D.24-03-001 Attachment D to set the Total Program Budget and CMS Regulatory Fee

	2024	2025	Notes
Number of Drivers	2024 data not considered as the Drivers Assistance Program was not established in 2024 and the CMS Regulatory Fee was not collected in 2024. Any costs from 2024 will roll into the 2025 calculation.	387,130	Sum for all CMS Regulated Entities submitting Interim GHG Plans and multiply by 0.8 to account for multi-platform driving.
Number of Trips		320,718,050	Sum for all CMS Regulated Entities submitting Interim GHG Plans.
Percentage of Drivers/Vehicles Transitioning		3.5%	Average for all CMS Regulated Entities submitting Interim GHG Plans.
Percentage of Drivers to Access Incentive		0.66%	Average for all CMS Regulated Entities submitting Interim GHG Plans.
Percentage of Transitioned Drivers w/ Ongoing Incentive		0%	Not applicable as no ongoing incentives will be provided.
Upfront CMS Incentive		\$10,400	Assumed per D.24-03-001.
Ongoing CMS Incentive		\$670	Assumed per D.24-03-001.
Evaluation and Audit Costs		\$150,000	Funding for ¼ of the Evaluation Contractor budget.
Contracting Agent Costs		\$200,000	For 2024 and 2025 costs.

Program Administrator Budget		\$2,000,000	Assumed per D.24-03-001.
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To calculate the Total Program Budget and CMS Regulatory Fee, CPED used the assumptions in Table 1 to find the Total Program Budget and divided by the Number of Trips to calculate the CMS Regulatory Fee as described below in Table 2.

Table 2: Total Program Budget and CMS Regulatory Fee

	2025 Calculations	2025 Totals
Administrative Total (no Program Admin)	\$150,000 + \$200,000 (Evaluation and Contracting Agent)	\$350,000
Program Administrator Total	First year PA budget	\$2,000,000
Incentive Totals	387,130 * 0.66% * \$10,400 (Number of drivers * % drivers accessing upfront incentive * upfront incentive)	\$26,572,603
Total Program Budget	\$350,000 + \$2,000,000 + \$26,572,603	\$28,922,603
CMS Regulatory Fee (\$/trip)	\$28,922,603 / 320,718,050 (Total Program Budget / Number of Trips)	\$0.09

As noted in Table 1 above, the data for 2024 was not considered in the Total Program Budget and CMS Regulatory Fee calculation as the Drivers Assistance Program was not established and the CMS Regulatory Fee was not collected in 2024. Any costs from 2024 will roll into the 2025 calculation, for example the Contracting Agent’s costs for 2024.

Table 2 shows the Total Program Budget for 2025, the first year of the Program Administrator's work. Per D.24-03-001, the administrative budget is **\$2,000,000**, and the Total Program Budget is **\$28,922,603** the majority of which is allocated to CMS incentives.

Based on the calculations, the uniform statewide CMS Regulatory Fee should be **\$0.09 per trip** assessed on every TNC trip provided on the HopSkipDrive, Lyft, and Uber platforms, effective within 10 days of the date of this Resolution. CPED staff analysis finds that a per trip fee of \$0.09 is less than half of one percent of the average trip fare. The CMS Regulatory Fee will remain at this level at least until the next full GHG Plan submission after a Phase 2 decision and subsequent Commission action. Per D.24-03-001, modifications to the CMS Regulatory Fee may be proposed through a Tier 2 advice letter submission.²

Establishing the Minimum Trip Threshold

The CMS Phase 1 Decision established the process for setting a minimum driving threshold for drivers to be eligible for CMS incentives. The threshold must be informed by the trip threshold proposed by each CMS Regulated Entity in its GHG Plan. The adopted trip threshold will be consistent for drivers of all CMS Regulated Entities.

CMS Regulated Entities HopSkipDrive, Lyft, and Uber each submitted a proposal for the minimum driving threshold for drivers to access the CMS incentives. Table 3 summarizes their proposals. The driving threshold is measured over a 12-month period.

² Per the CMS Phase 1 Decision, "It is reasonable for the Commission's staff to (a) approve increases to the CMS Regulatory Fee if necessary to timely collect the approved budget for the Drivers Assistance Program, or (b) approve reductions to the CMS Regulatory Fee after the Contracting Agent has reported to the Commission's staff that it has collected over 120 percent of the approved annual budget for the Drivers Assistance Program during a given 12-month period."

Table 3: Proposed Trip Eligibility Thresholds for 2025

CMS Regulated Entity	Proposed Trip Eligibility Threshold
HopSkipDrive	245.1
Lyft	2,000
Uber	5,000

HopSkipDrive proposed the lowest trip threshold—an order of magnitude lower than Uber and Lyft’s. HopSkipDrive noted that drivers on their platform typically drive much fewer trips per year than drivers who are primarily driving on Uber and Lyft’s platforms. However, CPED analysis indicates that 50 percent of drivers who use HopSkipDrive’s platform also provide rides on Uber’s and/or Lyft’s platforms. The Phase 1 Decision requires the trip threshold to be measured across all platforms used by a driver. Therefore, a higher trip threshold than proposed by HopSkipDrive is reasonable given the prevalence of cross-platform driving.

The Commission must balance providing access to CMS incentives for drivers primarily on the HopSkipDrive platform with expanding access to the CMS incentive to more drivers across all platforms, which could lead to an unreasonable per trip fee and increase costs of the Drivers Assistance Program. CPED’s analysis of CMS Annual Report data indicates that cross-platform driving creates reasonable opportunities for drivers on HopSkipDrive who also drive for Uber and/or Lyft to qualify for incentives. Further, the percentage of HopSkipDrive drivers that would qualify exceeds the percentage of drivers who will access the incentive proposed in HopSkipDrive’s Interim GHG Plan.

CPED’s analysis finds that setting a threshold of 4,500 trips across all platforms over the last 12-month period provides a reasonable opportunity for HopSkipDrive drivers who also provide service through Uber and/or Lyft to access CMS incentives. The threshold allows for a percentage of drivers to access the incentive (based on trips provided) that aligns with the estimates provide by all three companies for the percentage of drivers

transitioning to ZEVs. CPED staff analysis finds that drivers who are providing more than 4,500 trips per year drive on average 8.5 hours per day over five days per week. Targeting these high-mileage, long-term drivers to transition early helps CMS Regulated Entities to meet their annual targets and can make a larger impact on reducing GHG emissions. As the program progresses, the CPUC will monitor feedback from drivers and the Drivers Assistance Program, updated compliance data, and future GHG Plans, and consider updates to the trip threshold.

Therefore, this resolution establishes a minimum driving threshold across the three companies to be **4,500 trips** within a 12-month period.³ The 12-months will be measured as the last 12 full months prior to the driver's application.

COMMENTS

Public Utilities Code § 311(g)(1) provides that this resolution must be served on all parties and be subject to at least 30 days public review. Any comments are due within 20 days of the date of its mailing and publication on the Commission's website and in accordance with any instructions accompanying the notice. Public Utilities Code § 311(g)(2) provides that this 30-day review period and 20-day comment period may be reduced or waived upon the stipulation of all parties in the proceeding.

In compliance with Public Utilities Code § 311(g) a notice was emailed on February 7, 2025, informing all parties on the R.21-11-014 Service List of the availability of the Resolution on the Commission's website at <http://www.cpuc.ca.gov/documents/>. The 30-day review and 20-day comment period for the draft of this resolution were neither waived nor reduced. Accordingly, comments on this draft resolution were to be submitted no later than 20 days from the mailing date (February 27, 2025). This resolution was placed on the Commission's agenda on March 3, 2025 for consideration at the March 13, 2025 voting meeting. If adopted by the Commission, the final resolution will be posted and available on the Commission's website.

³ Per the CMS Phase 1 Decision, "An eligible driver must meet the minimum driving threshold, measured by including trips for all CMS Regulated Entities over the previous 12 months."

CPED received no comments on Resolution TL-19153.⁴

FINDINGS

1. D.24-03-001 directed non-exempt CMS Regulated Entities to file an Interim GHG Plan via a Tier 3 advice letter within 120 days of the effective date of the decision, by July 5, 2024.
2. On July 5, 2024, HopSkipDrive filed Tier 3 Advice Letter 2 submitting the required Interim GHG Plan.
3. On November 1, 2024, CPED requested HopSkipDrive submit a supplemental advice letter to provide additionally requested information for the Interim GHG Plan.
4. On November 15, 2024, HopSkipDrive filed a supplemental Tier 3 Advice Letter 2A to address the request made by CPED.
5. Pursuant to D.24-03-001, CPED reviewed the Interim GHG Plan and supplemental filing for the following criteria: completeness, feasibility, and accuracy. Each element was scored as “exemplary,” “sufficient,” or “deficient.”
6. Pursuant to D.24-03-001, the Commission must set a uniform statewide CMS Regulatory Fee (per Attachment D of D.24-03-001), Drivers Assistance Program Budget, and minimum trip threshold for LMI drivers to qualify for the CMS incentives informed by all CMS Regulated Entities’ submitted GHG Plans.
7. On July 3, 2024 and July 5, 2024, Lyft and Uber, respectively, submitted Interim GHG Plans via Tier 3 advice letters.

⁴ CPED received comments on Resolution TL-19152 and has made minor adjustments to address those comments throughout this resolution.

8. On December 6, 2024, Lyft filed a supplemental Tier 3 advice letter providing additional Interim GHG Plan information.
9. CMS Regulated Entities will submit a full GHG Plan via a Tier 3 advice letter within 90 days of the effective date of a Phase 2 decision in the CMS proceeding.
10. HopSkipDrive's Interim GHG Plan and supplemental filing is sufficient in terms of completeness, feasibility, and accuracy, per CPED review.
11. HopSkipDrive, Lyft, and Uber provided sufficient information for the Commission to set a uniform statewide CMS Regulatory Fee (per Attachment D of D.24-03-001), Drivers Assistance Program Budget, and minimum trip threshold for LMI drivers to qualify for the CMS incentives.
12. The minimum driving threshold accounts for drivers' trips across all eligible platforms.

THEREFORE IT IS ORDERED THAT:

1. HopSkipDrive's Interim GHG Plan is approved.
2. The CMS Regulatory Fee is set to \$0.09 per trip on all trips provided by HopSkipDrive, Lyft, and Uber. The CMS Regulated Entities shall follow the fee collection and submission requirements in D.24-03-001 starting the effective date of this resolution. The CMS Regulatory Fee will remain the same until further Commission action.
3. The Drivers Assistance Program budget for 2025 shall be \$28,922,603, including \$2,000,000 for the Program Administrator, per D.24-03-001.
4. The minimum trip threshold for LMI drivers to qualify for CMS incentives is set to 4,500 trips provided over the last 12 full months preceding a driver's submission of an application for the incentive, inclusive of trips provided on the HopSkipDrive,

Lyft, and Uber platforms. The minimum trip threshold will remain the same until further Commission action.

This Resolution is effective today.

The foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on March 13, 2025; the following Commissioners voting favorably thereon:

ALICE REYNOLDS
President
DARCIE HOUCK
JOHN REYNOLDS
KAREN DOUGLAS
MATTHEW BAKER
Commissioners

Dated March 13, 2025, at Santa Clara, California