



# Second Public Work Group to Discuss the Clean Truck and Bus Voucher Incentive Project (HVIP) for Fiscal Year 2022-23



June 28, 2022

# Agenda

- Introduction and Background
- HVIP Re-Opening Data
- Fleet Size Limits
- Voucher Amount Modifications
- Public School Bus Set-Aside
- Other Changes
- Next Steps

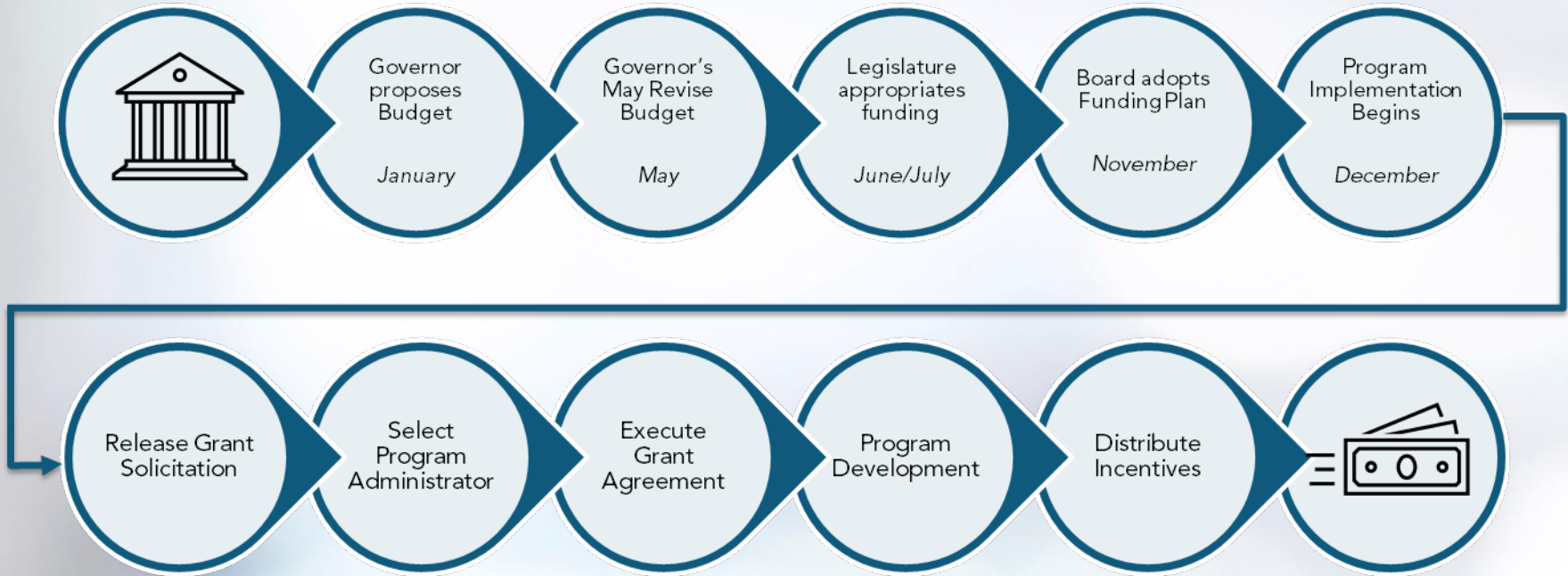
# Introduction and Background

- Accelerate market transformation by reducing purchase price of zero-emission technologies
- Available statewide with higher voucher amounts for small fleets in priority communities
- Over 150 eligible truck and bus models
  - Includes zero-emission and electric-power take off (ePTOs)
  - Funding for retrofits and new Class 2b- Class 8 vehicles
- No scrappage required
- Over 11,400 vouchers issued since inception, totaling \$844 million
- Over 60% of vehicles deployed in priority communities

# HVIP Guiding Principles

- Accelerate market transformation for the cleanest advanced technologies
- Support the goals laid out in CARB's Long-Term Heavy-Duty Investment Strategy
- Drive purchase decisions
- Maintain simplicity and a fleet friendly process
- Support CARB regulatory programs
- Avoid market disruptions caused by unpredictable funding availability
- Graduate established technologies
- Support more equitable investments

# Funding Timeline



# How Can I Participate?



**Kick-off Workshop**  
March 2022

*Broad, high-level discussion on Governor's proposed budget, Funding Plan process, and program updates*



**Work Group Meetings**  
March – June 2022

*Project specific discussions on proposed funding allocations and program changes*



**Final Workshop**  
July 21, 2022

*Discuss staff's draft proposals for the Funding Plan*



**Public Comment Period**  
October 7 – November 7, 2022

*Submit written comments on Funding Plan through CARB's online portal*



**Board Hearing**  
November 17-18, 2022

*Board considers staff's proposal and listens to public testimony prior to adopting Funding Plan*

## **One-on-one Meetings**

*Request meetings with CARB to discuss a specific topic or variety of topics*



## **Community Engagement Meetings**

*Targeted meetings with community groups to discuss community-identified topics*

# Objectives of Work Group

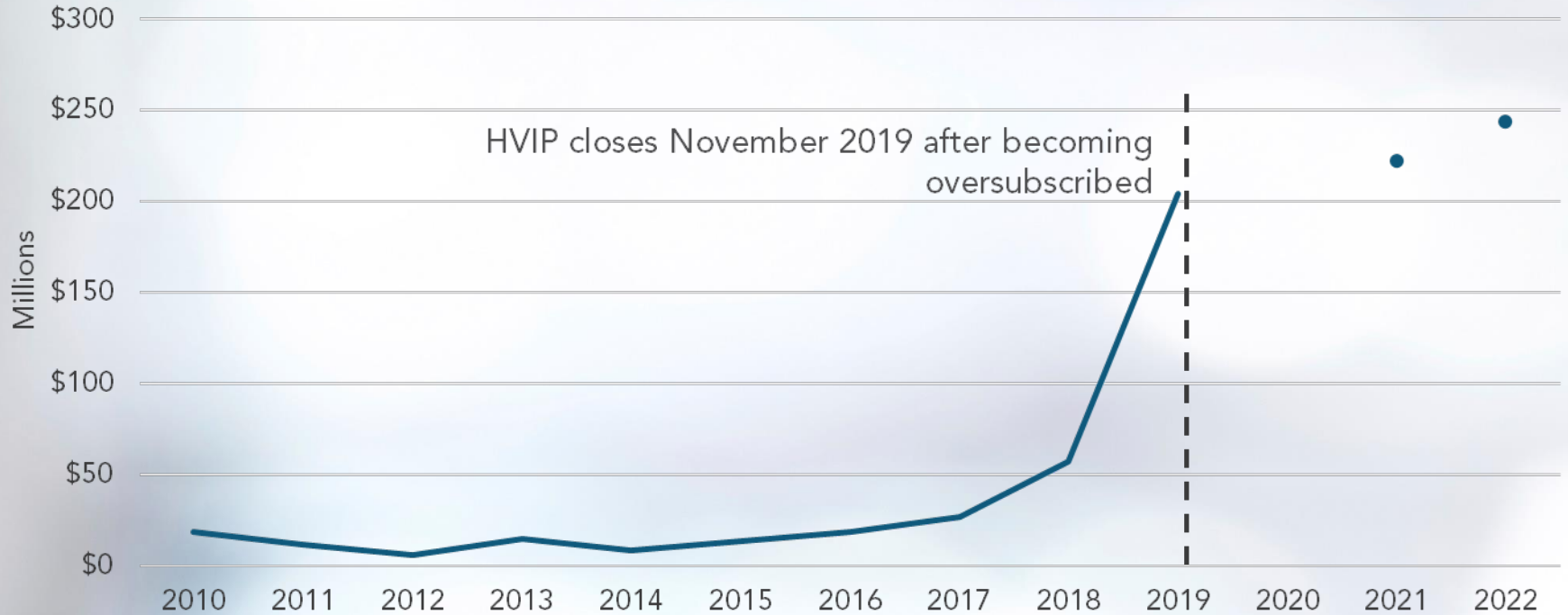
- Share data from HVIP reopening
- Discuss policy changes to HVIP under consideration for FY 2022-23
  - Fleet size limits
  - Modifications to voucher amounts
  - Public School Bus Set-Aside
  - Other changes

# HVIP Reopening Data

- HVIP re-opened for new voucher requests on March 30, 2022 with \$430 million
  - \$272 million requested within first 24 hours
  - \$46 million Zero-Emission Drayage Truck Set-Aside fully subscribed within 24 hours of re-opening
- 70% of voucher requests have been in disadvantaged communities
- Strong participation from medium and small fleets
- See handout for additional details



# Voucher Funding Requested By Year



# Fleet Size Limits

- Approved by Board in [FY 2021-22 Funding Plan](#) to promote more equitable investments
  - Starting January 1, 2023, only fleets with 100 or fewer trucks or buses will be eligible for HVIP
  - Starting January 1, 2024, only fleets with 50 or fewer trucks or buses will be eligible for HVIP
- Public agencies and California Native American Tribal Governments will not be subject to the fleet size limits.

# Voucher Request Data and Fleet Size

Statistic	2022*	2021
Percent of fleets that requested vouchers with 100 vehicles or fewer	63%	61%
Percent of vouchers requested by fleets with 100 vehicles or fewer	43%	45%
Percent of requesting fleets that would still be eligible in 2023	71%	78%
Percent of vouchers requested by fleets that would still be eligible in 2023	51%	55%

*\*Data through May 31, 2022. 2022 data includes HVIP standard, drayage set-aside, and public transit set-aside.*

# Potential Adjustments to Fleet Size Limits

- To ensure the seamless roll-out of the fleet size limits, staff are considering the following modifications:
  - Exempt non-profits from the fleet size limits
  - Exempt voucher requests from fleets with 10 or fewer vehicles from the manufacturer rolling soft cap
  - Contingency measures should demand be lower than expected

# Potential Voucher Amount Modifications

- Preliminarily considering the following adjustments to voucher amounts:
  - Extending 25% early adopter bonus for zero-emission Class 8 Drayage Trucks
  - Adding a 25% bonus for zero-emission refuse trucks
  - Adjusting the electric-power take-off (ePTO) vouchers:
    - Add a new category with a voucher amount of \$50k for ePTOs with an energy capacity of >30 kWh
    - Increase the maximum funding amount for ePTOs to 65% of the incremental cost

# Public School Bus Set-Aside

For the second allocation, potential modifications staff are considering include:

- Reducing voucher amounts by 5 to 10 percent
- Expanding participation criteria to include additional metrics for determining “underserved” and “rural” communities

# Other HVIP Policy Changes Under Consideration

- Staff are considering requiring vehicle to grid capability for all new school bus eligibility applications beginning January 1, 2024
- Verification of compliance with labor standards for private trucking fleets
  - Fleet to attest they are in compliance with labor standards and will remain in compliance at least three years
    - Fleet re-attest annually for three years after redemption of voucher
  - CARB will publish a list of all private fleets that receive HVIP incentives
  - CARB will review the list published on <https://mycadir.force.com/> to check for labor standard violations prior to awarding HVIP voucher

# Next Steps

Milestone	Date
Category specific work group meetings	March – June 2022
Release Draft Funding Plan	Mid-July 2022
Final Workshop	July 21, 2022
Release Proposed Funding Plan	October 2022
Board Consideration of Proposed Funding Plan	November 2022
Start implementing projects	December 2022



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