



Public Workgroup Meeting on Light-Duty Vehicle Purchase Incentive Programs

September 1, 2022

Agenda

- Assembly Bill (AB) 630 Report for Clean Cars 4 All (CC4A)
- Vehicle Affordability Analysis
- Pre-Paid Charging Card Incentive Analysis
- Draft Proposal for Incentive Amount Increases
- Needs-Based Model for Equity-Focused Vehicle Purchase Incentive Programs
- Next Steps & Closing

AB 630 Report for Clean Cars 4 All

Program Status

- **Program Updates:**
 - AB 630 Report – Goals and Program Evaluation
 - To be released as part of the Funding Plan
- **Program status:**
 - \$190M allocated to-date including \$75M in Fiscal Year (FY) 21-22
 - Funded more than 12,000 vehicle replacement projects
 - All District programs are currently open except San Joaquin Air Pollution Control District
 - San Diego's program is coming soon.

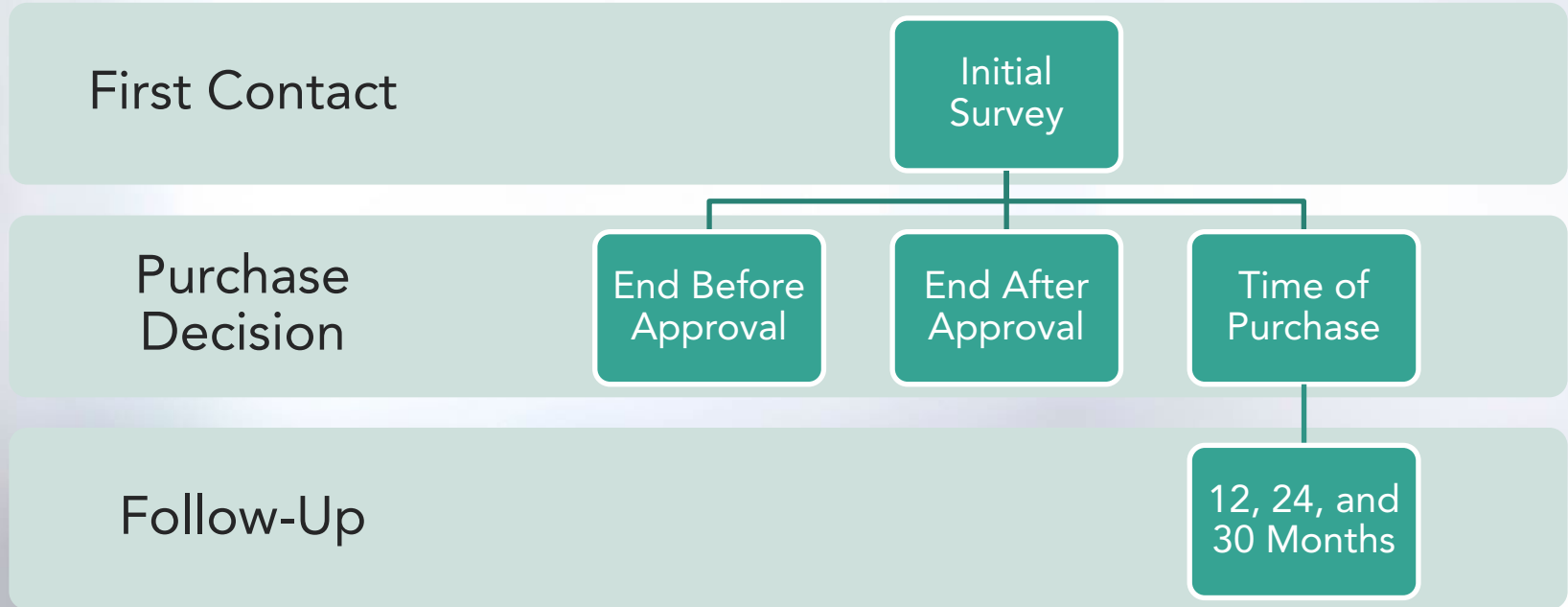
Evaluation and Goal Setting Report

- Informs the long-term direction of CC4A using data-driven goal setting
- Supplements other long-term plans such as the Three-Year plan for Zero-Emission Vehicles (ZEV) Incentive
- Assist in guiding Statewide Expansion
- Incorporate stakeholder and community input
 - What factors should be utilized?

Survey Collection

- Improved Survey Collection Process
 - Multiple points to interact with participants
 - Customized for implementing air districts
 - Requires collection of the following data:
 - Demographic data
 - Social-economic data and other co-benefits of participation
- To be utilized for targeted outreach of priority populations and finetuning of the program

Survey Design



Guiding Principles for Allocations

- Ensuring consistent, predictable funding
- Use of data-based metrics to determine program capacity and predict future growth
- Account for current and future market conditions
- Solicit public input on appropriate metrics and methodology

Program Allocation Proposal

- Provide baseline allocation for total program allocation
- Additional allocation for programs exceeded 1,000 projects annually
- Split remaining funds using an average percentage of each program's share based on the following factors:
 - Eligible population (ZIP Codes)
 - Vehicle population (Beginning Model Year 1990-2007)
 - Poverty Population
 - Disadvantaged Community (DAC) population

Next Steps

- Additional Public Meetings
- Statewide Solicitation with Financing Assistance Project
- Program Evaluation and Goalsetting Meetings

Comments and Questions



Use the raised hand function (#2 if calling in by phone).



Please state your name and affiliation before asking a question or making a comment.

Vehicle Affordability Analysis

Center for Sustainable Energy

Pre-Paid Charging Card Incentive Analysis

Method

- Staff used the [Vehicle Cost Calculator](#) from the U.S. Department of Energy Alternative Fuels Data Center.
- Analyzed average annual charging costs for all new battery-electric vehicles (BEV) and plug-in hybrid electric vehicles (PHEV) currently eligible for the Clean Vehicle Rebate Project (CVRP).

Alternative Fuels Data Center

Search the AFDC

FUELS & VEHICLES

CONSERVE FUEL

LOCATE STATIONS

LAWS & INCENTIVES

Maps & Data

Case Studies

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Vehicle Cost Calculator

This tool uses basic information about your driving habits to calculate total cost of ownership and emissions for makes and models of most vehicles, including alternative fuel and advanced technology vehicles. Also see the [cost calculator widgets](#).

ASSUMPTIONS

Choose vehicles to compare

Select up to eight vehicles to compare from the makes and models below or [create your own custom vehicle](#).

2022 Make Model

[Create Custom Vehicle](#)

Tell us how you use your car

Because vehicle efficiencies vary depending on how you use your car, this information allows the tool to more accurately calculate fuel usage.

Normal Daily Use

Average daily driving distance miles

Days per week

Weeks per year

Percent highway

Other Trips

Annual mileage miles

Percent highway

Annual Driving Distance **14378 miles**
 City Distance **7908 miles**
 Highway Distance **6470 miles**

Inputs/Assumptions

- **Annual Mileage**
 - PHEV: 14,885 miles (40.7 miles/day)
 - BEV: 14,400 miles (39.5 miles/day)
- **Highway vs City Miles**
 - 45 percent highway miles & 55 percent city miles
- **Average Gasoline & Electricity Costs**
 - Gasoline: \$5.50 per gallon (California average on Aug. 5, 2022)
 - Electricity: \$0.23 per kilowatt hour (California average)
- **PHEV Charging Behavior**
 - Assumed that all PHEVs were plugged in once per day

Results

- Average annual electricity cost to charge new CVRP-eligible BEVs is **\$1,074**.
- Average annual electricity cost to charge new CVRP-eligible PHEVs is **\$1,168**.
- Staff recommends a minimum pre-paid charging card incentive of \$1,000 to cover the first year of charging.
 - Equity-focused programs may choose to offer higher amounts to further offset charging costs for lower income participants.

Comments and Questions



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Draft Proposal for Incentive Amount Increases

Background

- Stakeholder input, EV market analysis, and current economic conditions call for an increase in vehicle purchase incentive amounts as the current EV incentive package is not enough, especially for lower income car buyers.
 - The purchase price of vehicles receiving the Clean Vehicle Rebate Project (CVRP) Increased Rebate has gone from ~\$29k in 2016 to ~\$43k at the end of 2021 – an increase of ~\$14k
 - The purchase price of vehicles receiving CC4A incentives has gone from ~\$20k in 2016 to ~\$35k through the end of 2021- an increase of ~\$15k
 - While programs, like CC4A, have seen record levels of interest, it has been increasingly difficult for approved applicants to find an affordable EV given current incentive amounts.

Current & Proposed CVRP Increased Rebate Incentive Amounts for New Vehicles ($\leq 400\%$ Federal Poverty Level or FPL*)

Vehicle Type	Current Incentive Amount	Proposed Incentive Amount
Plug-In Hybrid Electric Vehicles	\$3,500	\$6,500
Battery Electric Vehicles	\$4,500	\$7,500
Fuel Cell Electric Vehicles	\$7,000	\$7,500

*Example: 400% FPL translates to a max household income of \$73,240 for a family of two or a max of \$111,000 for a family of four.

Current & Proposed CC4A Incentive Amounts & Income Tiers

Current CC4A Incentive Amounts & Income Tiers

Income Tier	Plug-in Hybrid	Battery Electric	Fuel Cell Electric
300-400% FPL	\$5,500	\$5,500	\$5,500
225-300% FPL	\$7,500	\$7,500	\$7,500
225% FPL and below	\$9,500	\$9,500	\$9,500

Proposed CC4A Incentive Amounts & Income Tiers

Applicant Type	Plug-in Hybrid	Battery Electric	Fuel Cell Electric
300% FPL and below*	\$9,500	\$10,000	\$10,000
≤300% & in Disadvantaged Communities (DAC)	\$11,500	\$12,000	\$12,000

*Example: 300% FPL translates to a max household income of \$54,930 for a family of two or a max of \$83,250 for a family of four.

Additional Proposals:

- Directing existing air district-run CC4A programs to provide incentives for their entire territory and not just DACs
- Setting income limits at 300% FPL and below for both statewide and air district-run CC4A programs

Current & Proposed Financing Assistance Incentive Amounts & Income Tiers

Current Financing Assistance Incentive Amounts & Income Tiers

Income Tier	Plug-in Hybrid	Battery Electric	Fuel Cell Electric
300-400% FPL	\$4,500	\$5,000	\$5,000
225-300% FPL	\$4,500	\$5,000	\$5,000
225% FPL and below	\$5,000	\$5,000	\$5,000

Proposed Financing Assistance Incentive Amounts & Income Tiers

Income Tier	Plug-in Hybrid	Battery Electric	Fuel Cell Electric
300% FPL and below*	\$7,000	\$7,500	\$7,500

*Example: 300% FPL translates to a max household income of \$54,930 for a family of two or a max of \$83,250 for a family of four.

Updated Stacked Incentive Amounts with Proposed Increases to Incentives

- **Current stacked incentive totals**
 - \$8,000 to \$12,000 towards a new EV without scrapping an old vehicle
 - \$9,000 to \$16,500 towards a new EV with scrapping an old vehicle
- **Updated stacked incentive totals**
 - \$13,500 to \$15,000 towards a new EV without scrapping an old vehicle (CVRP + Financing Assistance, at 300% FPL or lower)
 - \$16,000 to \$19,500 towards a new EV with scrapping an old vehicle (CVRP + CC4A, at 300% FPL or lower)

Updated Stacked Incentive Amounts with Proposed Increases to Incentives (cont.)

Updated Stacked Incentive Amounts for New Purchases W/O Scrap (CVRP + Financing Assistance, at 300% FPL or lower)

Vehicle Type	Stacked Incentive Total
Plug-In Hybrid	\$13,500
Battery Electric	\$15,000
Fuel Cell Electric	\$15,000

Updated Stacked Incentive Amounts for New Purchases with Scrap (CVRP + CC4A, at 300% FPL or lower)

Vehicle Type	≤300% FPL	≤300% FPL & in DAC
Plug-In Hybrid	\$16,000	\$18,000
Battery Electric	\$17,500	\$19,500
Fuel Cell Electric	\$17,500	\$19,500

Comments and Questions



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Needs-Based Model for Equity-Focused Vehicle Purchase Incentive Programs

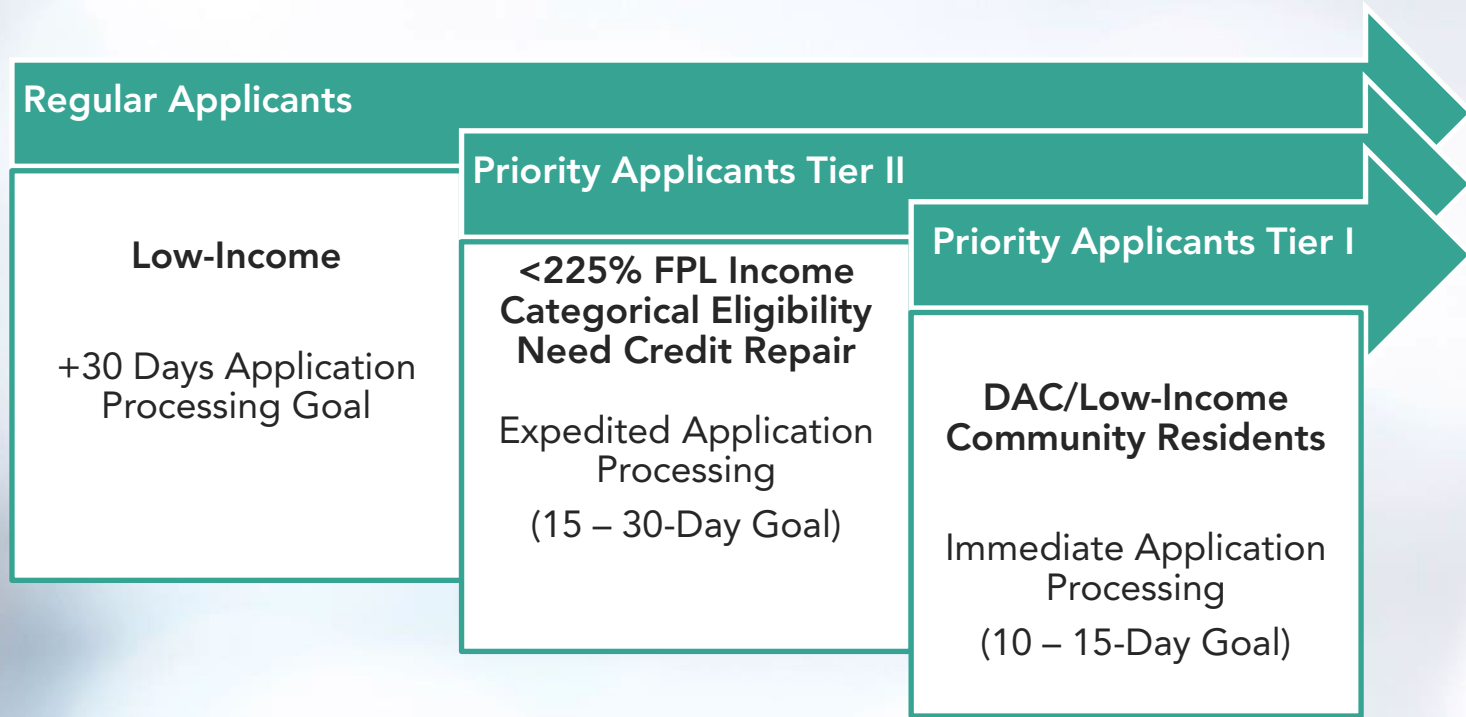
Needs-Based Model Goals

- Transitioning from first-come, first-served model to:
 - Be more intentional towards supporting lower-income consumers
 - Provide more tailored assistance to priority applicants
 - Keep program open year round

Needs-Based Model Criteria

- Measurable Criteria for Needs Assessment and Application Prioritization:
 - Disadvantaged and Low-Income Community residency
 - Income level - less than 225% FPL
 - Categorical eligibility (Medicaid, SSI, CAPI, CalWorks, HUD/Section 8, etc.)
 - Need for financial counseling or credit repair

Needs-Based Model Implementation



Comments and Questions



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Next Steps & Closing

Next Steps

- Staff will incorporate stakeholder feedback into the final proposals included in the Fiscal Year (FY) 2022-23 Funding Plan for Clean Transportation Incentives.
- Third Public Workshop for the FY 2022-23 Funding Plan for Clean Transportation Incentives to be held on September 8, 2022, from 4:00-7:00pm.
- Final funding plan posted in October 2022 and heard before the Board in November 2022.

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