



Deliberative Document
For Discussion Purposes Only



CVRP Public Work Group #1 for FY 2021-22 Funding Plan Development

Program Change Considerations – June 30, 2021

This document outlines Clean Vehicle Rebate Project (CVRP) program change considerations to aid public working group discussions. Staff is considering a wide range of program changes but also recognize that only one or a combination of a few changes may ultimately be needed. Staff aims to prepare a final CVRP proposal through the public process, which will be presented in the Fiscal Year (FY) 2021-22 Funding Plan for Clean Transportation Incentives to be heard before the Board in late-2021.

1. Discontinue Standard Rebates

- Consistent with the Governor’s May Revised Budget for FY 2021-22
 - Fully fund current waitlist then discontinue standard rebates when program re-opens.
- If funding allows, establish a schedule by which standard rebates would be phased out.

2. Decrease Income Cap for Standard Rebates

- Would extend the life of the program and reduce the chances of a waitlist/program disruption.
- This would focus limited funding on rebate-essential participants but allow for continued incentives to middle income car buyers to support long-term zero-emission vehicle deployment goals.

3. Decrease the Income Threshold for Increased Rebates to 300% of the Federal Poverty Level

- CVRP recently (January 2021) implemented an income threshold of less than 400 percent of the Federal Poverty Level (FPL) for Increased Rebate eligibility. This led to a 30-40 percent increase in participation by applicants in the 300-400 percent FPL income range.
- The Clean Vehicle Assistance Program (Statewide Financing) is considering a decrease in their income threshold to 300 percent FPL.
- This change would focus limited funding on lower-income applicants and align with the Clean Vehicle Assistance Program.



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4. Decrease MSRP Cap to \$40,000 for Smaller Vehicle Classes

- In the FY 2020-21 Funding Plan, staff outlined a framework for bifurcation of CVRP vehicle eligibility requirements, which included two categories: 1. Cars and 2. Trucks, Vans & SUVs.
- EPA vehicle classes that would be impacted by this program change consideration include:
 - Minicompact, Subcompact, Compact, Large, and Midsize Cars
 - Two Seaters
 - Small and Midsize Station Wagons
- Trucks, Vans, and SUVs would be subject to the a \$60,000 MSRP cap currently in place
- This change would apply to CVRP-eligible battery-electric and plug-in hybrid electric vehicles in smaller vehicle classes.

5. Implement an Annual Per OEM Rebate Cap

- Newer concept that would set an annual cap on the number of rebates a manufacturer's vehicles could get through CVRP. The cap would reset annually.
- Ensures that the program funds a well-rounded mix of vehicle makes and models.
- Guarantees that program funding is available for the entirety of the fiscal year and decreases the chances of a waitlist/program disruption.

6. Eliminate Standard Fleet Rebates

- As CVRP shifts its focus to lower-income individuals, standard fleet rebates for rental, car share, and public fleets could be eliminated.
- Increased Rebates for public fleets that operate in disadvantaged communities could continue to be offered.