



California Air Resources Board Fiscal Year 2022-23 Funding Plan for Clean Transportation Incentives



\$2.6 Billion Investment



Largest investment to date

Largest Investment in Equity



Prioritizing low-income, disadvantaged communities (DAC), and small fleets

Significant Program Changes



Addressing economic and market concerns



\$326 million for vehicle purchase incentives



\$55 million for mobility investments



Over \$2 billion for clean trucks and buses



\$135 million for demonstrations and commercial harbor craft

Released: October 12, 2022

Board Consideration: November 17, 2022

Fiscal Year 2022-23 Funding Plan for Clean Transportation Incentives:

<https://ww2.arb.ca.gov/our-work/programs/low-carbon-transportation-investments-and-air-quality-improvement-program/low-1>



Clean Transportation Investments for Low-Income Consumers and DACs

- Increasing incentives for low-income car buyers:
 - **Clean Cars 4 All**
 - **Proposed:** Up to \$10,000 for a new or used battery electric vehicle (BEV) or fuel cell electric vehicle (FCEV), \$9,500 for a new or used plug-in hybrid electric vehicle (PHEV), and \$7,000 for a new or used conventional hybrid. Proposing an additional \$2,000 for residents living in DACs.
 - **Current:** Up to \$9,500 for a new or used BEV, FCEV, or PHEV.
 - **Financing Assistance**
 - **Proposed:** Up to \$7,500 for a new or used BEV or FCEV, and \$7,000 for a new or used PHEV.
 - **Current:** Up to \$5,000 for a new or used BEV, FCEV, or PHEV.
 - **Clean Vehicle Rebate Project (CVRP) Increased Rebates**
 - **Proposed:** Up to \$7,500 for a new BEV or FCEV, and \$6,500 for a PHEV.
 - **Current:** Up to \$7,000 for a new FCEV, \$4,500 for BEV, and \$3,500 for PHEV.
- Significant support when stacked – Up to \$15,000 from \$12,000 in incentives for new electric vehicles without having to scrap an older vehicle and up to \$19,500 from \$16,500 for those that have an older car to scrap.
- Aligning income eligibility tiers to 300% of the Federal Poverty Level (FPL) for light-duty vehicle purchase incentive programs.
- Vehicle purchase incentive programs to offer \$2,000 prepaid card for public electric vehicle charging for low-income consumers.
- Focus on the cleanest technology available by removing conventional hybrids from Clean Cars 4 All in 2024, and PHEVs from CVRP by 2025.
- Includes investments to support the new **Electric Bicycle Incentive Project**, and to launch the **Zero Emission Assurance Project** which will provide a warranty or vehicle service contract for a replacement battery or fuel cell component.
- Continued investment for community-identified **Clean Mobility Options** (e.g., ride share, bike share, transit, etc.).



Heavy-Duty & Off-Road Equipment Investments

- Allows fleets of all sizes to access **Clean Truck and Bus Voucher (HVIP)** funding to promote early adoption of zero-emission technologies:
 - **Proposed:** Continues to shift HVIP to focus on small fleets while encouraging early adoption through three actions:
 1. Supports large-scale deployments of zero-emission trucks in DACs by requiring large fleets with more than 500 trucks to purchase 30 zero-emission trucks on their own prior to receiving HVIP incentives*
 2. Aligns with Advanced Clean Fleets requirements by implementing the 50 vehicle or fewer fleet size limit in 2024*
 3. Adjusts existing HVIP voucher amounts by fleet size*

Fleet Size	Voucher Adjustment
Public and private fleets with 10 or fewer vehicles	+15%
Public fleets with 11+ vehicles, and private fleets with 11-100 vehicles	0%
Private fleets with between 101-500 vehicles	-20%
Private fleets with more than 501+ vehicles	-50%

- **Current:** Beginning in 2023, only fleets with 100 vehicles or fewer are eligible for HVIP, and beginning in 2024, only fleets with 50 vehicles or fewer are eligible.*
- Continues set-asides for drayage trucks, public transit buses, and public school buses.
- Ensures small fleets and public agencies have continuous access to incentives by initially reserving 70 percent of HVIP funding for public agencies and private fleets with less than 100 vehicles. Any unspent funding in the reserve will be made available to larger fleets at multiple points throughout the year.
- Supports zero-emission refuse trucks with the new **2R Initiative** that aims to double the number of zero-emission refuse trucks operating in California in 2023.
- Dedicates funding for cleaner commercial harbor craft.
- Increases support for zero-emission off-road equipment through the **Clean Off-Road Equipment Voucher Incentive Project**.
- Expands support for financial assistance and non-financial incentives.

**Public entities, California Native American tribal governments are exempt. New to market technologies such as FCEVs will not be subject until they receive a higher degree of market penetration.*