



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



February 8, 2023

Agenda

- Background
- Funding Updates and Implementation Timeline
- Large Fleet Bulk Purchase Requirements
- Flexibilities for Public Transit Agencies
- Updates to Definitions
- Updates to Vehicle Eligibility Requirements
- Other Changes
- Next Steps

Background

- Accelerate market transformation by reducing purchase price of zero-emission technologies
- Available statewide with higher voucher amounts and iSEF set aside to support 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 in most cases
- Over 11,400 vouchers issued since inception, totaling \$844 million
- Over 60% of vehicles deployed in priority communities

FY 2022-23 HVIP Funding



\$265M for HVIP Standard



\$70M for Public Transit Buses



\$157M for Drayage Trucks

- Focus of today's meeting
- Available for voucher requests now
- All requirements will be described in body of the Implementation Manual to be released in Spring 2023



\$135M for Public School Bus Set-Aside



\$1.125B for Local Educational Agency School Bus Replacement Grants



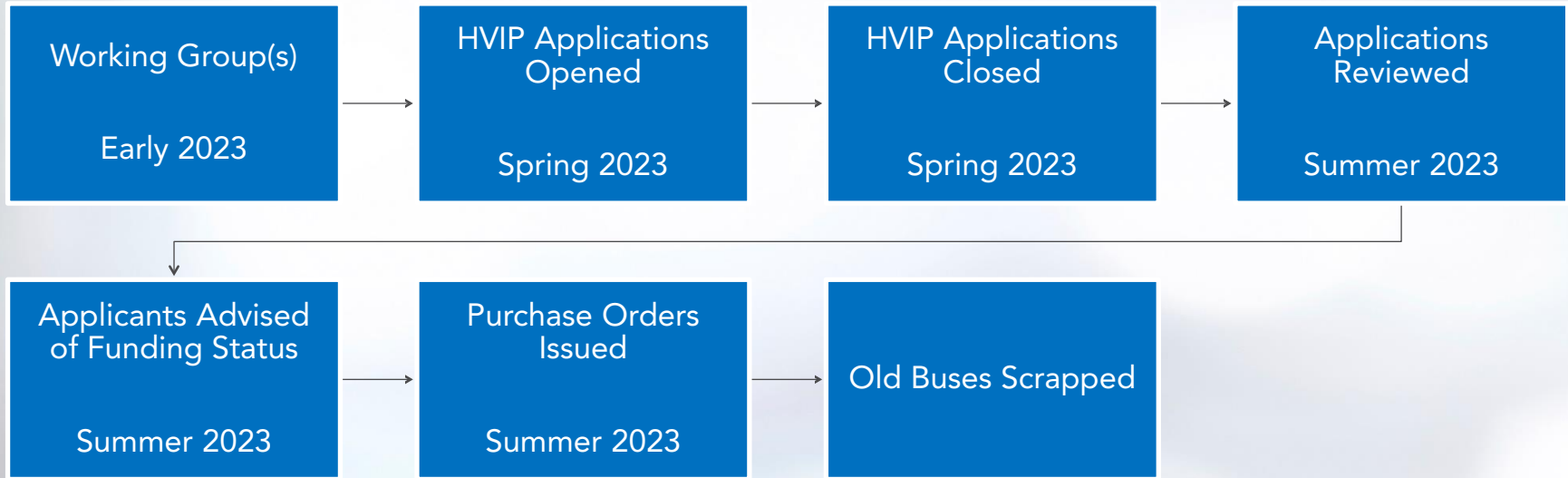
\$35M for Innovative Small e-Fleets
Zero-emission truck funding for small fleets

- To be discussed in greater detail at future meetings
- Unique requirements will be described in appendices to the Implementation Manual
- Will open for applications on a separate timeline

HVIP Standard, Public Transit Buses, and Drayage Trucks

- Funding is available for voucher requests now
- Policy changes included in the Board approved funding plan are in effect and supersede the existing Implementation Manual
- Fleets with 501+ vehicles can request vouchers to reserve their place in line
 - Voucher requests for large fleets will not be processed until April
- Purchase orders for new voucher requests must be dated March 30, 2022 or later.

Public School Bus Set-Aside



Local Educational Agency School Bus Replacement Grants (Prop 98)



Innovative Small e-Fleet Update

Funding Year 2021-22 Recap:



\$35 million
requested



73 unique fleets
applied



Average fleet
size: 5



69% domiciled
in DAC

Funding Year 2022-23 Allocation: \$35 million set aside for projects

Innovative Small e-Fleet Next Steps



ISEF workgroup topics:

- Review 2021-22 projects
- Expanding project types
- First-come, first-served vs needs-based approach

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

Large Fleet Bulk Purchase Requirement

- Private fleets with 501+ vehicles can only access HVIP incentives if they present a purchase order for more than 30 vehicles
 - Only vehicles listed in the HVIP Eligible Vehicle Catalog count toward bulk purchase requirement
- HVIP vouchers are only available for vehicles domiciled in disadvantaged communities
- An incentive (50% of the base voucher amount) is available for each order over 30
 - Still subject to voucher request cap (50 vouchers/ year for drayage, 30 vouchers/year for all other vehicles)
- Public fleets and fleets purchasing fuel cell vehicles are exempt from the bulk purchase requirement

Large Fleet Bulk Purchase Requirement Cont.

We are considering the following clarifications:

- Allowing large fleets to count orders from multiple manufacturers or of multiple vehicle types towards bulk purchase requirement
 - Purchaser can determine which vehicles receive an HVIP voucher
- Expanding the disadvantaged community requirement to allow for vehicles domiciled in locations identified on the [California Priority Populations map](#) as "Disadvantaged Communities", "Disadvantaged and Low-income Communities", "Low-income Communities within ½ mile of Disadvantaged Communities", and "Low-income Households within ½ mile of Disadvantaged Communities"

Comments and Questions



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Flexibilities for Public Transit Agencies

- The Board approved a \$70 million set-aside for public transit agencies
- Given unique nature of public transit agencies, we are considering allowing additional flexibilities including:
 - Allow letters of intent in lieu of purchase orders
 - Promote use of HVIP as local match
 - In discussions with the Federal Transit Administration to determine necessary changes to allow for matching with the Low or No Vehicle Emission Vehicle Program
 - Allow 36 months for public transit bus voucher redemptions
 - For HVIP funding requirements, consider all transit agencies to be exceeding regulatory requirements and eligible for HVIP funding if the total number of ZE transit buses operating in the state exceeds Innovative Clean Transit requirements

Comments and Questions



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Updates to Definitions

Refuse collection vehicle

- Vehicle that collects garbage, including front load, rear load, side load or other garbage packer
- Does not include roll-offs or waste transfer

Updates to Definitions

Common Ownership or Control

- Considering modifying to more closely align with proposed Advanced Clean Fleets definition
- Purchasers that hire contractors to conduct work on their behalf will be required to count those contractor's vehicles towards their fleet size
- Purchasers that are hired or perform work as contractors will only be required to count vehicles in their company's fleet
- Does not include agreements for individual loads that are competitively bid

Comments and Questions



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Updates to Vehicle Eligibility Requirements

- ZEP Cert requirements effective for all new vehicle eligibility applications as of January 1, 2023
 - Considering removing all-electric range requirement for zero-emission vehicles
- Vehicle to Grid capability will be required for all battery electric school buses beginning January 1, 2024

Comments and Questions



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Other Updates

- Stacking Incentives
 - Small fleets with 10 or fewer vehicles can now stack with other state incentive programs including Carl Moyer Program and Truck Loan Assistance Program
 - Other eligible programs will be added to Implementation Manual
 - Public Transit Agencies of all sizes can stack with other State programs
 - All fleets can stack with Federal, or local funding
 - The other program must also allow stacking with HVIP

Other Updates

- Insurance Requirements
 - Considering clarifying that CARB will not claw funding back from a purchaser if the vehicle becomes non-operational and damage is not found to be intentional or due to negligence or fraudulent activity by the purchaser
- Considering other clarifications and updates as needed

Comments and Questions



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