



Public Work Group to Discuss the Implementation of the Innovative Small e- Fleet Pilot Project (ISEF) for Fiscal Year 2022-23



April 12, 2023

Agenda

- Background
- 2022-23 Funding Updates and Implementation Timeline
- Review of 2021-22 Funding Year
- Streamlining Small Fleet Purchases
- Provider and Dealer Eligibility
- Fleet Eligibility
- Other Changes
- Next Steps

Background

- Accelerates market transformation by further reducing purchase price of zero-emission technologies for small fleets
- Encourages fleets to explore innovative mechanisms such as all-inclusive leases, peer-to-peer truck sharing, truck-as-a-service, straight purchases and other mechanisms
- Transactions have involved three primary parties — ISEF provider, HVIP approved dealer, and an eligible small fleet participant
- Small fleet participants own 20 or fewer trucks and make less than \$15 million in annual revenue

FY 2022-23 HVIP Funding



\$265M for HVIP Standard



\$70M for Public Transit Buses



\$157M for Drayage Trucks



\$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

- \$35 million set aside for ISEF projects for FY 2022-23
- Increase from \$25 million allocated in FY 2022-23, \$10 million moved from broader HVIP to meet demand
- High demand for increased funding and stronger focus on assisting small fleets

Funding Year 2021-22 Recap



\$35 million
requested



73 unique
fleets applied



Average fleet
size: 5



69% domiciled
in DAC

Projects Breakdown:

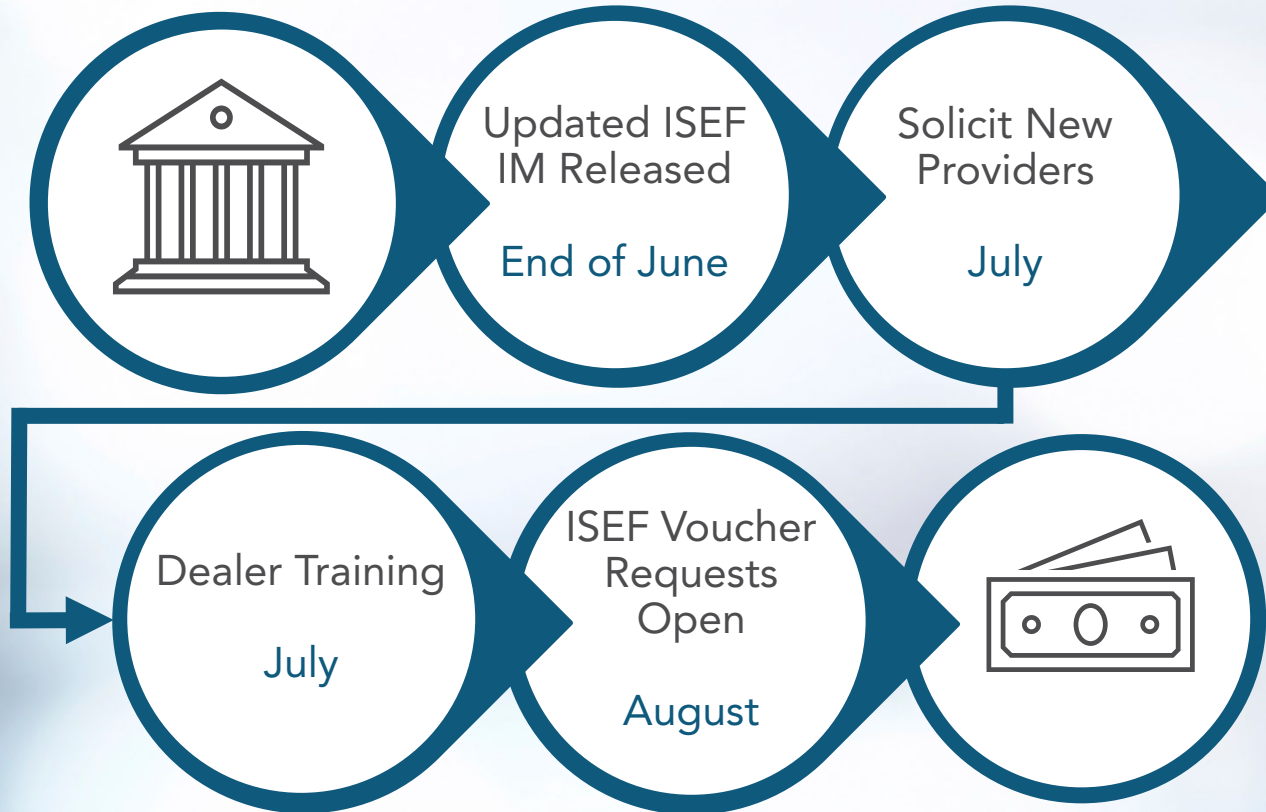
114 - Standard
Purchase

45 – Leases

20 - Truck as a
Service

0 - Rental

Implementation Timeline



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

Streamline Small Fleet Purchases

- Small fleets requesting a standard vehicle purchase will now apply through HVIP application process first and may be eligible for additional funds through ISEF enhancement.
 - 100% ISEF “plus up” on top of HVIP base voucher
 - All qualified HVIP dealers can offer ISEF enhancement for standard purchases
 - Honor HVIP IM 90% incentive cap on total vehicle cost
 - Third party provider now only required for fleets looking to explore innovative strategies

Streamline Small Fleet Purchases

Vehicle Size	HVIP Base Voucher	ISEF +100%	Minimum Funding
Class 3	\$45,000	\$45,000	\$90,000
Class 4-5	\$60,000	\$60,000	\$120,000
Class 6-7	\$85,000	\$85,000	\$170,000
Class 8	\$120,000	\$120,000	\$240,000

Example:

Example price for
Class 4 vehicle
\$140,000

90% incentive cap on vehicle price
(max funding that can be received)
 $\$140,000 \times .90 = \$126,000$

If no other plus ups, fleet pays:
 $\$140,000 - \$120,000 = \$20,000$
(+ taxes and fees)

Reserving ISEF Funds for Innovative Strategies

- Streamlining standard purchases may encourage more fleets to take advantage of ISEF funds for this option
- Half of ISEF funds will be reserved for approved Providers offering innovative strategies beyond standard vehicle purchase
- Funds for standard purchases will go further as the base voucher amount will be funded through HVIP

Provider and Dealer Eligibility

- All HVIP dealers will be able to utilize streamlined voucher requests for standard purchases with ISEF small fleets
- Reopening provider applications for those offering innovative strategies such as truck as service and rental options
- Working to expand roster of providers

Fleet Eligibility

- Non-profits are exempt from revenue cap
- Nonredeemed vouchers in HVIP and ISEF will count against fleet size limit
- Change 5 vehicle cap to an annual cap
- Updated “common ownership and control” language

Common Ownership or Control

- HVIP IM modified 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

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 HVIP Implementation Manual
 - All fleets can stack with Federal or local funding
 - The other program must also allow stacking with HVIP

Comments and Questions



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