



Public Work Group to Discuss the Implementation of the Innovative Small e- Fleet Pilot Project (ISEF) for Fiscal Year 2023-24



February 21, 2024

Agenda

- Background
- Review of 2022-23 Funding Year
- 2023-24 Funding Plan Updates
- Proposed Changes
- Feedback and Ideas from Participants
- 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, 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 vehicles and make less than \$15 million in annual revenue

FY 2023-24 HVIP Funding



\$375M for
Public School Bus Set-Aside



\$80M for
Drayage Trucks



\$14.3M for
Innovative Small e-Fleets

- \$14.3 million set aside for ISEF projects for FY 2023-24
- \$19 million currently available from FY 2022-23

Funding Recap



\$111 million requested



52 unique fleets applied



Average fleet size: 5



78% domiciled in DAC

Projects Breakdown:

357 - Standard Purchase

192 - Truck as a Service

11 - Leases

25 - Rental

53 - Financing

28 - Providers

FY 2023-24 Funding Plan Update

ISEF Dedicated to Innovative Solutions

- All standard purchases (and leases 36 months or more) formerly made through ISEF are now funded through HVIP
- ISEF will focus on innovative solutions for small fleets which are not allowed in standard HVIP, such as:
 - Rentals
 - Leases less than 3 years
 - Truck-as-a-service, Fleet-as-a-service, Charging-as-a-service
 - Bundled subscription services which may include charging, insurance, etc.
 - Peer-to-peer truck share
 - Proposal - Used truck incentives

FY 2023-24 Funding Plan Update

Buses and Public Agencies Included

- Eligibility includes class 2b vehicles and up - including buses
- Public agency fleets are now included
- If eligible for school bus funding, not eligible for ISEF
 - \$1.125B for Local Education Agency School Bus Replacement Grants
- For eligible fleets refer to the HVIP Eligible Vehicle Catalog

FY 2023-24 Funding Plan Update

Small Fleet Definition

- Small fleets are now defined throughout HVIP:
 - **20 or fewer** medium- and heavy-duty (MHD) vehicles, and
 - Less than \$15 million in annual revenue.
- Eligible Voucher Modifiers include: Disadvantaged Community (15%), Drayage Early Adopter (25%), and Refuse (25%)
- Incentive stacking per HVIP Implementation Manual
- Exemption from the existing manufacturer rolling soft cap limit

FY 2023-24 Funding Plan Update

Fleet Size Definition Update

- Fleet size will be inclusive of the fleet's vehicles domiciled anywhere globally that are over 8,500 lbs. GVWR, including all such vehicles under common ownership or control.
- "Common ownership or control" has been defined in HVIP as fleets being owned by the same person, corporation, partnership, limited liability company, or association.
 - In addition, vehicles managed by the same people are also considered under common ownership or control.

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

Proposed Changes

- Service Agreement Requirements
- Public Feedback
 - Provider Cap
 - Voucher Cap
 - Used Truck Voucher
- Open to public feedback & proposals

Service Agreement Requirements

- Required documentation in a service agreement is detailed below:
 - Vehicle quantity and description (must match HVIP vehicles)
 - Lease/rental term
 - Vehicle domicile address
 - Fees associated with rental, lease, TAAS (Maintenance, fueling fees, infrastructure, telematics feed, etc.)
 - Responsible party for insurance
 - Any complimentary services offered

Public Feedback

- Modify provider cap
- Use a fleet dollar cap vs. 5 vehicle limit
- Lift voucher cap
 - Remove the 90% vehicle cost limit when coupled with storage and shared charging infrastructure

Proposal: Used Truck Voucher

ISEF Pilot

- **What:** Our goal is to collect data, support residual values, and spur a secondary vehicle market.
- **Why:** Second-life vehicle support will provide an alternative innovative solution to small fleets in making the switch to a zero-emission vehicle.
- **How:** Seller would submit a request to CARB - voucher amounts to be determined.

Ideas for Implementation Updates?

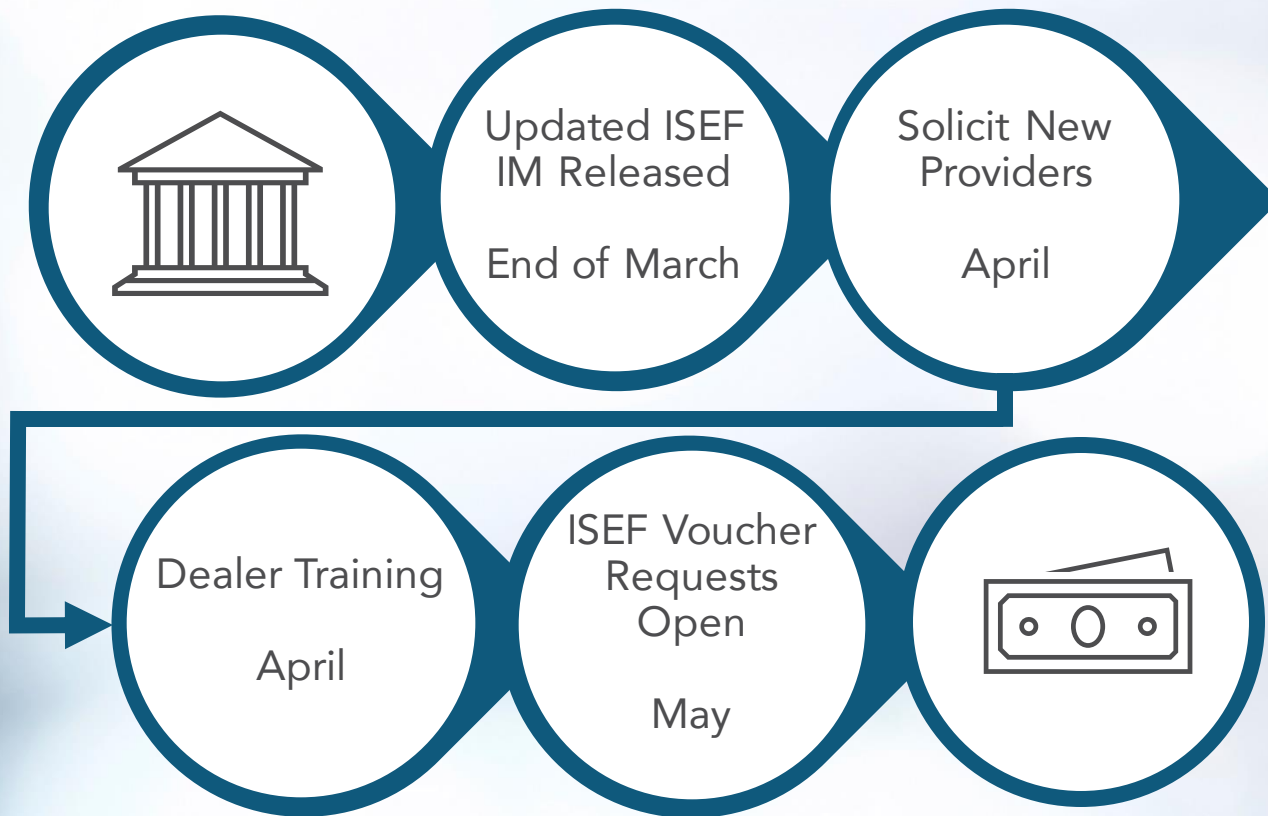


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Implementation Timeline



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