

Welcome! ¡Bienvenidos!

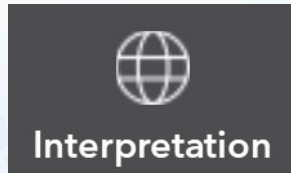
Interpretation Options

Selecting Languages

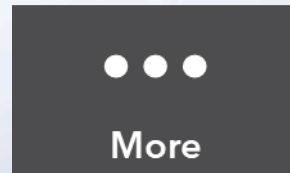
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- Choose English or Spanish

Selección de idiomas

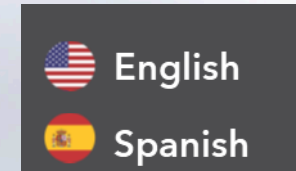
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- Elija inglés o español



globo o interpretacion



más



inglés o español



Fiscal Year 2025-26

Clean Transportation Incentives Funding Plan:

Light-Duty Vehicle Purchase Incentives Workgroup #2

August 6, 2025

Agenda

Time	Session
1:00 - 1:10 p.m.	Introduction
1:10 - 1:15 p.m.	Overview of Light-Duty Vehicle Purchase Incentive Projects
1:15 - 2:00 p.m.	Proposed Policy Changes Discussion
2:00 - 2:05 p.m.	Break
2:05 - 2:25 p.m.	Long Term Strategy Discussion
2:25 - 2:45 p.m.	Open Comments and Question & Answer Session
2:45- 3:00 p.m.	Next Steps

Introduction

The California Air Resources Board



- Leads California's charge to improve air quality and reduce climate change impacts
- Protects public health
- Promotes clean, energy-efficient fuels and technology

Funding Plan Goals

- Improve air quality
- Reduce climate change impacts
- Help communities & businesses
- Improve incentive projects



Funding Plan Process

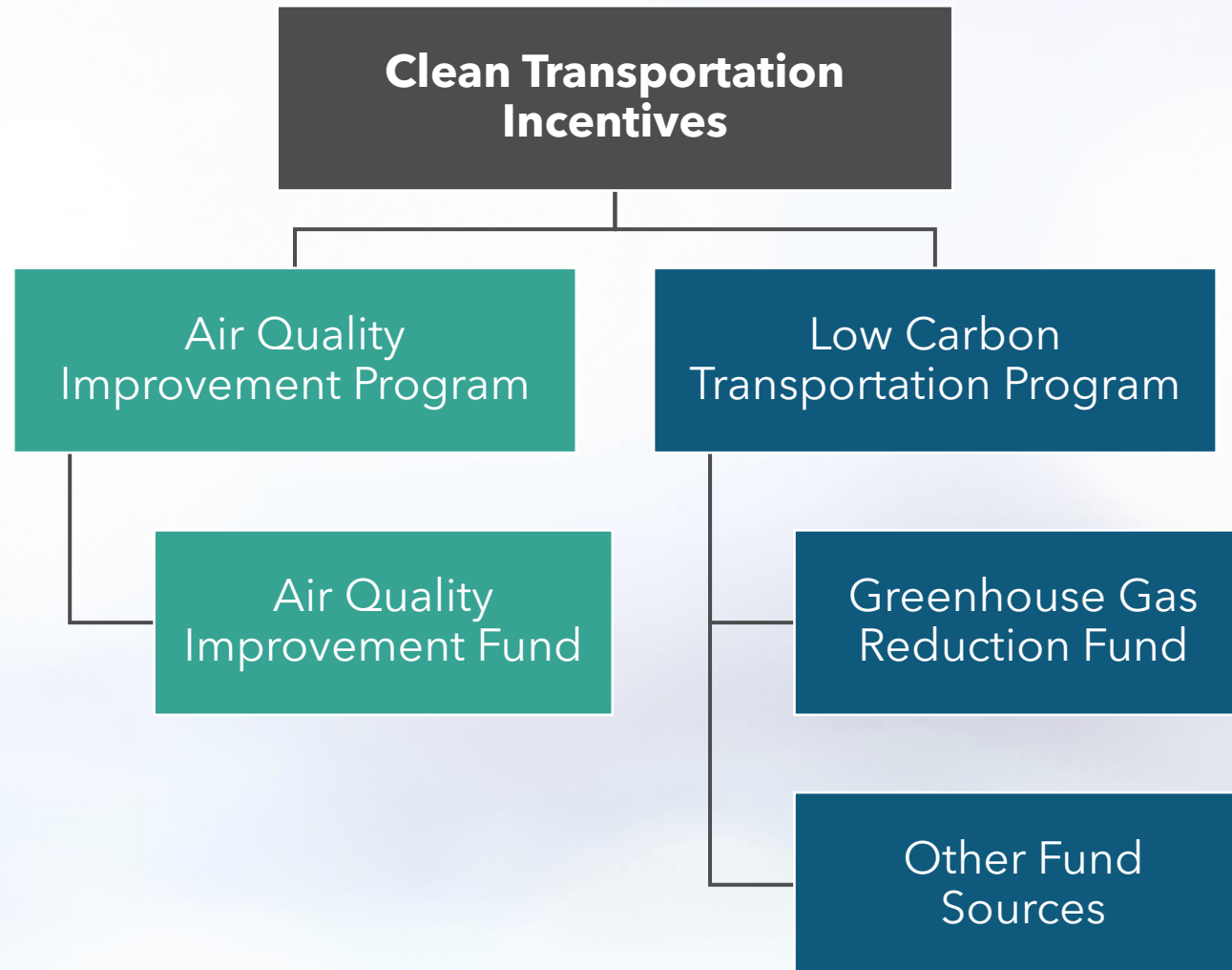


Funding Plan Outcomes

- Details appropriations and allocations for each fiscal year
- Outlines policy and vision for investments
- Meets CARB and California goals and community and business needs



Clean Transportation Investments



Update on State Budget and Clean Transportation Incentives

Overview of State Budget and Funding Plan Timelines



Fiscal Year 2025-26 Proposed Budget (millions)

Project Category	Air Quality Improvement Fund
Medium- and Heavy-Duty Zero-Emission Projects	-
Air Quality Improvement Program ¹	\$35
Air Pollution Control Fund (Hino Settlement)	\$132
Total Proposed Funding	\$167

- **Cap-and-Invest Strategy** (formerly Cap-and-Trade) (Greenhouse Gas Reduction Fund)
 - Prior to Sept. 12: legislature to determine Greenhouse Gas Reduction Fund full scope
- **No proposed funding:** individual & community mobility incentive projects
 - Assembly Bill 100 appropriation: Regional Clean Cars 4 All = additional \$17 million from Fiscal Year 2024-25 Funds

¹ Only for medium- and heavy-duty projects (California Health & Safety Code, Section 44274.(a))

Comments & Questions

Introduction & Overview



Raise hand in Zoom or dial #2 by phone



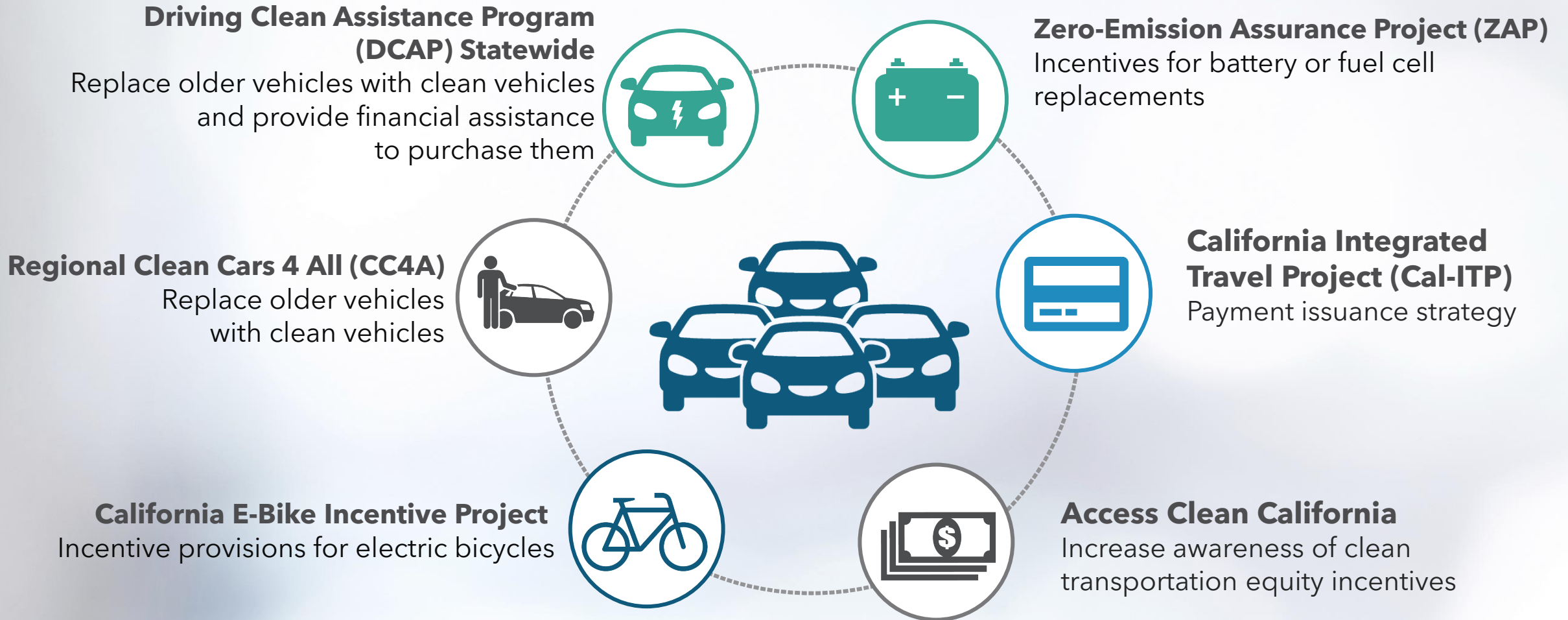
State your name & affiliation before questions or comments



Email questions to CleanTransportationIncentives@arb.ca.gov

Overview of Light-Duty Vehicle Purchase Incentive Projects

Light-Duty Vehicle Purchase Incentive Projects



Driving Clean Assistance Program

- Expands access to Clean Cars 4 All (CC4A) incentives outside of 5 largest air districts
- Connects participants to fair and capped financing options
- Enhances Regional CC4A offerings and provides non-scrap incentive options and makes financial counseling available to participants.
- Available to all regions of the state and accepting applications for non-scrap options to potential Regional CC4A participants
- Uses needs-based model to ensure consistent, continuous access to incentives



Driving Clean Assistance Program

- **Administrator:** Community Housing Development Corporation
 - Access to clean & zero-emission vehicles
 - Fair financing
- **Allocation to Date:** \$241 million
- **Projects Funded:** 143 projects since Sept. 2024
 - **Applications in Progress/Received:** 16,000 applications (represents \$196 million in demand)
- **Potential Policy Changes:** Program alignment with Regional CC4A



Regional Clean Cars 4 All Program

- **Administrators:** 5 largest air districts
 - Incentives for low-income consumers to replace older vehicles with cleaner transportation
- **Proposed Funding:** None
- **Allocation to Date:** \$357.5 million
- **Projects Funded:** 26,053 vehicles replaced
- **Potential Policy Changes:** Program alignment



Average Quarterly Burn Rates for Regional CC4A

District	Project Funds Remaining*	Quarterly Burn Rate (Last 6-month Average Quarterly Expenditures)
South Coast AQMD	\$23.5M	\$3M
San Joaquin Valley APCD	\$.08M**	\$6.5M
Bay Area AQMD	\$3.3M**	\$2M
Sacramento Metropolitan AQMD	\$7.7M	\$.5M
San Diego APCD	\$14.6M	\$.2M

*Represents project funds only and does not include district admin dollars.

**Will receive additional funding through Assembly Bill 100, awaiting grant amendment execution.

Proposed FY 25-26 Policy Changes Discussion

Program Alignment

Process for achieving alignment:



Collaborate through Program Administrator subgroups, symposium, and written comments.



Use data and lessons learned from years of implementation to inform alignment proposals.



Formalize updated guidelines.

The Drive for Alignment

Alignment Policy	Create clarity for participation during application process	Streamline and add transparency	Focus incentives to those who need it the most	Expand consumer protections
Income Verification	X	X	—	—
Household Size	X	—	—	—
Model Year Cutoff	—	—	X	—
Purchase Price Cap	—	X	—	X
Approved Dealer List	—	X	—	X
Program Closure Process	X	X	—	—

The Drive for Alignment

*	South Coast AQMD	San Joaquin APCD	Bay Area AQMD	Sacramento Metropolitan AQMD	San Diego APCD	Driving Clean Assistance Program (DCAP)
Model Year of Scrapped Vehicle	2010	2006	2007	2010	2009	2010
Purchase Price Cap	\$65,000	None	\$48,000	\$46,000	\$48,000	\$45,000
Approved Dealerships	68	72	90	52	21	205
Program Closure Procedures	Waitlist	Closed	Back up list	TBD	Closed but DCAP covers*	Needs-based

Program Alignment Policy Proposal: Income Verification

Income Verification:

- First use Line 9 on 1040 tax form, "Total Gross Income"
- Develop methods for outliers

Reasoning:

- Create clarity during application process

Feedback:

- Ensure administrators can seek additional documentation to support loan approval process
- Allow flexibility for non-filers

Next steps:

- Implement changes in procedure
- Update implementation plans and outreach material

Program Alignment Policy Proposal: Household Size

Household Size Definition:

- Individual, spouse, and anyone claimed as dependent on taxes

Reasoning:

- Create clarity during application process

Feedback:

- Alignment is welcomed

Next steps:

- Implement changes in procedure
- Update implementation plans and outreach material

Program Alignment Policy Proposal: Model Year

Model Year of Scrapped Vehicle

- 15 years or older
- Factor in applicant need
- Target high emitters

Reasoning:

- Aim to pick one year or process to align all programs
- Unlocks equitable access to both CC4A and DCAP for consumers across the state

Feedback:

- May lead to increased demand
- May lead to administrative burden

Next steps:

- Assess possibility for expanded needs-based framework
- Work with administrators to identify clear process

Program Alignment Policy Proposal: Purchase Price Cap

Purchase Price Cap

- Between \$45,000-\$65,000
- Explore thresholds

Reasoning:

- Center for Sustainable Energy Affordability Study proposal
- Ensures participants are not overburdened by a vehicle purchase

Feedback:

- May excludes manufacturers
- Restricts and limits vehicle purchasing options
- Does not account for market volatilities such as tariffs and price increases

Next steps:

- Compare data on available vehicle market across regions, and median vehicle price for participants, decide on fair cut off point
- Work with administrators to identify clear process

Program Alignment Policy Proposal: Dealer List

Approved Dealer Lists

- Explore
Statewide list

Reasoning:

- Assist in addressing vehicle inventory issues
- Bolsters consumer protections
- Foster better connections with dealerships
- Reduce confusion from dealers

Feedback:

- Need clarity on who manages list and how it will work

Next steps:

- Start compiling repository of dealers statewide
- Work with administrators to understand dealer terms and conditions and assess need for trainings

Program Alignment Policy Proposal:

Program Closure

Program Closure

- Explore aligned procedures
- Define terms

Reasoning:

- At present, no clear procedures for program closures
- Creates clarity and transparency for consumers during application process

Feedback:

- All programs are a bit different, concerns on losing flexibility

Next steps:

- Refine formula: *Program is "At Capacity" when "Available Funding" = (# of applicants in queue * 12,000) * .90%*
- Work with administrators to define terms and closure events

CC4A & DCAP Program Policy Proposal

Facilitate Implementation Updates Outside of Funding Plan

- Explore new process for implementing changes.
- Example: Annual program update notices, annual update memos.

Reasoning:

- Process to change program implementation through the Funding Plan and grant amendments is slow and requires extra administrative work.
- Enables nimble implementation and quicker responses to market conditions.

Next steps:

- Facilitate Feedback on proposal

Why is alignment so important?

- Assembly Bill 630 Report
 - Informs the long-term direction of CC4A and DCAP
 - Enables finetuning of programs based on data and goal setting
 - Incorporate stakeholder and community input
- What CARB currently captures:
 - Metrics pertaining to participation rates, completed vehicle replacements, and charging equipment and charge cards
 - Program reach in low-income and/or disadvantaged community
 - Program performance and co-benefits along with feedback from participants survey
- What are other metrics that should be evaluated?

Comments & Questions

Vehicle Purchase Incentive Projects



Raise hand in Zoom or dial #2 by phone



State your name & affiliation before questions or comments



Email questions to CleanTransportationIncentives@arb.ca.gov



Break

Return at 2:40 p.m.

Long-Term Strategy for Light-Duty Vehicle Incentive Projects

Long-Term Strategy for Light- Duty Vehicle Incentive Projects

Annual three-year investment strategy
for Clean Transportation Incentives

Roadmap to expand affordable,
clean transportation options

Outlines priorities for investment

Annual Supplemental Report
(2018-19 Budget Act)

Long-Term Vision for Light Duty Vehicle Purchase Incentive Projects

Driving Clean Assistance Program

- Program alignment
- Needs-based model refinement
- Continue to grow, support, and invest in community partnerships including Air Districts

Regional Clean Cars 4 All

- Program alignment
- Continue to grow, support, and invest in community partnerships including DCAP

Access Clean California

- Grow and sustain outreach partner network
- Build outreach partner capacity
- Expand case management support
- Sustain Benefits Finder webtool, integrate new incentive projects

Three-year Funding Need: Clean Cars 4 All & Driving Clean Assistance Program

Clean Cars 4 All and Driving Clean Assistance Program	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28
Total Funding (in millions)	\$154 - \$312	\$182 - \$340	\$209 - \$368

Three-year Funding Need: Access Clean California

Access Clean California	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28
Total Funding (in millions)	\$5 - \$10	\$5 - \$10	\$5 - \$10

Next Steps for Long Term Plan

Stakeholder Input

- CARB staff to consider stakeholder input and continue analysis

FY 2025-26 Funding Plan

- Finalized update to the Long-Term Plan to be included in the FY 2025-26 Funding Plan for Clean Transportation Incentives (Appendix C)
- November 2025 Board Hearing

Future Updates

- CARB staff to provide updates in future funding plans

Open Discussion



Raise hand in Zoom or dial #2 by phone



State your name & affiliation before questions or comments



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Next Steps

Funding Plan Development Schedule

Milestone	Date	
Kick-Off Workshop	June 17	X
Evening Community Meeting	June 17	X
Clean Mobility Investments Workgroup 1	June 20	X
Light-Duty Vehicle Purchase Incentive Projects Workgroup 1	July 10	X
Evening Community Meeting	July 15	X
Clean Mobility Investments Workgroup 2	July 17	X
Medium- and Heavy-Duty Vehicle and Equipment Workgroup	July 22	X

Milestone	Date	
Zero-Emission Assurance Project Workgroup	July 17	X
Light-Duty Vehicle Purchase Incentive Projects Workgroup 2	Today!	-
August Workshop on Draft Ideas	Aug. 14	-
Evening Community Meeting	Aug. 19	-
Proposed Funding Plan Released	Oct. 10	-
Evening Community Meeting	Oct. 21	-
CARB Board Meeting	Nov. 20	-

Contact Us

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[Funding Plan Engagement Opportunities](#)