



Meeting will begin at 9:30 am

La reunión comenzará a las 9:30 am



Drive Forward Incentives/AQIP Funding Plan Public Workshop

March 25, 2026

Agenda

Time*	Topic
9:00 – 10:00 a.m.	Introduction and Drive Forward Incentives
10:00 – 11:00 a.m.	Air Quality Improvement Program (AQIP) Funding Plan
11:00 – 1:00 p.m.	Open Discussion

*Times are approximate.

Introduction & Background

Today's Landscape



The Path Forward

EO N-27-25

- Develop regulations to reduce greenhouse gas, criteria, and toxic pollutants
- Update state purchasing requirements
- Assess additional actions to advance zero-emission vehicle (ZEV) adoption

ZEV Forward

- Multi-agency effort to assess additional actions to advance ZEV adoption
- Published Report to Governor on Executive Order N-27-25 Zero Emission Vehicle Deployment

Drive Forward

- CARB initiative - aims to continue State's commitment to protect public health
- Encompasses CARB regulatory efforts, ZEV market outreach and support, collaboration, and incentives

Drive Forward: Timeline

Drive Forward: Light-Duty Vehicle Standards Workshop
October 21, 2025
Completed

Drive Forward: Heavy-Duty Vehicle Standards and Strategies Workshop
December 3, 2025
Completed

Drive Forward: Medium & Heavy-Duty Incentives/AQIP Funding Plan Workshop
Today

Drive Forward: Incentives Workshop
November 13, 2025
Completed

Drive Forward: Light-Duty Incentives Workshop
March 24, 2026
Completed

Continued Development on Vehicle Standards, Strategies, and Incentives Policy
Through 2026 and Beyond

Drive Forward: Nov. 2025 Incentives Workshop Recap

**Clean Trucks, Buses, and Off-Road Equipment
and Emerging Opportunities (Medium- and Heavy-Duty)**

Medium- and Heavy-Duty Incentives

Session Goals and Feedback

Goals

- Present program progress and collect feedback on funding needs
- Gather input on:
 - Projected funding needs, technologies to focus on, alternative funding streams, and ways that private sector can provide support

Feedback

- Ideas on areas to focus funding included zero-emission off-road equipment, pre- commercial technology development, high impact corridors, etc.
- Consistent funding streams needed
- Ideas on alternative funding sources included container fees, weight permits, CARB enforcement fees, etc.

Drive Forward Medium- and Heavy-Duty Incentives Next Steps



Comments & Questions



Raise hand in Zoom or dial #2 by phone



State your name & affiliation before questions or comments



Email questions to CleanTransportationIncentives@arb.ca.gov

FY 2025-26 and FY 2026-27 AQIP Funding Plan

CARB Funding Plan

The Clean Transportation Incentives Funding Plan is an annual guide that details how CARB will use money appropriated by the California Legislature.

Goals



Improve air quality



Reduce impacts of climate change



Help communities and businesses



Improve incentive projects and programs

Process*



Outcomes



Details appropriations and allocations for each fiscal year



Outlines drivers and vision for investments



Meets CARB and California goals and community and business needs

Get Involved

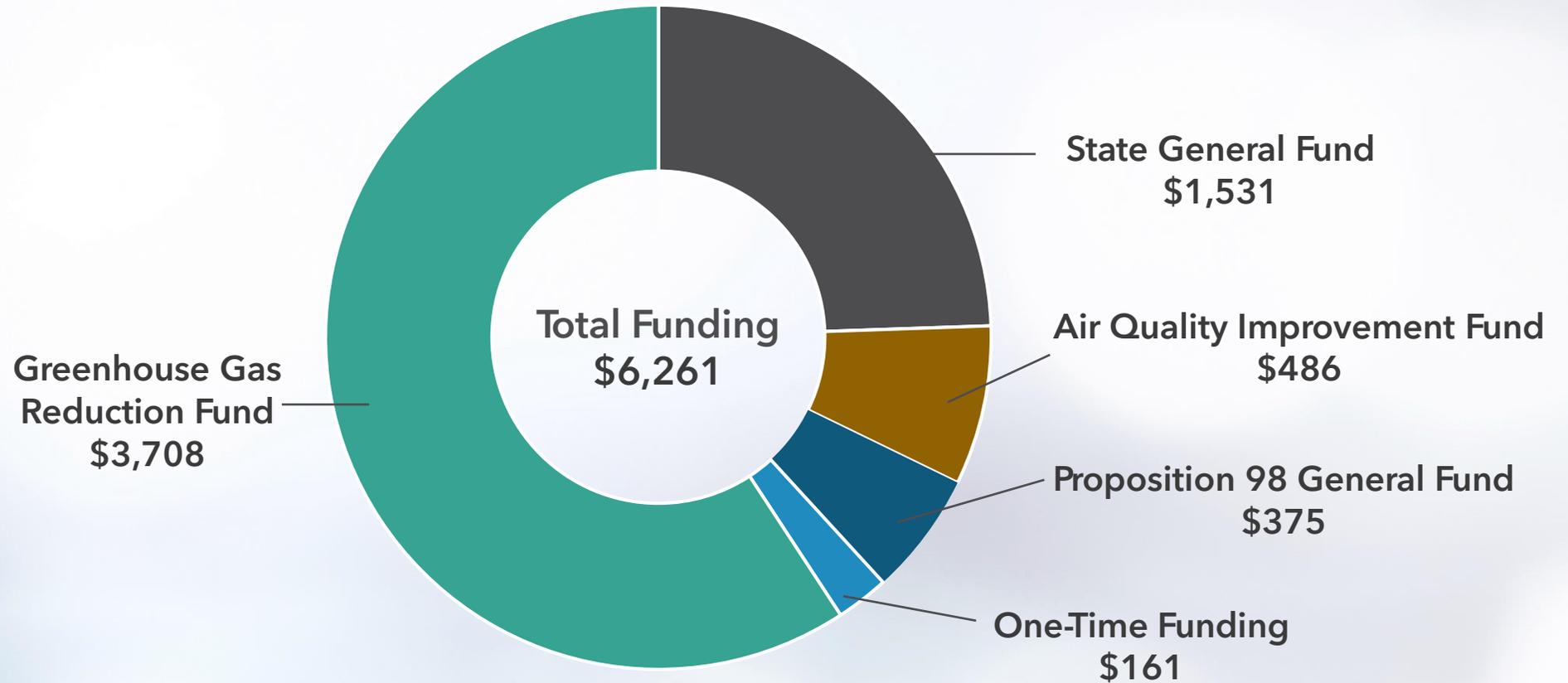
Subscribe to receive updates, participate in public meetings and workshops, and collaborate with CARB staff to decide where funding is invested in California.



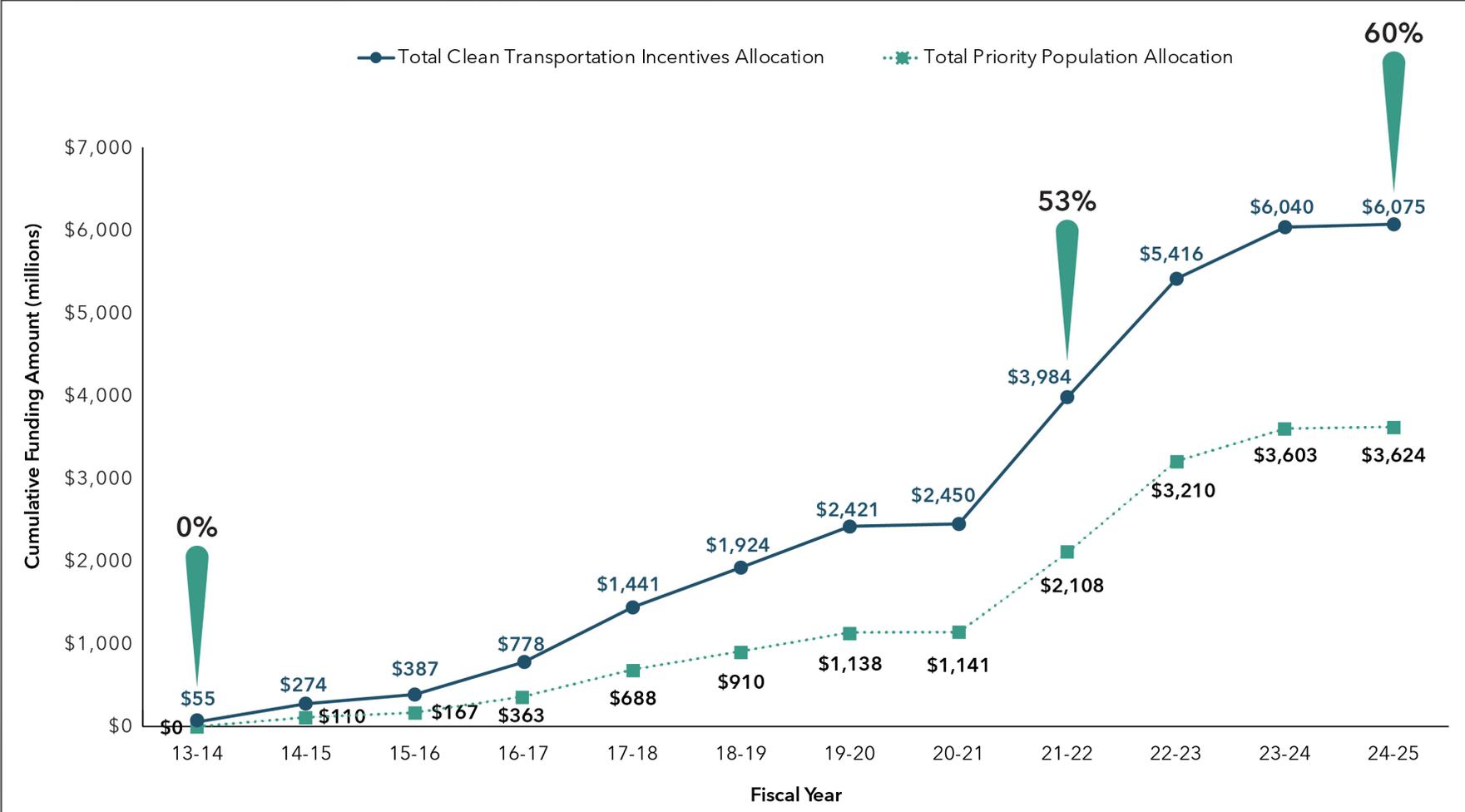
* This reflects the standard process, however due to federal actions, this years Funding Plan will proceed under a modified process.

Incentive Funding Appropriated to Date (millions)

Fiscal Year 2009-10 through 2024-25



Cumulative Funding Allocated to Priority Populations



Heavy-Duty Low Carbon Transportation Incentives Overview

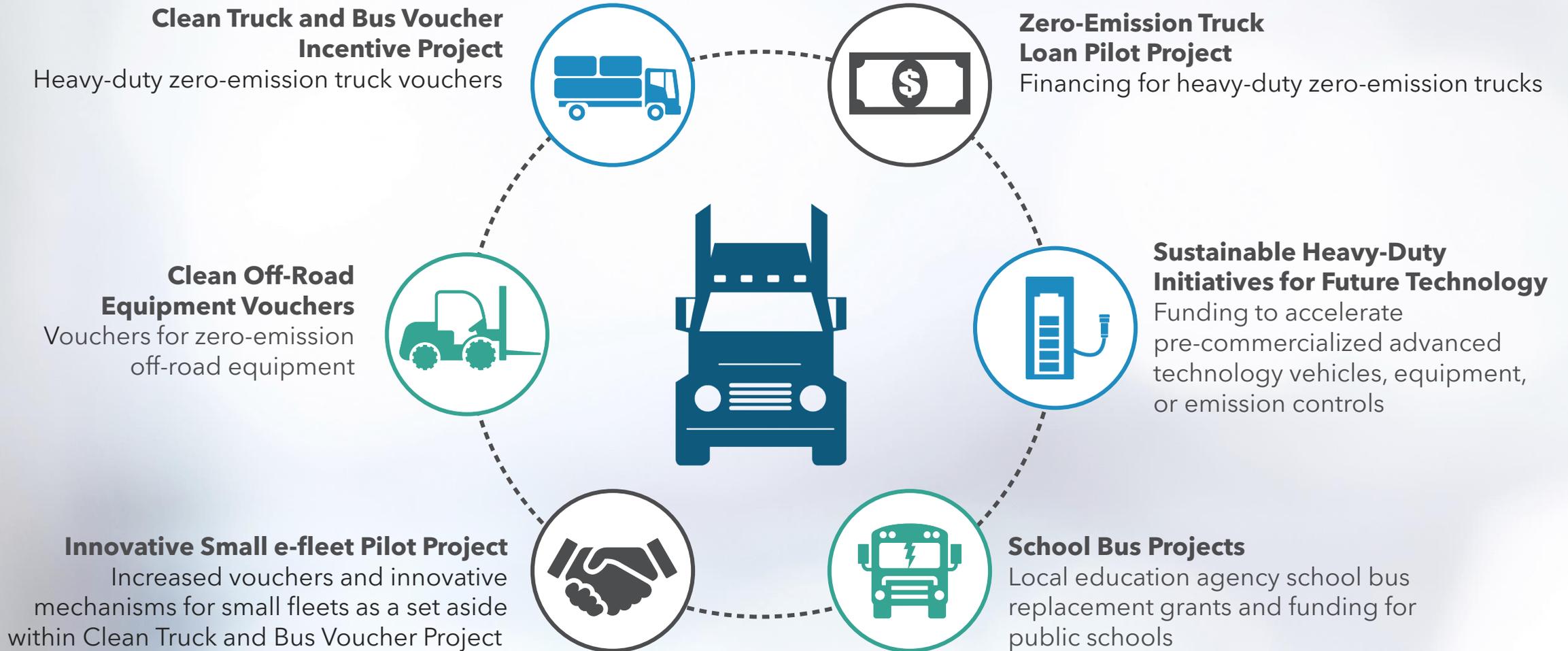
Medium- & Heavy-Duty On- & Off-Road Equipment Investments

- Truck and bus purchase incentives
- Off-road equipment purchase incentives
- Demonstration and pilot projects

Investment Goals

- Build on efforts to ensure investments are equitably distributed and focused on priority communities
- Maintain market momentum
- Address needs of small fleets
- Collaborate with other State, local, and community partners

Medium- and Heavy-Duty Incentive Projects



Clean Truck & Bus Voucher Incentive Project (HVIP)

- **Project Overview:**
 - First come - first served on-road voucher program
 - Support CARB regulatory programs
 - Accelerate market transformation for cleanest technologies
 - Support equitable investments
 - No scrappage requirement
- **Vehicle type:** HD Trucks, Buses, Drayage
- **Project Status**
 - \$1.6 B in total funding
 - 11,000+ vehicles deployed



Innovative Small E-Fleet Pilot Project (ISEF)

- **Project Overview:**

- Incentives for small fleets to access zero-emission technologies
- Encourages fleets to explore short-term rentals, all-inclusive leases, peer-to-peer sharing, as-a-service, and other mechanisms
- Reduces total cost and complexity
- Advances equitable access to clean transportation

- **Vehicle type:** ZE MD and HD Trucks, ZE Buses

- **Project Status:**

- \$95 million allocated
- 275 vehicles deployed



Zero-Emission School Bus and Infrastructure (ZESBI)

- **Project Overview:**
 - Replacement of old internal combustion school bus with zero-emission school bus
 - Provides funding for bus and charging infrastructure in one application
 - Prioritized small/rural school districts and underserved communities
 - Scrappage required
- **Vehicle type:** Zero-emission school buses and associated infrastructure
- **Project Status:**
 - \$500 million of funding
 - 1,000+ ZE school bus grants under way



Zero-Emission Truck Loan Pilot

- **Project Overview:**
 - Financing support for small fleets
 - Eligibility includes small fleets of 20 vehicles or less (up from 10)
 - Provides lender support through a loan-loss reserve structure
- **Vehicle Type:** All new or used on-road ZEVs Class 2b & above
- **Project Status**
 - \$10 million allocated
 - \$1.9 million in loans supported
 - 26 clean vehicles financed

Sustainable Heavy-Duty Initiatives for Future Technology (SHIFT)

- **Project overview:**
 - 35 projects implemented to date
 - Accelerate technologies into the marketplace
 - Demonstration projects support precommercial technologies
 - Pilot projects support commercialized technologies to accelerate acceptance
- **Eligible Technologies:** Historically covered ZE on-road, buses, off-road equipment, commercial harbor craft, locomotives, and other clean technologies
- **Project Status:**
 - Early implementation of 12 new projects awarded through recent Solicitation

SHIFT

Clean Off-Road Equipment (CORE)

- **Project Overview**

- First come - First served off-road incentive program
- Offsets higher zero-emission equipment purchase costs
- CARB determines voucher amounts and evaluates equipment, and administration is done through a 3rd party grantee
- Stacking allowed and no scrappage required

- **Funding Category:** Construction, Ag, Cargo Handling, Mobile Power Units, Forklifts, etc.

- **Project Status**

- \$538 million allocated to date
- 2,348 ZE equipment deployed
- 700+ participants have received vouchers



Fiscal Year (FY) 2025-26 and FY 2026-27 Budget

Medium- & Heavy-Duty Zero-Emission Projects	Amount (millions)
FY 2025-26 Air Quality Improvement Program (AQIP)	~ \$35
Proposed FY 2026-27 AQIP Funds	~ \$35
Total Funding	~ \$70

AQIP Funding Strategy & Key Considerations

- **AQIP Funding:** ~\$70 M subject to CARB discretion
- **Focus:** Medium/Heavy-Duty projects (CA Health & Safety Code, Section 44274.(a))
- **Considerations**
 - Incorporated Drive Forward feedback
 - Identified key priorities
 - Balanced limited funding with strategic approach

Draft Proposed FY 2025-26 and FY 2026-27 AQIP Funding Allocation

AQIP Draft Proposal: ~\$68 million to CORE

Benefits:

- Higher impact when strategically investing funds in a single program
- High demand in CORE
- Most cost-effective LCT program
- Stakeholders identified ZE off-road as a top priority

Utilize Existing HVIP Funds: Bulk deployment

Benefits:

- Scale deployments to bring down costs

Funding Plan Development Schedule

Milestone	Date
March Workshop on Draft Ideas	March 25
Evening Community Meeting	April 21
Governor's Fiscal Year 2026-27 May Revision	May 15
Proposed Funding Plan Released	May 15
Evening Community Meeting	May 19
CARB Board Meeting	June 25

Contact Us

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[Funding Plan Engagement Opportunities](#)

Share Your Feedback



Team Email:

cleantransportationincentives@arb.ca.gov

Survey Link:

<https://forms.office.com/g/fkSryi4tAM>

Comments & Questions



Raise hand in Zoom or dial #2 by phone



State your name & affiliation before questions or comments



Email questions to CleanTransportationIncentives@arb.ca.gov