Annual Report

2025

Senate Bill 92 (Committee on Budget and Fiscal Review, Chapter 26, Statutes of 2017) Report to the Legislature on Implementation of the Volkswagen Settlement Consent Decree, Appendix C and Appendix D

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Executive Summary

Senate Bill (SB) 92 (Committee on Budget and Fiscal Review, Chapter 26, Statutes of 2017), codified at Health and Safety Code section 39614, directs the California Air Resources Board (CARB or Board) to provide annual updates to the California Legislature on the progress of implementing the zero-emission vehicle (ZEV) investment plans under Appendix C of the 2.0-Liter Partial Consent Decree with Volkswagen (VW), and on proposed and actual expenditures of the monies received pursuant to Appendix D of the 2.0-Liter Partial Consent Decree . The VW settlement, which is made up of several Partial Consent Decrees and includes Appendices C and D, resolves California's claims related to VW's use of illegal defeat devices – software designed to cheat on emissions tests – in certain 2009 to 2016 model year diesel cars that VW marketed and sold in California. This report covers implementation of Appendix C in the 2024 calendar year, as reported by Electrify America in its 2024 Annual Report submitted on April 30, 2025. The activities for the 2025 calendar year will be part of next year's report, as Electrify America is required to provide the full report on their 2025 implementation progress no later than April 30, 2026. This report also covers the implementation of Appendix D, the California Environmental Mitigation Trust Program for the 2024 calendar year.

A. VW Settlement Requirements in Appendices C and D

Under the terms of the VW settlement, the court ordered VW to fund or invest more than $1.2 billion[1] in California over 10 years exclusively in the following areas:

- Appendix C, the Zero-Emission Vehicle Investment Commitment, requires VW to invest $800 million in California over a 10-year period – in 4 consecutive $200 million, 30-month ZEV investment cycles – to support the increased use and availability of ZEVs in the state. Appendix C limits funding to four areas of qualified investments: ZEV infrastructure (including developing and maintaining ZEV charging or hydrogen fueling stations), ZEV public awareness, increased ZEV access, and Green City projects. VW manages the funds and implements this commitment through its subsidiary, Electrify America. For each 30-month cycle, Electrify America submits a ZEV Investment Plan that details its proposed investments for approval by CARB at a public hearing. Once approved, VW was ordered by the court to execute the ZEV Investment Plan and only make investments pursuant to the California Creditable Cost Guidance.
- Appendix D, the Environmental Mitigation Trust (Trust), is intended to fully mitigate all past and future excess oxides of nitrogen emissions from the vehicles covered by the settlement. Under the terms of the Consent Decree, the court ordered VW to pay about $2.7 billion into a national mitigation trust fund, which the Trustee, Wilmington Trust, N.A., manages. California's allocation of the Trust is about $423 million. CARB developed a Beneficiary Mitigation Plan that describes the projects California is permitted to fund with its allocation. The Consent Decree limits the eligible mitigation actions that may be funded with Appendix D money; most are scrap and-replace projects for the heavy-duty sector. As these projects are contracted, the

[1] The First Consent Decree: *https://www.epa.gov/sites/default/files/2016-06/documents/vwpartialsettlement-cd.pdf* and Second Consent Decree: *https://www.epa.gov/sites/default/files/2016-12 documents/30literpartialconsentdecree.pdf*

Trustee makes reimbursements out of the Trust account to the project administrator or to CARB for administrative fees.

B. Compliance with SB 92

SB 92 establishes several goals for expenditures made under Appendices C and D of the 2.0-Liter Partial Consent Decree. Some goals apply to both appendices, while others are unique to one or the other. As this report details, CARB continues to meet all directions provided by the Legislature in SB 92.

One goal in SB 92 that applies to both appendices is that CARB must strive to ensure that Appendix C investments and Appendix D expenditures align with the State's priorities, while complying with the court's order. Staff confirmed Electrify America's approved Appendix C investments, in its ZEV Investment Plans, and the Appendix D Beneficiary Mitigation Plan expenditures align with the State's priorities, including the State's 2025 and 2030 ZEV goals, 2035 transportation electrification goals, and statutory climate pollutant goals, such as reducing greenhouse gas emissions to meet 2030 targets and achieving carbon neutrality by 2045. Electrify America's ZEV Investment Plans fund light-, medium-, and heavy-duty electrified vehicles and charging infrastructure. The Beneficiary Mitigation Plan funds mostly heavy-duty scrap and replace projects, with an emphasis on ZEVs and equipment.

Appendix C investments and Appendix D expenditures also align with California's goal of increasing access to clean transportation and mobility options, especially in underserved areas, as established by the Clean Energy and Pollution Reduction Act of 2015 (SB 350, De León, Chapter 547, Statutes of 2015). The Board-approved Appendix C ZEV Investment Plans achieve this goal by installing ZEV infrastructure in underserved areas and funding ZEV car share and shuttle/bus services that operate primarily in disadvantaged communities. Appendix D achieves this goal through the Beneficiary Mitigation Plan by funding ZEV infrastructure, buses, trucks, locomotives, marine vessels, and other heavy-duty equipment, many of which are located within and/or benefiting California's low-income or disadvantaged communities.

SB 92 additionally requires that CARB strive to provide public transparency before approving Appendix C investments and Appendix D expenditures. To date, CARB has approved all four ZEV Investment Plans required by Appendix C through public hearings and has also approved the Beneficiary Mitigation Plan required by Appendix D as described in the Public Process section. For each of the ZEV Investment Plans and the Beneficiary Mitigation Plan, CARB staff undertook an extensive public process that included discussions with stakeholders, public workshops, and public Board meetings. As part of this public process, CARB posted each proposed ZEV Investment Plan and the Beneficiary Mitigation Plan for public comment before the respective public hearings to consider adoption of the Plans.

As it applies to Appendix C, SB 92 further prescribes that:

- CARB shall strive to ensure, to the maximum extent allowable under the 2.0-Liter Partial Consent Decree, that: (1) at least 35% of the funds for each ZEV Investment Plan benefit low-income or disadvantaged communities disproportionately affected by air pollution, and (2) VW or its subsidiary periodically submit progress reports to CARB on the implementation of the approved ZEV Investment Plan;
- CARB shall approve each ZEV Investment Plan at a public hearing;
- CARB shall post each proposed ZEV Investment Plan for public comment; and

- CARB shall report annually to the Legislature on the progress of the implementation of the approved ZEV Investment Plans.

As it applies to Appendix D, the legislation further prescribes that:

- CARB shall strive to ensure, to the maximum extent allowable under the 2.0-Liter Partial Consent Decree, that 35% of the Trust funds pursuant to Appendix D benefit low income or disadvantaged communities disproportionately affected by air pollution; and
- CARB shall report annually to the Legislature on the proposed and actual expenditures of the Trust funds pursuant to Appendix D. As of December 31, 2024, $360 million in project funding for five project categories has been allocated through public solicitations. A total of $351.7 million in project and administrative funding has been disbursed from the Trust to date.

The remainder of this report provides additional detail and addresses how CARB met the statutory requirements in SB 92, summarized above. This seventh annual report reflects progress made during the first seven years of implementation. As implementation of the investments continue, CARB staff will have updated investment and expenditure information on which to report. CARB staff will continue to ensure compliance with SB 92.

The ZEV Investment Commitment – Consent Decree Appendix C

The ZEV Investment Commitment is intended to function as injunctive relief that complements the other pieces of the Consent Decree, addressing the impact to California's ZEV market resulting from VW's sales and marketing in California of approximately 70,000 2.0-liter high-emitting diesel vehicles as clean vehicles.

Under the terms of the ZEV Investment Commitment, VW was ordered by the court to invest $800 million in California over a 10-year period to support the increased use and availability of ZEVs in the state. These investments are being made through its subsidiary, Electrify America, in four consecutive $200 million, 30-month ZEV investment cycles. Each of Electrify America's four separate $200 million ZEV Investment Plans, which must be approved in whole or in part by CARB, describes the investments Electrify America proposes to make within the 30-month cycle. The following four areas for investment are allowed by the court under the Consent Decree:

- Developing and maintaining ZEV infrastructure (including charging or hydrogen refueling stations);
- Building public awareness of ZEVs and ZEV infrastructure availability;
- Increasing access to ZEVs; and
- Establishing two "Green Cities," with an emphasis on transportation electrification projects like zero-emission car sharing and transit to increase mobility and, potentially, zero-emission freight.

In addition to the requirements established under the 2.0-Liter Partial Consent Decree and SB 92, the Board, via Resolution 24-2, directed CARB to ensure, based on the Consent Decree requirements and Electrify America's voluntary commitments, that:

- Electrify America and CARB prepare and update a census tract-level map of charging station investments highlighting low-income and disadvantaged community investments;
- Electrify America provides hiring opportunities for qualified residents of disadvantaged communities; and
- Report to the Board at least annually on progress toward achieving the objectives of Appendix C.

Public Process

As of January 25, 2024, CARB has approved Cycle 1, Cycle 2, Cycle 3, and Cycle 4 ZEV Investment Plans. Prior to approval of the Cycle 1 Plan, CARB conducted a public process to inform CARB's consideration of Electrify America's ZEV Investment Plans and subsequent implementation and oversight. The process included an early workshop, the release of a CARB Guidance Document to help Electrify America consider public and State feedback in developing its draft ZEV Investment Plan, and three Board meetings. Through this process, CARB confirmed reporting and disadvantaged community spending commitments from Electrify America. The Cycle 1, Cycle 2, and Cycle 3 Plan public processes can be found in detail in the *2023 Senate Bill 92 Report*. Table 1 shows the Cycle 4 public process.

Electrify America meets with CARB staff monthly to discuss implementation progress. Implementation of the Cycle 1 and Cycle 2 Plans is now complete, and Electrify America and CARB continue to meet monthly to discuss implementation of the Cycle 3 and Cycle 4 Plans. CARB approved Electrify America's draft Cycle 4 Plan at the January 2024 Board hearing.

Electrify America also provides CARB and the public with written quarterly and annual reports. To date, the company has submitted annual reports for the 2017, 2018, 2019, 2020, 2021, 2022, 2023, and 2024 calendar years; the most recent annual report was submitted on April 30, 2025. Electrify America provides public access to these reports on its website, which can also be accessed on CARB's Volkswagen's *ZEV Investment Commitment* webpage.

Table 1: Cycle 4 Plan Public Process

Date	Activity	**Information Provided**
08/16/23	Public Meeting	CARB staff solicited additional comments from stakeholders regarding Electrify America's progress toward achieving the objectives of the 2.0-Liter Partial Consent Decree.
10/24/23	Publicly Posted Plan	CARB staff posted Electrify America's proposed Cycle 4 ZEV Investment Plan[2] for public comment.
01/25/24	Board Meeting	Staff provided an overview of the proposed Cycle 4 Plan. The Board approved the Plan but directed staff to work with Electrify America to strengthen the EV charger maintenance provisions of the plan. CARB approved the enhanced maintenance plan in October 2024.

Approved Cycle 1 Plan Investments

CARB approved Electrify America's Cycle 1 ZEV Investment Plan on July 27, 2017. The Cycle 1 Plan covered the 30-month period that concluded on June 30, 2019. The required $200 million was allocated to funding categories that were consistent with the objectives and criteria set forth in Appendix C and SB 92 and were refined during an extensive public process. Details of the funding categories and specific investments can be in the *2023 Senate Bill 92 Report*.

Approved Cycle 2 Plan Investments

CARB approved Electrify America's Cycle 2 ZEV Investment Plan on December 13, 2018. The Cycle 2 Plan covered the 30-month period that began on July 1, 2019, and concluded on December 31, 2021. The 2.0-Liter Partial Consent Decree provides that Electrify America may also complete its Cycle 1 spending activities during Cycle 2 without penalty with a complete spend of $400 million by the end of Cycle 2. The funding categories were consistent with the objectives and criteria set forth in Appendix C and SB 92 and were refined during a public process that included a stakeholder meeting and two Board

[2] Electrify America, 2023. California ZEV Investment Plan: Cycle 4, October 20, 2023. (*https://media.electrifyamerica.com/assets/documents/original/1086-10202023PUBLICCycle4ZIPPlanCARBFINAL.pdf?utm_medium=email&utm_source=govdelivery*)

meetings. Details of the funding categories and specific investments can be in the *2023 Senate Bill 92 Report*.

Approved Cycle 3 Plan Investments

The CARB approved Electrify America's Cycle 3 ZEV Investment Plan on June 24, 2021. The Cycle 3 Plan covered the 30-month period from January 1, 2022, through June 31, 2024. Investments approved in the Cycle 3 Plan began after the Cycle 3 ZEV Investment Plan approval in 2021. The approved investments amounted to $200 million which is the required spending allocation for Cycle 3 per Appendix C. The funding categories are consistent with the objectives and criteria set forth in Appendix C and SB 92. Details of the funding categories and specific investments can be in *the 2023 Senate Bill 92 Report*.

Approved Cycle 4 Plan Investments

CARB approved Electrify America's Cycle 4 ZEV Investment Plan on January 25, 2024, with direction to work with Electrify America to enhance the maintenance provisions of the plan. The Cycle 4 Plan covers the 30-month period from July 1, 2024, through December 31, 2026. Investments approved in the Cycle 4 Plan began after the Cycle 4 ZEV Investment Plan approval in 2024. Table 2 below shows the project funding categories and investment amounts approved by the Board and ordered by the court for the Cycle 4 Plan. The funding categories are consistent with the objectives and criteria set forth in Appendix C and SB 92.[3]

Table 2: Approved Cycle 4 Plan Investments[4]

Investment Category	Investment (in millions)
ZEV Charging Infrastructure	$172
Public Education, Awareness, and Marketing Activities	$8
Operational Expenses	$20
TOTAL	**$200**

[3] Details about progress implementing the Cycle 1, Cycle 2, Cycle 3, and Cycle 4 investment plans are provided in the ZEV Investment Plan Progress section.

[4] Table 2 only reflects planned Cycle 4 Plan investment amounts, as approved by CARB.

Zero-Emission Vehicle Infrastructure: $172 Million

Image source: Electrify America News Update, February 7, 2024.

Network Growth – $92 million

Electrify America will be investing in direct current fast chargers to expand coverage in existing and new metropolitan areas to expand the existing charging network. After completing an internal assessment and utilizing different models to analyze the electric vehicle (EV) market, Electrify America identified 15 metropolitan areas for Cycle 4 charging investments: Nine existing areas where investment occurred in Cycles 1, 2, and 3 and six new areas (El Centro, Merced, Modesto, Redding, Vallejo-Fairfield, and Yuba City). By using the site selection criteria outlined in the Cycle 4 Plan, Electrify America can continue to grow their network to ensure that these site locations will drive ZEV adoption in California.

Station Upgrades – $80 million

Electrify America intends to upgrade sites that the company has determined meet the metrics of replacements established by Electrify America. The metrics Electrify America will factor in when considering a station for upgrades include the age of the charger, utilization, uptime performance, number, and type of work orders for the station, customer feedback of the station, location on key travel routes, parts availability for the station, and serviceability. The chargers at these sites will be replaced with Electrify America's current Generation 4 (Gen IV) ultra-fast chargers that are capable of delivering 350 kilowatts (kW).

Electrify America has identified 600 chargers at approximately 130 locations that were installed as part of Cycles 1 and 2, which will be closely monitored for station upgrades. These stations are spread out in regional routes, highways, and metropolitan areas in California in which Electrify America invested as part of Cycles 1 and 2. Cycle 3 stations are not eligible for upgrades and Cycle 4 investments will already include the equipment that will be used for station upgrades.

Within the station upgrades, Electrify America plans to remove the CHAdeMO charger, which can only deliver up to 50 kW and replace it with a combined charging system charger if there is another CHAdeMO charger, operated by Electrify America or any other charging provider, within 5 miles of the Electrify America site. Electrify America cites low utilization in CHAdeMO chargers, a decline in CHAdeMO-equipped vehicles in the market, and maintenance costs as justification for the removal of CHAdeMO chargers.

Brand-Neutral Public Awareness and Education: $5 Million

In Cycle 4, Electrify America will invest in a number of programs to ensure that ZEV transportation and charging is socially responsible and accessible to all. As part of Cycle 4, Electrify America has committed to support its California Workforce Development Science, Technology, Engineering, and Mathematics

Program, its newly established California ZEV Equitable Access Program, and the California Membership & Sponsorship Program, as well as Veloz's 'Electric for All' Campaign.

From the brand-neutral education and awareness budget, Electrify America will establish the ZEV Equitable Access Program. This program will provide community-based organizations with funds to further education and awareness within California's low-income or disadvantaged communities. Electrify America proposes to engage with the CARB ZEV Equity Task Force to develop program requirements that would be included in a request for proposals to select partners to implement the program. The ZEV Equity Task Force was established by CARB to help implement Board Resolution 22-12 supporting CARB's Advanced Clean Cars II implementation by bringing stakeholders together to identify programs and projects to support equitable access to zero-emission transportation. Electrify America also commits up to $500,000 of this funding for programs proposed by the ZEV Equity Task Force and will incorporate those projects into the request for proposals.

Branded Marketing: $3 Million

Electrify America will use branded marketing to boost station utilization and educate consumers about the network. This messaging will shift from new customers to existing EV drivers in Cycle 4 by utilizing various methods of marketing including television ads, social media posts, and websites. The intent of this branded marketing campaign will be to educate current EV drivers on the innovation and technology at Electrify America sites as well as location, accessibility, and customer experience.

ZEV Investment Plan Progress

As required under the Consent Decree, Electrify America has submitted its 2024 annual report. CARB staff have reviewed the report and found that meaningful progress has been made toward the investment goals established in the Cycle 1, 2, 3, and 4 Plans. The following sections first illustrate Electrify America's progress as of December 31, 2024, in implementing the Cycle 3 and 4 Investment Plan categories, and then present actual expenditures to date in tables 10, 11, 12, and 13 for the four Investment Plans.

Zero-Emission Vehicle Infrastructure

As previously mentioned in the descriptions of the Cycle 1 and Cycle 2 ZEV Investment Plans, Electrify America planned to deploy direct current (DC) fast chargers at sites located both along highway corridors and in the Fresno, Los Angeles, Riverside-San Bernardino, Sacramento, San Francisco, San Diego, San Jose, Santa Cruz-Watsonville, and Santa Rosa metropolitan areas. The Cycle 3 Investment Plan expanded charging infrastructure within the six metropolitan areas in which investments were made in Cycle 1 and Cycle 2, as well as in five new areas: Stockton, Bakersfield, Santa Maria-Santa Barbara, Oxnard-Thousand Oaks-Ventura, and Visalia. Cycle 4 furthers charging investments in key metropolitan areas which include nine existing areas where investments occurred in Cycles 1, 2, and 3 and six new areas including El Centro, Merced, Modesto, Redding, Vallejo-Fairfield, and Yuba City but also focused on updating existing infrastructure to newer technology. The Cycle 1 Plan also deployed Level 2 charging stations at workplace and multi-unit dwellings (MUD) within the same metropolitan areas.

Table 3 shows the cumulative deployment status of ZEV infrastructure, by year, under Cycles 1, 2, 3, and 4 through the fourth calendar quarter (Q4) of 2024. Along with these deployments, Electrify America also upgraded 70 stations to Gen IV equipment.

Table 3: Charging Infrastructure Status

		Status	In permitting	Permit complete	Site work complete	Operational
DC Fast Charging Stations	--	Q4 2018	72	35	9	3
		Q4 2019	165	152	128	78
		Q4 2020	228	207	185	152
		Q4 2021	269	262	248	214
		Q4 2022	278	270	258	248
		Q4 2023	282	275	266	257
		Q4 2024	278	271	271	268
Level 2 Charging Stations	MUDs/ Workplace	Q4 2018	--	--	--	74
		Q4 2019	--	--	--	241
	Rural Solar	Q4 2020 –Q4 2022	N/A	N/A	N/A	30

Electrify America reports that 55% of the operational DC fast chargers and 47% of the operational Level 2 chargers are in disadvantaged and low-income communities. By December 2024, Electrify America had installed over 100 battery energy storage systems (BESS) that, in total, have a power rating of more than 30 megawatts (MW). These onsite battery systems, located at the EV charging stations, can reduce high utility demand charges and on-peak energy charges, while easing grid loads by using lower-priced energy that was stored during low-demand periods. These systems are also capable of operating as virtual power plants that provide behind-the-meter power to the electric grid for demand response.

In 2022, Electrify America entered into a virtual power purchase agreement with Terra-Gen to build a solar photovoltaic renewable energy generation project called Solar Glow in San Bernardino County, California. This project generates 75 MW at its peak capacity, which is enough power to generate 150 kilowatts (kW) of charging speed at 500 stations simultaneously. Operations of Solar Glow began in 2023 and continued operations throughout 2024.

In October 2023, Electrify America launched its first megawatt BESS at their Baker, California station location. This application operates at 1.5 MW/3 MWh combined with a 66 kW solar canopy to reduce the charging impact to the grid. Electrify America continued this operation in 2024.

Finally, in 2020 and 2021 Electrify America deployed 30 transportable and solar-powered EV ARC™ stand-alone Level 2 charging stations to rural areas in the state, with a high proportion being placed in rural Fresno County. Each station is equipped with a 4.28 kW sun-tracking solar array, 32 kW-hours of onboard battery storage, and two Level 2 chargers that allow two customers to charge simultaneously. These stations continued to be operated throughout 2024.

Electrify America's updated maintenance plan for EV chargers was approved in October 2024 which provided additional reporting requirements on station availability and daily required uptime. Electrify America's daily minimum required uptime for Cycle 4 chargers is 90% with a target uptime of 97%. For the 2024 Annual Report, the maintenance plan reporting was from July 1, 2024, to December 31, 2024. For legacy equipment, which is equipment installed before Gen IV chargers, Electrify America's daily minimum required uptime is 75% with a target uptime of 85%. Electrify America reported actual performance for their network which included a weighted availability of 96.82% availability for Gen IV chargers and 90.11% availability for legacy chargers. Electrify America also had four categories of maintenance activities for which their internal team of Field Service Technicians strived to achieve the maintenance response targets in those categories while prioritizing chargers in disadvantaged and low-income communities.

Electrify America reported that it continued to experience permitting and utility interconnect challenges in 2024[5]. Permitting timelines in California increased to an average 121 business days in 2024 which is an increase from an average of 87 days in 2023. Electrify America indicated that this is 15% longer than the national average. Electrify America reported that this extended timeline means it also costs the company 42% more, on average, to design and construct a fast-charging station in California than in the rest of the United States. Utility interconnection timelines did not improve in 2024, increasing at an average of 102 weeks in California.

Cycle 1 Sacramento Green City ZEV Access Demonstration Project

Electrify America continued to report in 2024 on its zero-emission car sharing and transit services, and the associated charging infrastructure, in the Sacramento area via its first Green City Initiative. Throughout the implementation of the first Green City Initiative, Electrify America installed 14 DC fast charging stations in Sacramento.

In Q1 2019, Electrify America signed an agreement with Sacramento Regional Transit (SacRT) and Yolo County Transportation District to provide 12 Proterra E2 Catalyst electric transit buses for the Causeway Connection, a service linking UC Davis to downtown Sacramento and UC Davis Medical Center. In 2024, the buses provided 569,230 passenger miles of service. They were supported by ultra-fast charging stations at four sites – the SacRT depot, the Yolo County Transportation District depot, and 2 enroute locations in Davis and Sacramento. Electrify America reports that 100% of this investment is considered to meet disadvantaged or low-income criteria.

In 2020, Electrify America in partnership with SacRT and the Franklin Neighborhood Development Corporation launched an on-demand micro-transit shuttle bus service along Franklin Boulevard, as part of SacRT's SmaRT Ride initiative, using GreenPower EV Star shuttles. The service continued throughout 2024 and is planned to continue into the future. It provided an estimated 2,590 passenger miles of

[5] Descriptions of these challenges and Electrify America's responses to them are as reported by Electrify America in their 2024 Annual Report.

service. Of the census tracts in the GreenPower shuttle service territory, 88% are in low-income and/or disadvantaged communities.

Cycle 3 Long Beach/Wilmington Green City Initiative

With the approval of the Cycle 3 ZEV Investment Plan in June 2021, Electrify America began foundational work for the Cycle 3 Green City Initiative in the City of Long Beach and the Wilmington neighborhood in Los Angeles. In August 2021, Electrify America announced a collaboration with NFI Industries that will result in the installation of 34 ultra-fast DC chargers to support heavy-duty electric trucks. With the installation of these chargers, NFI plans to deploy 70+ electric drayage trucks that will operate from the ports of Los Angeles and Long Beach to NFI's facility in Ontario, California. The installation will include 150 kW and 350 kW chargers at the NFI facility in Ontario, California. Distributed energy resources, including solar photovoltaic and battery storage, will be located at the charging site. Electrify America commissioned 10 chargers in 2024, and the remaining chargers will be commissioned in 2025.

In 2022, Electrify America and 4 Gen Logistics announced that 30 dedicated 150 kW ultra-fast and 350 kW hyper-fast chargers with BESS at the Port of Long Beach will be installed. In Q3 2024, the Port of Long Beach charging station was open. Additionally, 14 ultra-fast and hyper-fast chargers with BESS at 4 Gen's Rialto, California location will also be installed by the end of Cycle 4. The installation of these chargers will support operations of 60 electric trucks that 4 Gen is operating. In Q1 2024, the charging station at the 4 Gen site in Rialto was commissioned.

Public Education, Awareness, and Marketing

In 2024, Electrify America continued to collaborate with community-based organizations and aimed to assist community members with upgrading to a ZEV, supporting previous efforts to provide digital and in-person education, EV ride and drives, and community engagements. The funding to these community-based organizations continued in 2024 and a summary of their activities is as follows:

- Breathe SoCal shows the benefits of driving electric by providing ZEV ride and drive events, hosting ride-share driver EV educational sessions, and putting together an EV competition in the Long Beach-Wilmington area. In 2024, this organization participated in 19 community events that reached 863 individuals. They hosted two Green City events in Long Beach which reached 166 individuals, and conducted 2 "Ready, Set, Go" events that educated 27 students on EVs. In Q4, Breathe SoCal released their second PSA video regarding ZEVs.

- Ecology Action (EcoAct) works with community partners to provide ZEV ride-and-drives, ZEV showcase events, and ZEV purchase guidance in the Central Coast region. In 2024, EcoAct hosted 16 car shows, 12 canvassing events, 9 tabling events, 3 webinars, and 2 ride and drive events that engaged over 1,500 residents. They have also enrolled 646 residents into their EV Assistance Program of which 174 participants purchased an EV. EcoAct also worked with Fused Technology to deliver Mission Z e2, a program on ZEV technology, to 660 students, conducted outreach with and trained 28 educators on ZEVs and hosted a Smart Mobility livestream for 12 experts.

- Valley Clean Air Now (CAN) and its partners offer San Joaquin Valley low-income or disadvantaged community groups an opportunity to drive ZEVs, and provide hands-on help qualifying drivers for ZEV incentives. In 2024, Valley CAN's completed 1,895 replacement transactions through their Clean Cars 4 All initiative. They hosted Community Clean Car Clinics (CCCC) that had attendants from 3,591 households. Through CCCC and Tune In & Tune Up events, they completed 517 EV test drives. Valley CAN also previewed a ZEV Equity documentary for over 160 attendees at the Detroit Club, the Forth RoadMap Conference, and EV Week 2024.
- Plug In America (PIA) helps individuals and entities understand the benefits of EVs. PIA held 9 ride and drive events, which resulted in 827 test drives. They had an EV education booth during the San Bernadino County Museum's Shake or Treat Earthquake and Emergency Preparedness Event which had over 60 participants. They participated in a Community Engagement and Expungement Event in Compton, CA where they provided 42 test drives. Plug In America also was a part of the Compton Christmas Parade which provided test drives to 78 residents.

To further support brand-neutral ZEV education and awareness, Electrify America invested in education and workforce development programs in science, technology, engineering, and math (STEM), as they relate to ZEVs. In 2024, Electrify America continued to support the following organizations and their STEM education and workforce programs:

- EcoAct's Mission Z education program reached approximately 4,000 educators and staff from 256 schools. Mission Z helps K-12 schools and educators develop material for EV education which includes AI tools, virtual field trips, an online Tutorial Live Chat function, and updated lesson plans. EcoAct reported that program users saw engagement of students through interactive projects, problem-solving scenario-based activities, and opportunities for creativity.
- In 2024, Ignited, Acterra, and RAFT launched the Transportation EVolved Toolkit which provides educators with free electric vehicle lesson plans, resources, and programs. Through meetings and learning seminars, Ignited and Acterra reached 66 educators, and provided 2 awards to educators through their Fund for Innovation EV Projects. Ignited and RAFT delivered 2,000 EV classroom activity kits linked to the Transportation EVolved Toolkit for 15 educators and hosted 3 EV kit workshops for 6 educators and 100 students. Ignited created social media posts, newsletters, and marketing videos about the initiative, their partnership with Acterra and RAFT, the grant from Electrify America, and the EV programs for teachers and a video about the grant Electrify America awarded them.
- Valley CAN partnered with 10 California community colleges and high schools in the San Joaquin Valley to develop an EV Workforce Training curriculum. A couple of colleges ordered electric vehicle supply equipment (EVSE) equipment to facilitate training which prompted Valley CAN to install EVSE training equipment for 5 additional schools. Valley CAN supported development and training of curriculums at 15 San Joaquin Valley schools. Valley CAN is currently updating their curriculums and developing an EVSE "train-the-trainer" course to train more instructors.

Total Expenditures

Tables 4, 5, 6, and 7 on the following pages reflect Electrify America's expenditures under the Cycle 1, Cycle 2, Cycle 3, and Cycle 4 ZEV Investment Plans, respectively, through December 31, 2024, as reported in its 2024 Annual Report[6]. The independent, third-party auditor has provided CARB an attestation that these expenditures were made consistent with the Consent Decree and Plan approvals.

Table 4: Electrify America's Cycle 1 Zero-Emission Vehicle (ZEV) Investment Plan Creditable Expenditures

Investment Category	Amounts/Expenditures	Description	Low-income / DAC Spending
ZEV Infrastructure	Planned: $120,000,000 Expended: $120,000,000 Remaining: $0	Install, operate, and maintain highway and community charging stations.	Electrify America has demonstrated to CARB staff that, for each of the three spending categories, Cycle 1 cumulative creditable costs in disadvantaged and low-income communities exceeded 35%. However, Electrify America considers its specific disadvantaged and low-income community spending levels, and the percentage of its investments, as contained in its creditable cost reports, to be confidential and proprietary information. For this reason, CARB is unable to share the specific expenditures in disadvantaged and low-income communities.
Sacramento Green City ZEV Access Demonstration Project	Planned: $44,000,000 Expended: $44,000,000 Remaining: $0	Establish and market zero-emission car share and transit services.	
ZEV Awareness and Education	Planned: $20,000,000 Expended: $20,927,072 Remaining: $0	Broad social, web-based, and traditional media brand-neutral awareness program.	
Administration	Planned: $16,000,000 Expended: $16,195,464 Remaining: $0	Overhead expenses include personnel, service agreements, office/facility, legal, and related costs, as provided in the Consent Decree.	
Total:	Planned: $200,000,000 Expended: $201,122,536 Remaining: $0	--	

[6] Electrify America, 2025. 2024 Annual Report to California Air Resources Board, April 30, 2025. (*https://ww2.arb.ca.gov/resources/documents/electrify-america-reports*)

Table 5: Electrify America's Cycle 2 ZEV Investment Plan Creditable Expenditures

Investment Category	Amounts/Expenditures		Description	Low-income / DAC Spending
ZEV Infrastructure	Planned: Expended: Remaining:	$153,000,000 $156,319,295 $0	Install, operate, and maintain highway and community charging stations.	Electrify America has demonstrated to the California Air Resources Board (CARB or Board) staff that, for each of the three spending categories, Cycle 2 creditable costs in disadvantaged and low-income communities exceeded 35%. However, Electrify America considers its specific disadvantaged and low-income community spending levels, and the percentage of its investments, as contained in its creditable cost reports, to be confidential and proprietary information. For this reason, CARB is unable to share the specific expenditures in disadvantaged and low-income communities.
Public Education, Awareness and Marketing	Planned: Expended: Remaining:	$27,000,000 $27,909,765 $0	Broad social, web-based, and traditional media brand-neutral awareness program. Market charger locations, charging speed, acceptable payment methods, amenities, accessibility, and affordability (subscription plans and automaker bundling).	
Sacramento Green City ZEV Access Demonstration Project	Expended: Remaining:	$101,011 $0	Provide operational support to the zero-emission car share and transit services.	
Administration	Planned: Expended: Remaining:	$20,000,000 $15,669,930 $0	Overhead expenses include personnel, service agreements, office/facility, legal, and related costs, as provided in the Consent Decree.	
Total:	Planned: Expended: Remaining:	$200,000,000 $200,000,000 $0	--	

Table 6: Electrify America’s Cycle 3 ZEV Investment Plan Creditable Expenditures

<table>
<tr><th>Investment Category</th><th>Amounts/Expenditures</th><th>Description</th><th>Low-income / DAC Spend</th></tr>
<tr><td>ZEV Infrastructure</td><td>Planned: $127,000,000
Expended: $160,744,496
Remaining: $0</td><td>Install, operate, and maintain highway and community charging stations.</td><td rowspan="5">Electrify America has demonstrated to CARB staff that some Cycle 3 creditable costs through 2023 are being spent in disadvantaged and low -income communities. However, Electrify America considers its specific disadvantaged and low -income community spending levels, and percentage of its investments, as contained in its creditable cost reports, to be confidential and proprietary information. For this reason, CARB is unable to share the specific expenditures in disadvantaged and low-income communities.</td></tr>
<tr><td>Public Education, Awareness and Marketing</td><td>Planned: $28,000,000
Expended: $11,332,135
Remaining: $16,667,865</td><td>Broad social, web -based, and traditional media brand -neutral awareness program. Continue to use both traditional and social media to increase public awareness of ZEVs and ZEV benefits.</td></tr>
<tr><td>Long Beach/ Wilmington Green City ZEV Access Demonstration Project</td><td>Planned: $25,000,000
Expended: $1,039,376
Remaining: $23,960,624</td><td>Establish and implement projects for medium and heavy-duty electric vehicles.</td></tr>
<tr><td>Administration</td><td>Planned: $20,000,000
Expended: $18,628,718
Remaining: $1,371,282</td><td>Overhead expenses include personnel, service agreements, office/facility, legal, and related costs as provided for in the Consent Decree.</td></tr>
<tr><td>Total:</td><td>Planned: $200,000,000
Expended: $191,744,726
Remaining: $8,255,274</td><td>--</td></tr>
</table>

Table 7: Electrify America's Cycle 4 ZEV Investment Plan Creditable Expenditures

Investment Category	Amounts/Expenditures	Description	Low-income / DAC Spend
ZEV Infrastructure	Planned: $172,000,000 Expended: $66,681,394 Remaining: $105,318,606	Install, operate, and maintain highway and community charging stations.	Electrify America has demonstrated to CARB staff that some Cycle 4 creditable costs through 2024 are being spent in disadvantaged and low-income communities. However, Electrify America considers its specific disadvantaged and low-income community spending levels, and percentage of its investments, as contained in its creditable cost reports, to be confidential and proprietary information. For this reason, CARB is unable to share the specific expenditures in disadvantaged and low-income communities.
Public Education, Awareness and Marketing	Planned: $8,000,000 Expended: $0 Remaining: $8,000,000	Broad social, web-based, and traditional media brand-neutral awareness program. Continue to use both traditional and social media to increase public awareness of ZEVs and ZEV benefits.	
Long Beach/ Wilmington Green City ZEV Access Demonstration Project	Planned: $0 Expended: $0 Remaining: $0	Establish and implement projects for medium and heavy-duty electric vehicles.	
Administration	Planned: $20,000,000 Expended: $12,354,293 Remaining: $7,645,707	Overhead expenses include personnel, service agreements, office/facility, legal, and related costs as provided for in the Consent Decree.	
Total:	Planned: $200,000,000 Expended: $79,035,688 Remaining: $120,964,312	--	

Low-Income or Disadvantaged Community Benefits

As described in Tables 4, 5, 6, and 7 Electrify America has provided CARB staff with confidential expenditure information demonstrating that Cycle 1 and Cycle 2 spending in each of the investment categories meets or exceeds the 35% target set by SB 92, and voluntarily agreed to by Electrify America, for benefiting low-income or disadvantaged communities disproportionately impacted by air pollution. The confidential expenditure information for Cycle 3 and Cycle 4 shows that some categories meet the 35% target set by SB 92, and voluntarily agreed to by Electrify America, for benefiting low-income or disadvantaged communities disproportionately impacted by air pollution.

CARB staff will continue to oversee Electrify America's ZEV Investment Plan spending, and will strive to ensure that, to the maximum extent allowable under the 2.0-Liter Partial Consent Decree, at least 35% of Investment Plan funds benefit low-income or disadvantaged communities disproportionately affected by air pollution, consistent with SB 92.

VW Environmental Mitigation Trust – Consent Decree Appendix D

The VW Mitigation Trust (Trust) is intended to fully mitigate past and future excess oxides of nitrogen (NOx) emissions from the VW vehicles that were the subject of the settlement. Under the terms of the Consent Decree, the court ordered VW to pay $2.7 billion into a national Trust which the Trustee, Wilmington Trust, N.A. manages. Funds were allocated to each of the 50 states, the District of Columbia, and Puerto Rico, based on their respective number of VW vehicles that were the subject of the settlement. California's total allocation of the Trust from both the 2.0-Liter and 3.0-Liter vehicle Consent Decrees is about $423 million[7]. The eligible mitigation actions (project funding categories) are limited by the court to only those listed in the Consent Decree and include mostly scrap-and-replace projects for the heavy-duty sector.

In addition to the requirements established under Appendix D and SB 92, the Board, via Resolution 18-21, directed staff to report to the Board at least annually on progress toward achieving the objectives of Appendix D. In 2022 CARB staff reflected on lessons learned during the first years of implementation, considered feedback from stakeholders and worked with all three air districts to improve implementation of the incentive program by making minor adjustments to the Beneficiary Mitigation Plan (BMP or Plan) while remaining in line with the original BMP. In 2023 staff provided updates to the Board in a memo. The memo provided a summary of changes to improve implementation of the incentive program, following the guiding principles identified in the BMP. The modifications include updating the original projected NOx emission reduction target, and making minor modifications to the BMP to align the incentive funding amounts with other CARB incentive programs, providing clarification on stacking ability, as well as quantification of emission reductions. The changes were developed based on lessons learned during the first years of implementation, feedback from stakeholders and ongoing coordination with implementing air districts.

The improvements outlined in the 2023 memo to the Board resulted in increased demand for all affected project categories. Staff continued their coordination with administering air districts to reallocate funding from undersubscribed project categories to oversubscribed project categories with unmet demand. Through the reallocation, total allocation amounts for marine vessel repowers, shore power installation, and freight switcher locomotives increased while the allocations for airport ground support equipment, heavy-lift forklifts and zero-emission class 8 freight and drayage trucks was reduced. As a result of these changes there will be no funding remaining for compressed natural gas trucks.

Public Process

As the Lead Agency for implementing California's Trust allocation, CARB was responsible for selecting project administrators and developing a BMP that describes how California's Trust allocation will be spent consistent with the court's orders, including the goals for the use of the funds; the eligible mitigation actions to be funded and the corresponding allocations; the estimated emission reductions;

[7] California's total Trust allocation is $422,636,320.14.

and consideration of the emissions benefits for areas disproportionately impacted by air pollution. CARB developed the BMP through an extensive public process, and the Board approved the plan at its public meeting on May 25, 2018, and reported the Plan to the Trustee in June 2018. To develop the BMP, CARB staff held 8 public meetings over a 7-month period in 2017 and 2018. Following the Plan approval, the project administrators, in coordination with CARB staff, held 6 public work group meetings throughout the State to solicit feedback from stakeholders on designing the implementation process and application requirements for each of the 5 Board approved project funding categories.

The funding described in the BMP complements a portfolio of other clean transportation investments by CARB, other State agencies, and local governments. There will be considerable investment in heavy-duty vehicle and equipment emission reductions through the BMP, and through continued implementation with other CARB mobile source incentive programs. The next section describes the projects in the BMP that are being funded by California's portion of the Appendix D funds.

Proposed and Actual Trust Expenditures

California's Trust expenditures are expected to fully mitigate the excess NOx caused by the subject VW diesel vehicles in California. Originally, staff calculated the estimated NOx emissions from non-compliant VW passenger vehicles in California was approximately 10,000 tons. This estimate assumed 85% of the subject vehicles met the recall or buy-back requirements by mid-2019 and 15% of the vehicles would remain on the road. As of 2022, the actual percentage of vehicles that met recall or buyback requirements was substantially higher than anticipated, and the number of noncompliant vehicles that remained on the road was significantly less than originally estimated. The increased recall and buyback rate significantly reduced the amount of excess NOx to be mitigated in California. As a result, new modeling indicates that the excess emissions are approximately 6,550 tons.

Table 8 shows the project funding categories, allocations the Board approved in the BMP, and percentages of funding expected to benefit low-income or disadvantaged communities.

Table 8: Project Funding Categories and Allocations

Project Funding Category	Project Allocation (millions)	Benefiting Low-Income or Disadvantaged Communities
Zero-Emission Transit, School, and Shuttle Buses	$130	50%
Zero-Emission Class 8 Freight and Port Drayage Trucks	$79.6	50%
Zero-Emission Freight and Marine Projects	$70	75%
Combustion Freight and Marine Projects*	$70.4	50%
Light-Duty ZEV Infrastructure	$10	35%
Reserve (including administrative costs)	$63	N/A
TOTAL	**$423**	**> 50%**

*0.02 gram per brake-horsepower-hour (g/bhp-hr)

These investments will:

- Reduce risk to children and other sensitive populations, while striving to fully mitigate the lifetime excess NOx caused by the subject VW diesel vehicles;
- Support adoption of commercially available zero-emission technologies in the heavy-duty sector;
- Align with State priorities, and help meet California's ZEV and petroleum use reduction goals; and
- Invest funds statewide, with a focus on benefiting low-income or disadvantaged communities.
- Comply with the court orders limiting how Trust funds may be used.

The following sections describe the project funding categories and expenditures, and the current status of each. As required by the Consent Decree, each funding category except for light-duty infrastructure, is required to operate as a scrap-and-replace program. This means, for each funded vehicle, engine, or piece of equipment the existing eligible vehicle or engine must be scrapped in order to qualify for funding a new vehicle, engine, or piece of equipment.

California's three largest air districts are administering the project funding categories on a statewide basis (shown in Figure 1 below) with CARB oversight. Each of these air districts has extensive experience administering public funds for air quality improvement programs and is well-suited to administer funding for the respective project funding categories.

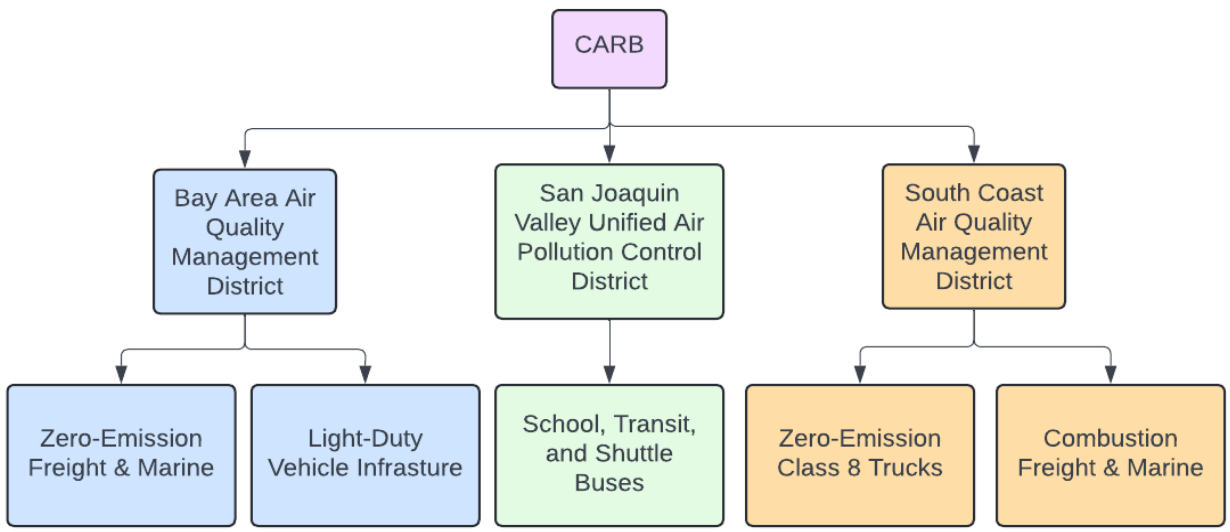


Figure 1. Organizational chart of the California Volkswagen Mitigation Trust. CARB oversees the program, while three air districts manage five program funding categories.

Administrators are responsible for a wide range of tasks associated with implementing funding from the project funding categories. These include, but are not limited to, conducting public meetings to determine implementation details and funding application requirements; outreach, including targeted outreach for low-income or disadvantaged communities; developing solicitations and application materials; processing and scoring applications for project selection; tracking expenditures; calculating actual emission reductions; conducting inspections for scrapped vehicles and engines; record keeping; and reporting to CARB. CARB will continue to oversee project administration and may conduct programmatic reviews and fiscal audits.

Zero-Emission Transit, School, and Shuttle Buses: $130 Million

Funding for this category is intended to replace older, eligible Class 4-8 combustion transit, shuttle, and school buses with new, commercially available zero-emission buses, reducing diesel's harmful impacts on children and disadvantaged communities. The funding is being implemented in two equal solicitations of $65 million each and is being made available on a first-come, first-serve basis. Until 2023, each of the three bus categories was limited to receiving no more than 50% of the initial

allocation. Staff expects at least 50% of the total project funds will benefit low-income or disadvantaged communities.

The San Joaquin Valley Air Pollution Control District (APCD) is administering this funding category statewide, with CARB oversight. San Joaquin Valley APCD conducted public work group meetings throughout the State in spring 2019 to seek input on the application process and requirements, with the intent of developing a streamlined funding process. San Joaquin Valley APCD opened the first statewide $65 million funding opportunity in October 2019 and opened the second statewide $65 million funding opportunity in October 2022.

Funding requests for school buses quickly exceeded funding available in both the first and second solicitations. Funding requests for transit and shuttle buses has now also exceeded the funding available. Since the School Bus category is significantly oversubscribed, it is no longer accepting applications. However, applicants are still able to apply to be put on a waitlist for transit and shuttle buses. Table 9 below shows the total funding requests received for all bus categories as of December 31, 2024.

Table 9: Zero-Emission Bus Applications Received[8]

Category	Number of Applications Received	Funds Requested Claims
School Bus	958	$382,520,000
Transit Bus	477	$175,500,000
Shuttle Bus	136	$23,056,000
Total	**1,571**	**$581,076,000**

Table 10 below shows the contracted funding for zero-emission buses as of December 31, 2024. The San Joaquin Valley APCD is continuing to enter into contracts with selected grantees for the remaining funding.

Table 10: Zero-Emission Bus Funding Awarded as of December 31, 2024

Category	Number of Vehicles	Funding Awarded	Percentage in Low-Income or Disadvantaged Communities
School Bus	153	$60,500,000	78%

[8] Not all applications result in funded projects, as eligibility, contracting, and cost-share requirements may affect funding. Future reports will include information on funded projects as they occur.

Transit Bus	161	$54,400,000	100%
Shuttle Bus	36	$5,900,000	87%
Total	**350**	**$120,800,000**	**88%**

To cover current costs, and in anticipation of upcoming costs, the Trustee has approved and disbursed to California $130,000,000 for vehicle purchases and about $4,600,000 for administrative costs. Since inception, the project administrator and CARB have expended about $3,125,000 of the amount disbursed for administrative costs. This includes, but is not limited to, project development, staffing costs for statewide public meetings, application process development, travel, outreach (including website development), developing a database for tracking fund distribution and emission reductions, recordkeeping, and reporting.

The map below graphically illustrates the location of Trust funding for zero-emission buses distributed across the state.

Zero-Emission Class 8 Freight and Port Drayage Trucks: $79.6 Million

Funding for this category is being used to replace eligible Class 8 combustion drayage trucks and freight trucks including waste haulers, dump trucks, and concrete mixers with new zero-emission technologies.

The South Coast Air Quality Management District (AQMD) is administering this funding category statewide, with CARB oversight. South Coast AQMD conducted public work group meetings throughout the State in spring 2019 to seek input on the application process and requirements, with the intent of developing a streamlined funding process. South Coast AQMD released the first statewide solicitation of $27 million (30% of the allocation for this project funding category) in summer 2020. While many zero-emission Class 8 trucks are commercially available today, manufacturer diversity was limited in 2018 when California's BMP was approved. Therefore, less than 50% of the funding was allocated to the first solicitation to allow time for manufacturers to bring additional truck model diversity to the market.

Funds are available on a first-come, first-serve basis. For each vehicle funded, the incentive amount is intended to help offset zero-emission vehicle (ZEV) infrastructure costs. Staff expects that at least 50% of the total project funds will benefit low-income or disadvantaged communities.

When the first solicitation opened, the project category was over-subscribed within the first week, indicating a strong demand for commercially available Class 8 trucks. However, as South Coast AQMD worked to get truck projects under contract at the same time the COVID-19 pandemic hit, a number of applicants withdrew or were deemed ineligible leaving roughly $9 million in the first installment unclaimed. In August 2022, South Coast AQMD reopened the zero-emission Class 8 funding category and will continue accepting applications until all funds have been fully allocated. In March 2024, the South Coast AQMD began implementing the improvements outlined in the 2023 memo to CARB's Board, which resulted in significant increased demand for all affected project categories with requests exceeding the available funding in some project categories. Staff coordinated with South Coast AQMD to reallocate roughly $10 million to the Combustion Freight and Marine project category to be used strictly for zero-emission freight switcher locomotives. The table below shows the total funding requests received as of December 31, 2024.

Table 11: Zero-Emission Class 8 Truck Applications Received[9]

Category	Number of Applications Received	Funds Requested
Drayage Trucks	36	$32,090,000
Dump Truck	7	$2,635,000

[9] Not all applications result in funded projects, as eligibility, contracting, and cost-share requirements may affect funding. Future reports will include information on funded projects as they occur.

Freight Trucks	45	$78,600,000
Waste Haulers	71	$54,100,000
Total	**159**	**$167,425,000**

Table 12 below shows the contracted funding for zero-emission Class 8 Trucks as of December 31, 2024. The South Coast AQMD is continuing to enter into contracts with selected grantees for the remaining funding.

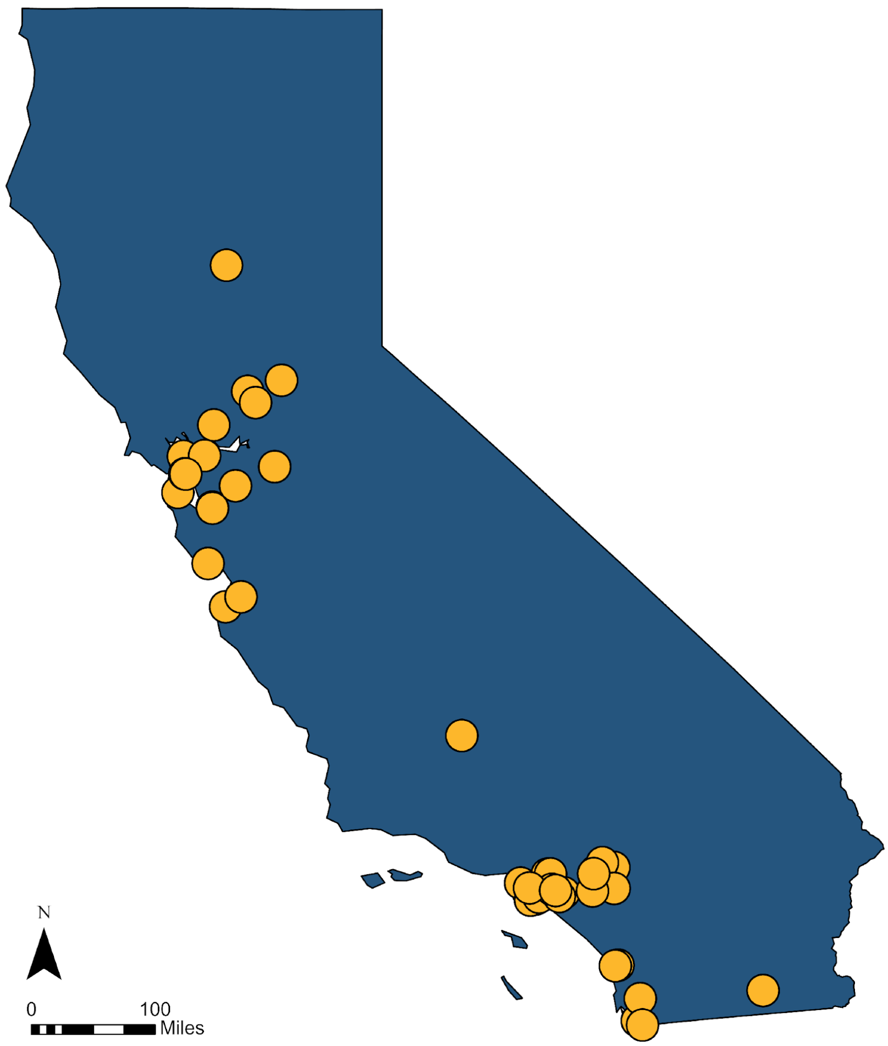
Table 12: Zero-Emission Class 8 Truck Funding Awarded as of December 31, 2024

Category	Number of Vehicles	Funding Awarded	Percentage in Low-Income or Disadvantaged Communities
Drayage Trucks	14	$2,985,000	100%
Dump Trucks	3	$600,000	100%
Freight Trucks	97	$20,740,000	87%
Waste Haulers	57	$11,750,000	83%
Total	**171**	**$36,075,000**	**87%**

To cover current costs, and in anticipation of upcoming costs, the Trustee has approved and disbursed to California $73,900,000 for vehicle purchases and about $8,212,000 for administrative costs through December 2024. The project administrator and the California Air Resources Board (CARB or Board) have expended about $4,302,000 of the amount disbursed for administrative costs to support implementation, including, but not limited to, project development, staffing costs for statewide public meetings, online application process development, travel, outreach (including website development), developing a database for tracking fund distribution and emission reductions, application review, contract development and execution, recordkeeping, and reporting.

The map below graphically illustrates the location of Trust funding for zero-emission Class 8 trucks distributed across the state.

Zero-Emission Freight and Drayage Truck Funding
Through December 31, 2024



Combustion Freight and Marine Projects: $70.4 Million

Funding for this category is intended to replace eligible class 7 and 8 freight and port drayage trucks, including waste haulers, dump trucks, and concrete mixers, or their engines, freight switcher locomotives or their engines, or repower ferry, tugboat, and towboat engines, with the cleanest

commercially available internal combustion or hybrid technologies. Eligible trucks may only be replaced or repowered with engines meeting the 0.02 gram per brake horsepower-hour NOx standard or cleaner.

This funding category is being allocated in two solicitations of $30 million each, at least two years apart, so that CARB can monitor progress and adjust as needed to stay on track with the NOx emission reduction targets, as described in the BMP. Staff expects that at least 50% of this allocation will benefit low-income or disadvantaged communities.

South Coast AQMD is administering this funding category statewide. South Coast AQMD conducted public work group meetings throughout the State in spring 2019 to seek input on the solicitation process and requirements. South Coast AQMD first solicitation was opened in December 2019 as a competitive solicitation for $30 million, with a closing date in March 2020. The funding was under-subscribed, with about $7 million in project applications received. Contributing factors include the availability of funding from other programs at the time the solicitation was open, and prospective applicants' potential hesitancy to apply for funding at the start of a global pandemic. South Coast AQMD re-solicited the remaining funds, using a first-come, first-serve model to streamline the application process.

Due to market availability South Coast AQMD will no longer be offering funding for combustion drayage trucks; those funds have been reallocated to focus solely on zero-emission freight switcher locomotives. The table below shows the total funding requests from all solicitations as of December 31, 2024.

Table 13: Combustion Freight and Marine Applications Received[10]

Category	Number of Applications Received	Funds Requested
Concrete Mixer	2	$121,000
Drayage Trucks	60	$16,900,000
Freight Trucks	34	$7,900,000
Marine Engines	19	$52,950,000
Switchers	26	$134,173,000
Waste Haulers	42	$25,500,000
Total	**183**	**$237,544,000**

[10] Not all applications result in funded projects, as eligibility, contracting, and cost-share requirements may affect funding. Future reports will include information on funded projects as they occur.

Table 14 below shows the contracted funding for eligible applicants from Combustion Freight and Marine projects as of December 31, 2024.

Table 14: Combustion Freight and Marine Funding Awarded as of December 31, 2024

Category	Number of Vehicles	Funding Awarded	Percentage in Low-Income or DAC
Freight Trucks	63	$3,156,000	51%
Drayage Trucks	57	$4,722,000	93%
Waste Haulers	97	$7,735,000	97%
Marine	4	$8,367,000	100%
Total	**221**	**$23,980,000**	**91%**

To cover current costs, and in anticipation of upcoming costs, the Trustee has approved and disbursed to California $60,000,000 for vehicle purchases, and about $6,600,000 for administrative costs. Since inception, the project administrator and CARB have expended about $4,280,000 of the amount disbursed for administrative costs. This includes, but is not limited to, project development, staffing costs for statewide public meetings, solicitation and application process development, travel, outreach (including website development), developing a database for tracking fund distribution and emission reductions, application review, developing and executing contracts with applicants, recordkeeping, and reporting.

The map below graphically illustrates the location of Trust funding for combustion freight and marine projects distributed across the state.

Combustion Freight and Marine Project Locations
Through December 31, 2024

Zero-Emission Freight and Marine Projects: $70 Million

Funding for this category is being used to replace eligible airport ground support equipment, forklifts, and port cargo handling equipment with new, commercially available, zero-emission technologies, and for shore power systems at berth for oceangoing vessels. Ferries, tugboats, and tow boats are also eligible to be repowered with zero-emission engines.

These funds are being administered in two equal increments of $35 million, so that CARB can monitor progress and adjust the implementation of the project category as needed. At least 75% of this allocation will benefit low-income or disadvantaged communities.

The Bay Area AQMD is administering this funding category statewide. Bay Area AQMD conducted public work group meetings throughout the State in spring 2019 to seek input on the solicitation process and requirements. Bay Area AQMD released a competitive solicitation for the first statewide $35 million installment in June 2020, with a closing date in August 2020. The funding was under-subscribed, with about $8 million in project applications received. Contributing factors include the COVID-19 pandemic's impacts on maritime ports[11] and airports, the two primary sectors eligible for the funding, coupled with the early stage of zero-emission technology adoption in the off-road and marine sectors.

All solicitations since the first have been conducted on a first-come, first-serve model to allow for enhanced outreach and support to potential applicants. The district closes solicitations as needed to implement minor program updates approved by CARB and then subsequently reopens them. With each new solicitation the district hosts webinars, conducts presentations, and coordinates with statewide organizations and associations to distribute information to potential applicants. The table below shows the total funding requests to date from all solicitations through December 31, 2024.

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[11] PortStrategy, California Ports Cautious After Volume Loss, June 11, 2020. *https://www.portstrategy.com/news101/world/americas/1247720.article* .

Table 15: Zero-Emission Freight and Marine Applications Received[12]

Category	Number of Applications Received	Funds Requested
Heavy-Lift Forklifts/Cargo Handling Equipment	49	$32,983,000
Airport Ground Support Equipment	6	$1,512,000
Ferry/Tug/Tow Repowers	7	$30,338,000
Shore Power	6	$21,350,000
Total	**68**	**$86,183,000**

Table 16 below shows the contracted funding for Zero-Emission Freight and Marine as of December 31, 2024. The Bay Area AQMD is continuing to enter into contracts with selected grantees for the remaining funding.

Table 16: Zero-Emission Freight and Marine Funding Awarded as of December 31, 2024

Category	Number of Vehicles/Pieces of Equipment	Funding Awarded	Percentage in Low-Income or DAC
Airport Ground Support Equipment	10	$520,000	60%
Heavy-Lift Forklifts/Cargo Handling Equipment	86	$15,400,000	86%
Ferry/Tug/Tow Repowers	5	$2,428,000	40%
Shore Power	6	$13,500,000	100%
Total	**107**	**$31,848,000**	**88%**

To cover current costs, and in anticipation of upcoming costs, the Trustee has approved and disbursed to California $51,444,850 for equipment purchases, and about $5,751,000 for administrative costs. Since inception, the project administrator and CARB have expended about $3,466,000 of the amount disbursed for administrative costs. This includes, but is not limited to, project development, staffing costs for statewide public meetings, solicitation and application process development, travel, outreach

[12] Not all applications result in funded projects, as eligibility, contracting, and cost-share requirements may affect funding. Future reports will include information on funded projects as they occur.

(including website development), developing a database for tracking fund distribution and emission reductions, recordkeeping, and reporting.

The map below graphically illustrates the location of Trust funding for Zero-Emission Freight and Marine projects distributed across the state.

Light-Duty Zero-Emission Vehicle Infrastructure: $10 Million

Funding for this category is being used for fueling infrastructure for light-duty Zero-Emission Vehicles (ZEV), with a target of $5 million for charging stations and $5 million for hydrogen fueling stations. This

allocation provides funding to help purchase, install, operate, and maintain new charging stations for light-duty battery electric vehicles.

Staff encouraged applicants to combine this funding with other available funding sources at the state, federal, and local level. These funds are administered statewide using a competitive process, and support projects that meet the fueling needs of a growing ZEV fleet and help fill gaps not met by other funding programs. At least 35% of this allocation is expected to benefit low-income or disadvantaged communities.

Bay Area AQMD is administering this funding category statewide. Bay Area AQMD conducted public work group meetings throughout the State in spring 2019 to seek input on the application process and requirements. Bay Area AQMD and CARB staff have been working with the California Energy Commission, GO-Biz, and other agencies to coordinate funding efforts.

The $5 million in funding for light-duty hydrogen fueling stations is augmenting the $45.7 million available through the California Energy Commission's grant funding opportunity, released in January 2020. The 5 hydrogen fueling stations in the table below were selected for $1 million in funding each from the Volkswagen (VW) Mitigation Trust. The applicant is FirstElement Fuel, Inc., and all proposed stations are located in disadvantaged or low-income communities.

Table 17: Proposed Hydrogen Fueling Station Awards

Proposed Station Address	City	Proposed Award
4280 Foothill Boulevard	Oakland	$1,000,000
510 East Santa Clara Street	San Jose	$1,000,000
1930 South Waterman Avenue	San Bernardino	$1,000,000
3160 Carlson Boulevard	El Cerrito	$1,000,000
6392 Beach Boulevard	Buena Park	$1,000,000

Bay Area AQMD released a competitive statewide solicitation for the $5 million in funding for light-duty electric vehicle charging stations in May 2021. The application period closed August 18, 2021. Applications for 89 stations, including 460 chargers, have been received.

To cover current costs, and in anticipation of upcoming costs, the Trustee has approved and disbursed to California $10,000,000 for equipment purchases, and about $1,192,000 for administrative costs. Since inception, the project administrator and CARB have expended about $980,000 of the amount disbursed for administrative costs. This includes, but is not limited to, project development, staffing costs for statewide public meetings, solicitation and application process development, travel, outreach (including website development), developing a database for tracking fund distribution and emission reductions, recordkeeping, and reporting.

The map below graphically illustrates the location of Trust funding for all Light-Duty Infrastructure projects (zero-emission vehicle charging and Hydrogen fueling stations) distributed across the state.

Reserve: $63 Million

The Beneficiary Mitigation Plan allocates $63 million (15% of the State's Trust allocation) for a reserve that will be used to cover administrative costs associated with implementing the project funding categories above, and to fund additional projects that are consistent with the court's order. The Consent Decree allows up to 15% of the State's allocation to be expended on administrative costs, including those expended by project administrators and the California Air Resources Board (CARB or Board). CARB does not anticipate using the entirety of those funds on administration; the amount has been reserved to also provide funding for additional projects to ensure the oxides of nitrogen (NOx) mitigation target is met. Any interest earned from the Trust will also be placed in this category, to be used to fund additional projects and corresponding administrative costs. Interest earned by project administrators will be calculated separately, and will remain within each respective project funding category, with 90% going towards projects and 10% towards associated administrative costs.

Total Expenditures

Table 18 includes an accounting of the State's Trust funds - cumulative – and for this reporting period. As of December 31, 2024, about $325,300,000 has been disbursed from the Trust for vehicles, engines, or equipment and $26,346,000 for administrative costs which includes the more intensive program development and project start-up costs. Together this adds up to more than $351,680,000. Of the $351,680,000, about $160,700,000 was disbursed from the Trust in 2024.

For each project funding category, Table 18 includes the beginning balance (proposed expenditures), the actual expenditures, and the remaining Trust balance. The remaining funds can only be moved from under-subscribed to over-subscribed categories as needed. If 20% or more of any category's funds are to be moved to a different category, CARB Board approval is required. Unobligated funds, as ordered by the court, are to be redistributed to remaining beneficiaries through the Trust for a final disposition of Trust assets. In this report, "actual expenditures" refers to amounts disbursed to the State or its third-party administrators from the Trust and not actual liquidation by the State or third party. Once funding is expended from the Trust, it is available to fund completed vehicle and equipment projects, and support administration of the program. For ease of reference, the Beneficiary Mitigation Plan and this report have rounded the total allocation from $422,636,320.14 to $423 million. Exact dollar amounts are referenced below in Table 18.

All states who are beneficiaries of the Trust have balances that are subject to fluctuations based on the Trustee's investment of the monies and their market value, as well as fees and other Trust-related expenses. The "Cumulative Totals" shown at the bottom of the table reflect the original amount of California's allocation; the total cumulative amount of net earnings from the Trust through December 31, 2024; the total cumulative amount expended through December 31, 2024; and the total funds remaining (closing market value with accrued income). The table also includes the remaining balance at the beginning of the current reporting period, as reported by the Trustee on January 1, 2025, reflecting the opening market value with accrued income; the amount of net earnings in the current reporting period; the amount of State expenditures in the current reporting period; and the ending balance (closing market value with accrued income).

For 2023, the closing market value was $266,148,213. In 2024, there were $161,462,608 in withdrawals from the account and $11,368,695 earned, for a total 2024 closing market value of $116,054,300.

Table 18: California's VW Mitigation Trust Expenditures as of December 31, 2024

Project Funding Category	Amounts/Expenditures	Description	Percentage in Low-Income or DAC
Zero-Emission Transit, School, & Shuttle Buses	Begin: $130,000,000 Disbursed: $130,000,000 Remaining: $0	Replace existing diesel buses with zero-emission technologies; no more than 50% of funds to one bus category; first-come, first-serve.	88%
Zero-Emission Class 8 Freight and Port Drayage Trucks	Begin: $79,604,881 Disbursed: $73,889,928 Remaining: $5,714,953	Replace existing diesel Class 8 freight and port drayage trucks with zero-emission technologies; first-come, first-serve.	87%
Zero-Emission Freight and Marine Projects	Begin:[1] $70,000,000 Disbursed: $51,444,850 Remaining: $18,555,150	Fund most cost-effective zero-emission projects in freight and marine sectors; competitive solicitation.	88%
Combustion Freight and Marine Projects	Begin:[1] $70,395,119 Disbursed: $60,000,000 Remaining: $10,395,119	Fund most cost-effective clean combustion projects in freight and marine sectors; competitive solicitation.	91%
Light-Duty Zero-Emission Vehicle (ZEV) Infrastructure	Begin:[1] $10,000,000 Disbursed: $10,000,000 Remaining: $0	Purchase, install, operate, and maintain new charging and fueling stations for light-duty ZEVs.	100%
Reserve (including administrative costs)	Begin:[1] $63,000,000 Disbursed: $26,345,775 Remaining: $36,654,225	Fund administrative costs for above projects; fund additional projects needed to meet NOx emission reduction target.	N/A
Cumulative Totals:	Begin: $422,636,320 Interest Earned:[2] $44,790,958 Disbursed: $351,680,553 Remaining: $115,746,725		89%

[1] The beginning amounts for each project funding category are those reflected in the Beneficiary Mitigation Plan; the Plan used rounded numbers to correspond to California's rounded total Trust allocation of $423 million. All other amounts in the table above are rounded to the nearest dollar.

[2] The net amount of earnings at current market value after subtracting fees and other Trust-related deductions.

Low-Income or Disadvantaged Community Benefits

As shown in Table 8, each project funding category will meet or exceed the 35% target set by Senate Bill (SB) 92 for benefiting low-income or disadvantaged communities. In fact, CARB expects more than 50% of California's Trust allocation to benefit communities that are disproportionately impacted by air pollution. Project funding categories that are competitively solicited include criteria requiring low-income or disadvantaged community benefits. For first come, first-serve project funding categories, staff based its projections on an evaluation of historical participation data from other first-come, first-serve zero-emission heavy-duty vehicle incentives. As projects are implemented and funds are expended, CARB staff will track and annually report these benefits for each project funding category. Project administrators have created a public website to track awarded funds for all projects.[13]

The table below shows the percentages of funds benefiting low-income or disadvantaged communities for the project categories as of December 31, 2024. To ensure the most accurate reporting, only projects that have entered into contracts are included.

[13] California's VW Environmental Mitigation Trust Results website: *https://www.californiavwtrust.org/*

Table 19: Contracted Project Funding and Percentage Benefiting Disadvantaged or Low-Income Communities as of December 31, 2024

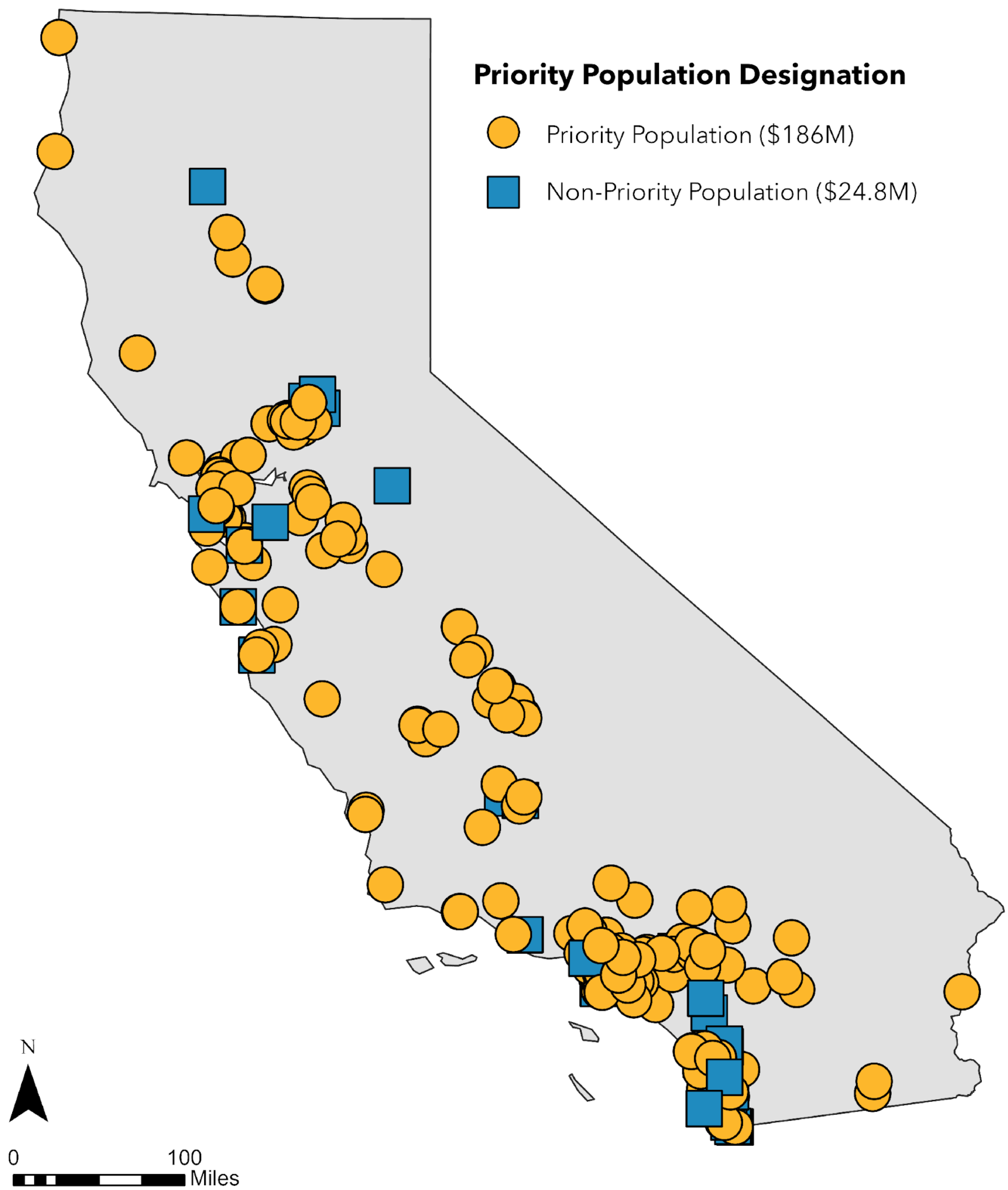
Project Funding Category	Contracted Project Funding	Percentage Benefiting Disadvantaged or Low-Income Communities[14]
Zero-Emission Transit, School, and Shuttle Buses	$120,800,000	88%
Zero-Emission Class 8 Freight and Port Drayage Trucks	$36,075,000	87%
Combustion Freight and Marine Projects	$23,980,000	91%
Zero-Emission Freight and Marine Projects	$31,848,000	88%
Light-Duty ZEV Infrastructure	$10,000,000	100%

In order to maintain consistency with legislation that defined low-income and disadvantaged communities, and with California Climate Investment implementation, staff will use the low-income and disadvantaged community designations previously made by the California Environmental Protection Agency in the California Communities Environmental Health Screening Tool, as well as guidelines CARB continues to develop for State agencies implementing California Climate Investments. CARB staff are continuing to monitor fund expenditures and low-income and disadvantaged community benefits. Future annual reports will include an ongoing assessment of these expenditures and benefits.

The map below shows project funding locations in the state thus far. The VW Mitigation Trust expenditures are statewide and aim to benefit underserved communities in alignment with SB 92 which directs CARB to strive to ensure that at least 35% of the Trust allocation benefits low-income or disadvantaged communities. The projects are spread across the state with density in the larger air districts near ports and freight corridors. Individual category maps are in the previous sections.

[14] For each subsequent annual report, staff will update the percentage of funding benefiting disadvantaged or low-income communities as more projects are funded.

All Volkswagen Mitigation Trust Project Locations by Priority Population Status Through December 31, 2024



Additional VW Mitigation Trust Program Changes Going Forward

Next year's annual report, covering calendar year 2025, will continue to include progress updates on implementation changes via the April 2023 approved Board Memo. These changes were developed based on lessons learned during the first years of implementation, feedback from stakeholders, and ongoing coordination with the implementing air districts. Due to the changes, the program has seen increased participation and has made progress towards contracting goals in the past year. Over the next year, CARB will continue to monitor demand to determine if additional changes are needed. Furthermore, in 2025 CARB will begin allocating some of the interest earned on the Trust funds along with a portion of the remaining reserve funds to selected project categories, as we continue to make progress towards efficiently concluding the Trust program.