



# **Proposed Fiscal Year 2018-19 Funding Plan for Clean Transportation Incentives**

Board Presentation  
October 25, 2018



# Overview of Presentation

- Overview of CARB's incentive portfolio and goals
- Role of clean transportation incentives
- Review of previous investments
- Staff's proposal
- Staff's recommendation

# Investment Decisions Coordinated Across All Programs

- Funds transformative technologies and transportation equity
- Encourage turnover of fleets to cleanest commercialized technologies
- Comprehensive and balanced portfolio of available investments that maximizes criteria pollutant and greenhouse gas emission reductions

# CARB Incentive Funding Portfolio

## Low Carbon Transportation

GHG reductions

\$455M for FY 18-19

## AQIP

Criteria pollutant and toxics reductions

\$28M for FY 18-19

AB 617	Carl Moyer	Prop 1B	FARMER	VW Mitigation Trust
Criteria and toxics reductions for community goals	SIP emission reductions	PM and NOx reductions in goods movement corridors	Criteria pollutant, toxics, and GHG reductions	NOx mitigation
\$245M for FY 18-19	\$78M for FY 18-19	Already Awarded	\$132M for FY 18-19	\$423M for 2017+

# 3-Year Investment Strategies for Light-Duty and Heavy-Duty

- Provide direction and identify needed investment areas for future Funding Plans
- Light-Duty Plan addresses projected needs for CVRP and transportation equity projects
- Heavy-Duty Plan builds on guiding principles from FY 2017-18 Funding Plan, including beachhead concept
- Highlight potential future projects

# Addressing Additional Barriers to Adopting Advanced Technology

- Cost is only one barrier to adoption
  - Low NOx natural gas vehicles
  - Battery electric vehicles
  - Fuel cells vehicles
- Other barriers have been identified:
  - Information and Outreach
  - Infrastructure
  - Job training
  - Secondary markets
  - Others
- Establishing a group to focus on barriers and ways to overcome them

# Funding Plan Priorities

- Support long-term transformation of fleets to zero-emission
- Build on successes of previous investments and incorporate lessons learned
- Support implementation of SB 350 recommendations by increasing access to clean transportation and mobility options
- Design investments that benefit AB 1550 priority populations

**Staff proposes increasing AB 1550 target to 50 percent**

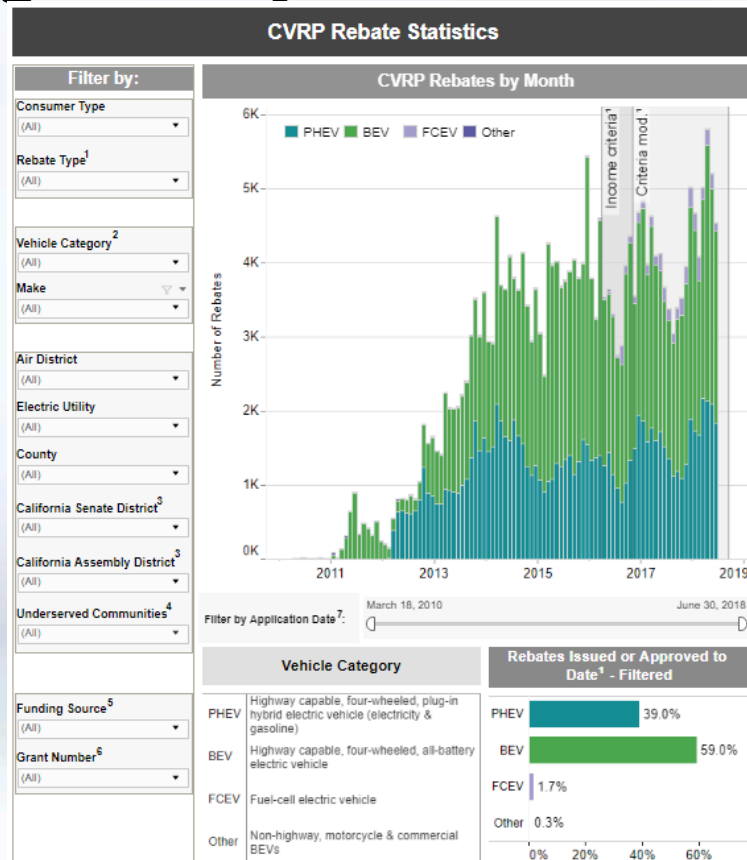
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# **Updates on Current Projects**



# Building a Sustainable Light-Duty Market

- Over 250,000 CVRP rebates
- Over 5 percent of CA new car sales
- Over \$35 million in rebates issued to low-income consumers



# Building on Transportation Equity Investments

- Los Angeles and Sacramento car share projects launched; five more underway
- Statewide financing assistance pilot launched
- 3,700+ cars scrapped and replaced
- 40 school buses for rural districts



# Building a Sustainable Heavy-Duty Market

- ~5,000 HVIP/low NOx vouchers
- Over 1,000 participating fleets
- Over 25 manufacturers and 90 eligible models
- Class 8 electric trucks now available
- Over 3,000 trucks and buses in disadvantaged and low-income communities



# Supporting a Clean Transit Future

- Under HVIP, typical transit buses vouchers are \$180,000 (up to \$315,000)
- Overall funding portfolio projected to meet current transit demand
- Funding also available in VW Mitigation, Carl Moyer, and AB 617
- Full eligibility until at least 2023/2025



# Building on Heavy-Duty Freight Investments

- Supports the Sustainable Freight Action Plan
- Demonstrations of advanced technology trucks and freight equipment
- Pilots of advanced technology trucks
- Zero-emission off-road freight voucher project launching soon



# Clean Transportation is Happening



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# **A Closer Look at Funding This Year**



# **\$455 Million Low Carbon Transportation Appropriation**

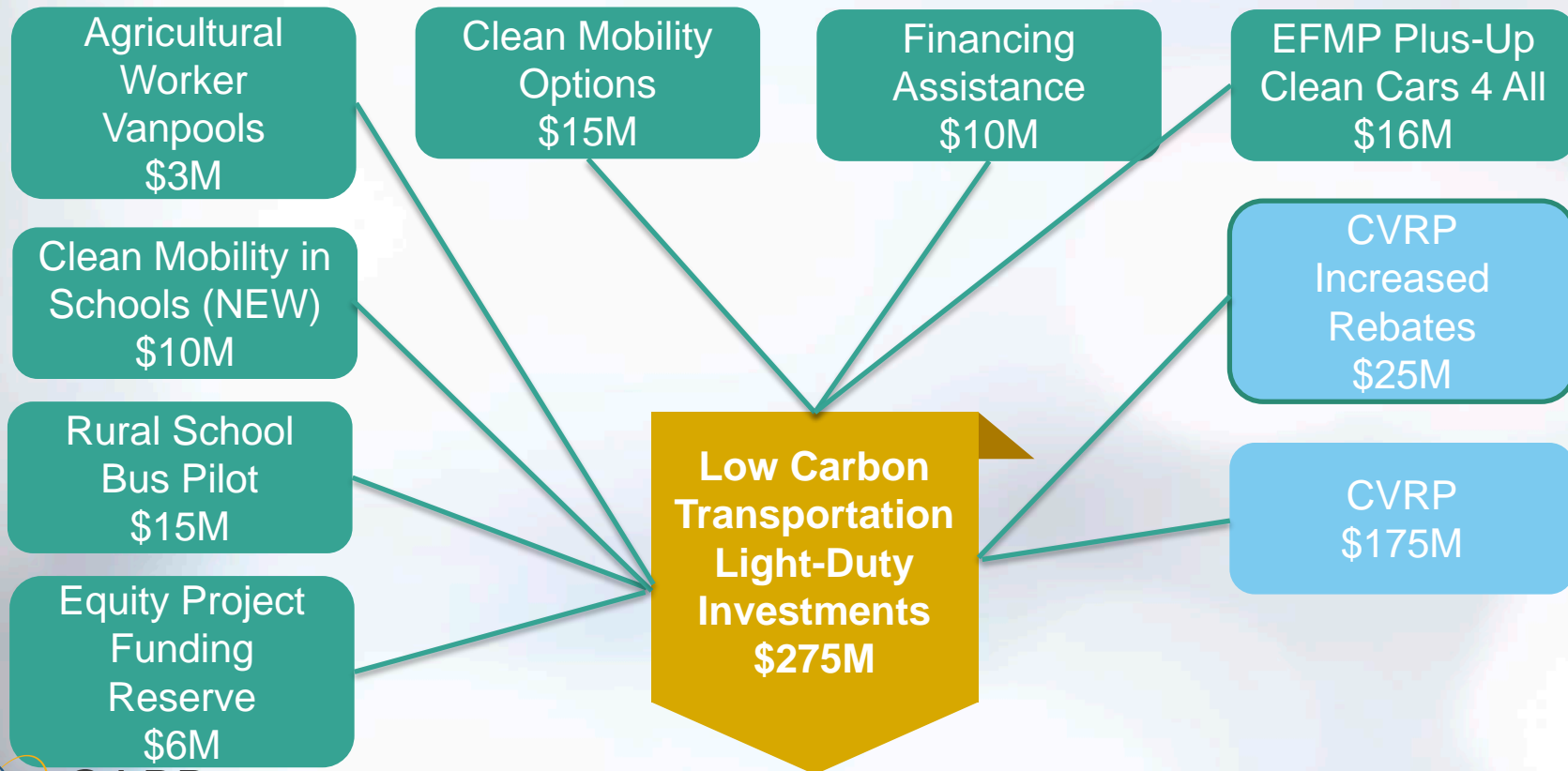
- \$200 million for CVRP
  - \$175 million for standard rebates
  - \$25 million for increased rebates for low-income consumers
- \$75 million for transportation equity projects
- \$125 million for HVIP clean truck & bus vouchers
- \$55 million for advanced technology freight equipment



# Air Quality Improvement Program

- \$28.64 million AQIP
  - For criteria pollutant and toxics focused mobile source projects
  - Focus on reducing legacy fleet emissions
    - Truck Loan Assistance Program
    - Truck Filter Replacements (NEW)

# Light-Duty and Transportation Equity



# Highlights of Light-Duty Vehicle Proposal

- Meet anticipated CVRP demand
- Ensure continuous funding for low-income applicants
- Increase awareness and accessibility of incentives
- Continue critical outreach to consumers and dealerships in priority populations

# Highlights of Transportation Equity Investments Proposal

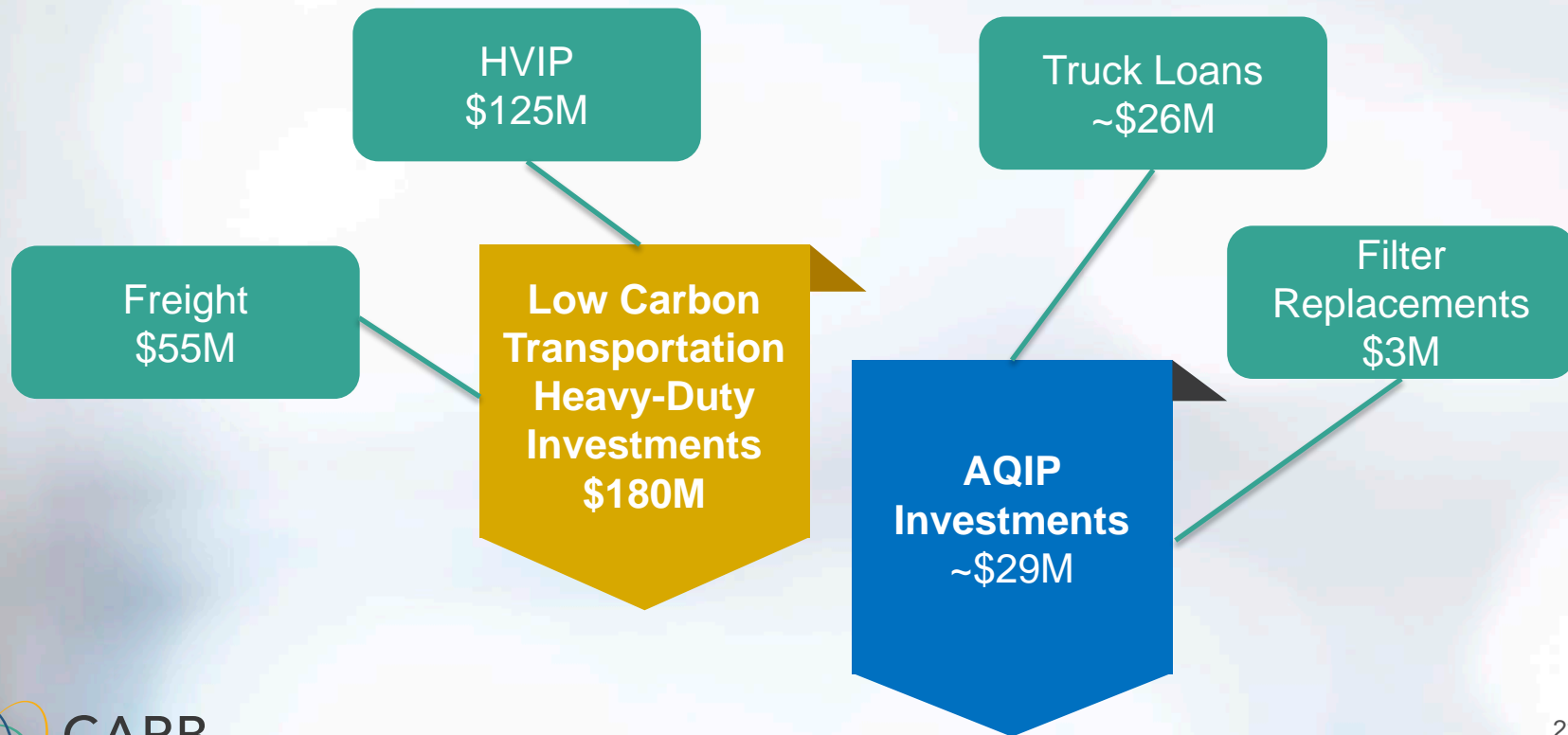
- Addresses community-specific needs
- Expands and adapts existing transportation equity projects
- Shared goals with AB 617 Community Air Protection Program
- Holistic approach to increase access and awareness
- Promotes cleaner transportation for all Californians
- Project complexity has led to longer timelines to launch

# Clean Mobility in Schools Pilot - NEW

- Multi-faceted mobility grant to reduce emissions and transform school transportation
- Showcase broad range of clean mobility options in K-12 schools in disadvantaged communities
- Pilot for eventual replication statewide



# Proposed Project Allocations: Heavy-Duty Vehicles and Off-Road Equipment



# Highlights of HVIP Proposal

- Meet anticipated demand for all technologies (zero-emission, hybrid, low NOx)
- Revise some voucher amounts to better reflect incremental cost
- Proposed modification: add low NOx new purchase vouchers for diesel refuse fleets



# Highlights of Freight Proposal

- Approved by board in 2017, preliminary awards announced September 2018
- \$55 million for Fiscal Year 2018-19
  - Would bring total available for projects to \$205 million
- Use 2018-19 allocation to support selected projects
- Consistent with priority projects identified in 3-Year Investment Strategy





# Truck Loan Assistance Program

- ~ \$100 million State contribution to date, leveraged to provide about \$1.2 billion in financing
- Meets demand for Fiscal Year 2018-19; additional funding needed through 2023
- Will fund about 8,200 new trucks
- Helps truckers to comply with the Truck and Bus Regulation



# Diesel Filter Replacement Project - NEW

- Funds filter substrate replacements
- First-come, first-served basis
- Reduces uncontrolled air toxics emissions
- Will fund approximately 270-500 substrate replacements or 150 new filter systems



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# **Conclusion and Recommendation**

# Staff's Proposal Advances Clean Transportation Access

- Accelerates commercialization of zero-emission technologies to meet climate and air quality goals
- Expands rebate and voucher projects to meet affordability and consumer and fleet demand
- Continues to fund and expand transportation equity projects as needed to meet community needs

# Proposed Investments Support Multiple Policy Goals

Project Categories	Climate Change Scoping Plan	Short-Lived Climate Pollutants	Ozone and PM SIPs	Sustainable Freight	Air Toxics	Petroleum Reduction	Priority Population Benefits
CVRP	✓	✓	✓		✓	✓	✓
Transportation Equity Projects	✓	✓	✓		✓	✓	✓
HVIP – Clean Truck & Bus Vouchers	✓	✓	✓	✓	✓	✓	✓
Freight Equipment Demonstrations & Pilots	✓	✓	✓	✓	✓	✓	✓
Truck Loan Assistance Program		✓	✓	✓	✓		✓
Diesel Particulate Filter Retrofit Replacements		✓	✓	✓	✓		✓

# Recommendation

Approve proposed Funding Plan  
with staff's modifications

