



# Proposed Fiscal Year 2022-23 Funding Plan For Clean Transportation Incentives

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*Accompanied By*

**Proposed Carl Moyer Program Changes**

Board Presentation  
November 17, 2022



# Today's Presentation



Funding Plan for  
Clean Transportation  
Incentives



Revisions to Carl  
Moyer Program

# Incentives Play a Critical Role



# California Air Resources Board's Portfolio of Incentive Programs

## Community Air Protection Program - Assembly Bill (AB) 617

Criteria, toxics and greenhouse gases (GHG) reductions for community goals

## Air Quality Improvement Program (AQIP)

Criteria pollutant and toxics reductions

## Carl Moyer Program

Cost-effective, State Implementation Plan (SIP) creditable criteria pollutant emission reductions



## Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program

Criteria, toxics and GHG reductions for the ag sector

## Low Carbon Transportation

Advance technologies to provide GHG reductions and Priority Populations benefits



**Volkswagen (VW) Mitigation Trust**  
Nitrogen Oxides (NOx) mitigation and zero-emission





# Funding Plan for Clean Transportation Incentives



# Acknowledgements



**Access Clean** California  
Less pollution, more power

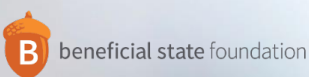
Union of  
**Concerned Scientists**



ALL POSITIVES POSSIBLE  
Restoring Lives Restoring Communities



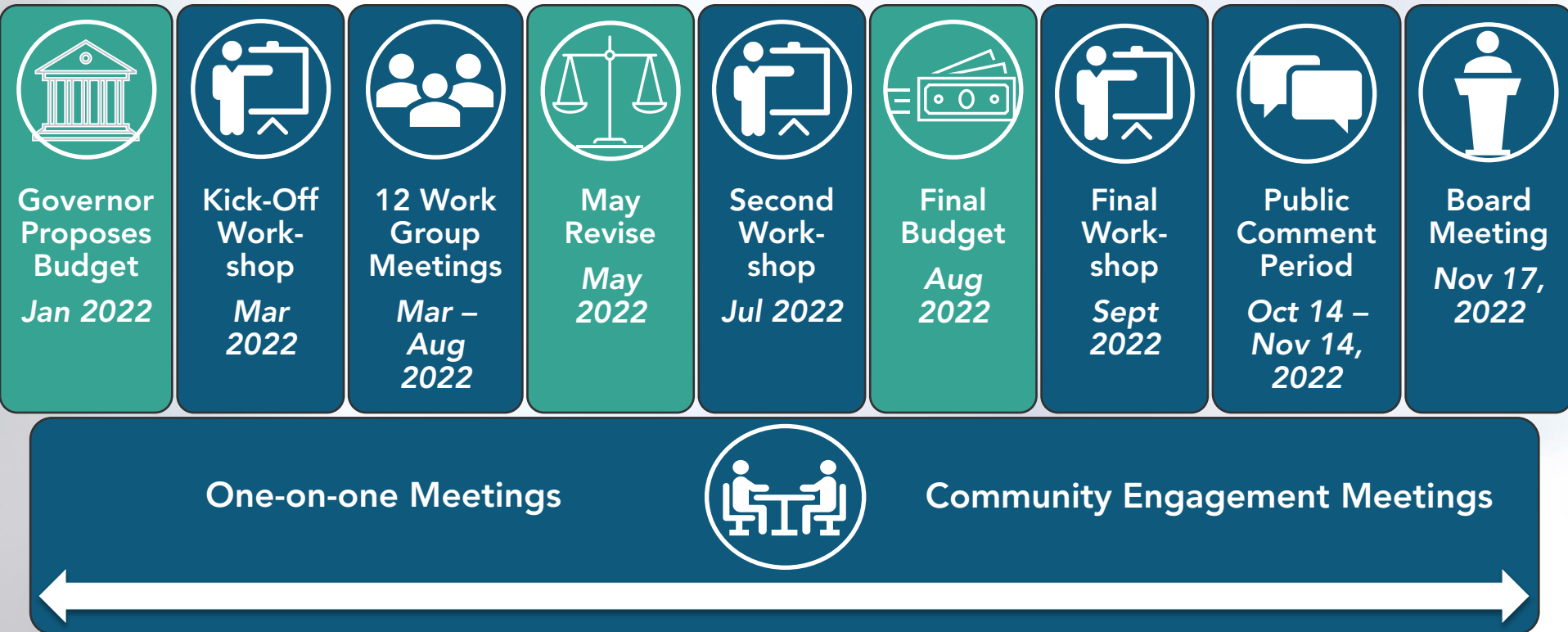
**COMMUNITIES FOR A BETTER ENVIRONMENT**  
Building Community Power to Achieve Environmental Justice,  
Clean Energy and Healthy Communities



And more....



# Extensive Public Process



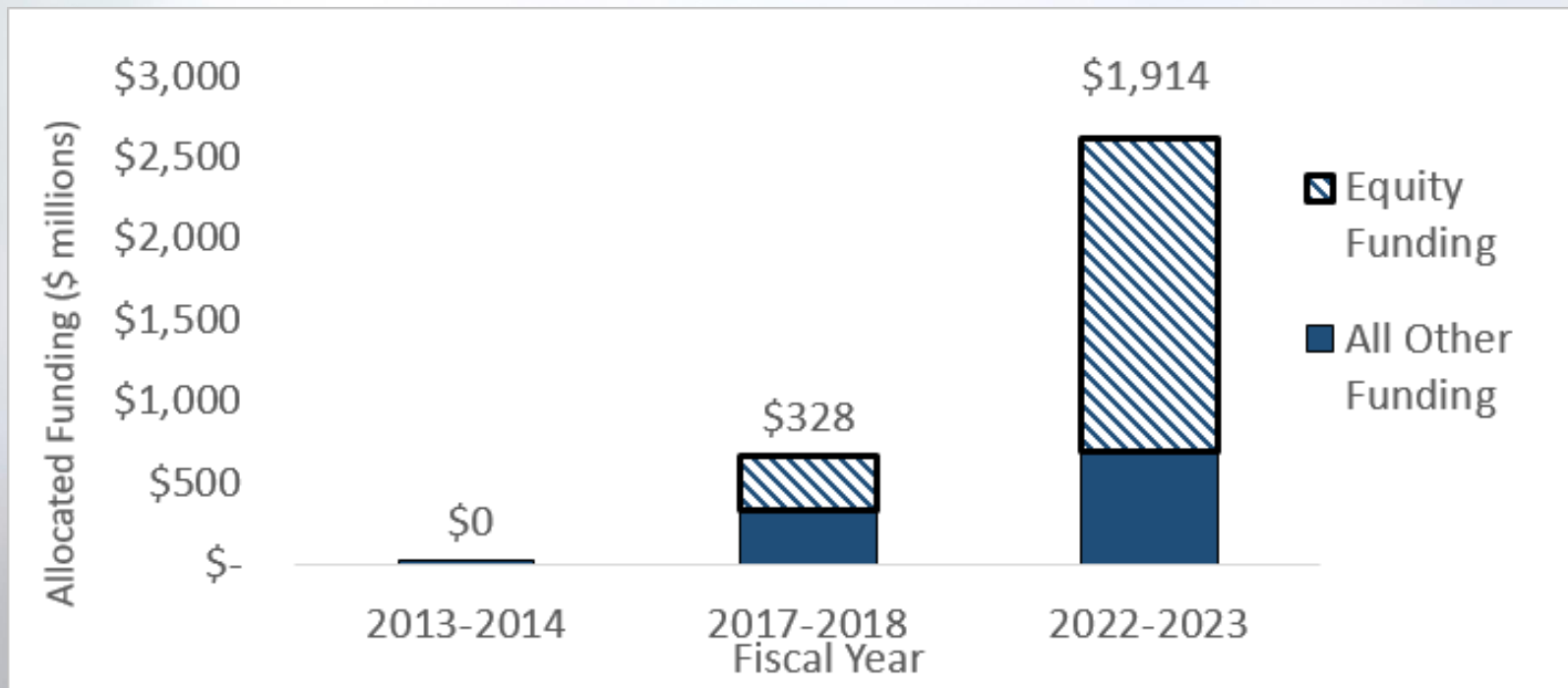
# Highlights of Proposals

- Increased outreach and community engagement, including African American communities and tribal governments
- Support meeting federal air quality standards and climate goals
- Flexibility to address community-identified needs
- Broader approach to consider transportation systems as a whole
- Continue transition from broad purchase incentives to more equitable strategies
- Targets 60-70 percent of Low Carbon Transportation funds to benefit priority populations
- Supports regulatory efforts across multiple sectors

## **Largest Budget to Date – \$2.6 Billion for Clean Transportation Incentives**

- Fiscal Year (FY) 2022-23 State budget included:
  - \$710 million (M) from the State General Fund (GF)
  - \$1.125 billion (B) from Proposition (Prop) 98 GF
  - \$746M from the Greenhouse Gas Reduction Fund (GGRF)
  - \$28.64M from the Air Quality Improvement Fund (AQIF)

# Increasing Benefits in Priority Populations





# Expanding and Standardizing Demographic Data Collection

- Limited demographic data such as race, ethnicity, gender identity, socioeconomic status, etc. across programs
- Where available, some demographic data is included in the FY 2022-23 Funding Plan
- Staff is working towards expanding and standardizing data collection across all clean transportation programs
- Staff are exploring ways to ensure data remains publicly available and accessible

# Clean Transportation Incentives Proposed Allocations

Project Category	GGRF	GF	Prop 98 GF	AQIF	TOTAL
Clean Transportation Equity Programs Established Under Senate Bill 1275	\$126M	\$255M	-	-	\$381M
Heavy-Duty Vehicles and Off-Road Equipment	\$620M	\$455M	\$1,125M	-	\$2,200M
AQIP	-	-	-	\$28.64M	\$28.64M
<b>TOTAL</b>	<b>\$746M</b>	<b>\$710M</b>	<b>\$1,125M</b>	<b>\$28.64M</b>	<b>\$2,610M</b>

- Board has the discretion to allocate
  - \$166M within the clean transportation and light-duty equity projects
  - \$600M within the heavy-duty vehicle and off-road equipment projects

# Clean Transportation & Light-Duty Equity Investments



# Light-Duty Vehicle Purchase Incentive Programs

## Metrics of Success

### Supporting Healthy Communities

**\$400+**  
MILLION

#### PRIORITY POPULATIONS

Over \$400 million, or over 32 percent, of all vehicle purchase incentive funds have supported clean vehicle purchases benefiting priority populations.



**\$2.9+**  
MILLION

#### PUBLIC FLEET SUPPORT

Over \$2.9 million in CVRP funds have supported over 700 light-duty electric vehicles for public fleets operating in Disadvantaged Communities, as identified in CalEnviroScreen 3.0.



### Supporting Clean Air Goals

**9.6+**  
MILLION

#### GHG REDUCTIONS

CARB's light-duty vehicle purchase incentive programs have resulted in a reduction of over 9.6 million metric tons of carbon dioxide equivalent.



**48+**  
MILLION

#### FUEL USE AVOIDED

An estimated 48+ million gallons of fuel use avoided as a result of the clean vehicles funded through CARB's vehicle purchase incentive programs.



### Growing the Green Economy

**\$1.2+**  
BILLION

#### VEHICLE PURCHASE

CVRP, Clean Cars 4 All, and Financing Assistance programs have funded \$1.2 billion toward the purchase of over 475,000 clean vehicles since 2010.



**1.1+**  
MILLION

#### ELECTRIC VEHICLE SALES

There have been over 1.1 million light-duty electric vehicles sold in California with 42 percent of these purchases supported by CARB's vehicle purchase incentive programs.



# Proposed Vehicle Purchase Incentives Allocations



**\$245M for Clean Cars 4 All (CC4A)**  
(District and Statewide)  
Replace old vehicles with clean vehicles



**\$66M for Financing Assistance**  
Loans and grants to purchase clean vehicles




**\$1M for Access Clean California**  
Increase awareness of clean transportation equity incentives



**\$3M for the Electric Bicycle Incentive Project**  
Incentives for electric bicycles



**NEW \$1M for California Integrated Travel Project (Cal-ITP)**  
Payment issuance strategy

- Includes **\$326M** for vehicle purchase incentives 
- Supports Advanced Clean Cars II regulation



**NEW \$10M for Zero-Emission Assurance Project (ZAP)**  
Incentives for battery or fuel cell replacements

# Purchase Incentives Equity Overhaul

- Proposing continued alignment across Clean Vehicle Rebate Project (CVRP), CC4A, and Financing Assistance
- Focusing dollars in disadvantaged communities (DAC)
- Significantly increasing incentives for low-income car buyers
  - Up to \$15,000 from \$12,000 for a new electric vehicle, or up to \$19,500 from \$16,500 when scrapping an older vehicle
- Legislatively required vehicle eligibility changes
  - Remove conventional hybrid vehicles from CC4A by November 2024, plug-in hybrid electric vehicles from CVRP by January 2025



# Streamline and Align Programs

- Align income tiers for CC4A and Financing Assistance at or below 300% the federal poverty level (FPL)
  - \$54,930 for a family of 2 or \$83,250 for a family of 4
- Allow district run CC4A programs to expand to all areas of their respective jurisdictions;
  - Positions Statewide CC4A to support all non-district run territories minimizing overlap
- Offer and align prepaid charge card incentives to cover 1-2 years of charging

# Air District CC4A Allocations

## CC4A Program Allocations

Program	GF	GGRF	Total
Statewide	\$125M	-	\$125M
Districts	\$80M	\$40M	\$120M

## Proposed CC4A Allocation Formula

District	Total
South Coast Air Quality Management District (AQMD)	\$39M
San Joaquin Valley Air Pollution Control District (APCD)	\$29M
Bay Area AQMD	\$28M
Sacramento Metropolitan AQMD	\$12M
San Diego APCD	\$12M

Allocation formula includes the base amount, number of projects in a 12-month period, and average share of population



**CLEAN CARS  
FOR ALL**



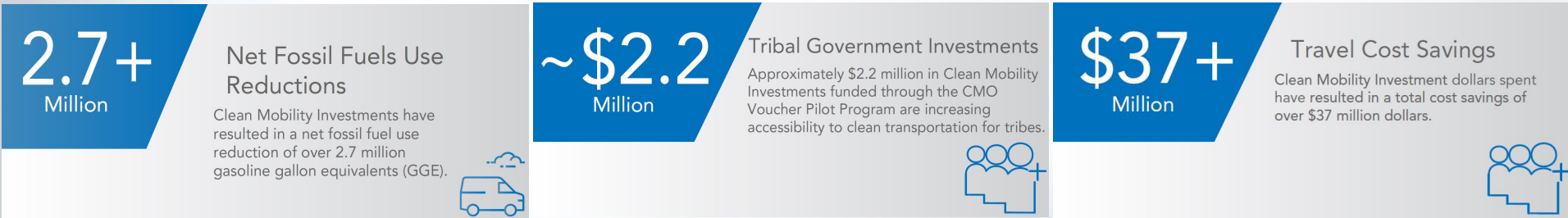
**CLEAN CARS  
4 ALL**

# Clean Mobility Investments

## Metrics of Success

### Supporting Healthy Communities and Clean Air Goals

### Increasing Affordability of Transportation



### Growing the Green Economy



# Proposed Clean Mobility Investments Support More Sustainable Transportation Systems



## **\$5M for Planning and Capacity Building**

Community-led planning and capacity building and localized technical assistance and outreach



## **\$20M for Clean Mobility Options**

Expand clean transportation options and community-led shared mobility projects for priority populations and tribal governments



## **\$15M for Clean Mobility in Schools**

Zero-emission transformations at schools in priority populations



## **\$15M for the Sustainable Transportation Equity Project**

Community-identified clean transportation solutions for priority populations

- Proposal includes **\$55M** for clean mobility investments
- Provides zero-emission and clean mobility options tailored to priority population needs
- Expands transportation choices and reduce vehicle miles traveled



# Heavy-Duty & Off-Road Equipment Investments



# Metrics of Success

## Supporting Healthy Communities

58

PERCENT

### DAC VOUCHERS

Fifty-eight percent of vouchers in HVIP have funded vehicles deployed in Disadvantaged Communities, as identified in CalEnviroScreen 3.0.



63

PERCENT

### FLEET SUPPORT

Sixty-three percent of vouchers were given to small or public fleets (public entities with <\$15 million annual revenue or fewer than 50 people).



## Supporting Technology Evolution

12

THOUSAND

### JOBS CREATED

The incentive dollars spent through HVIP have created nearly 3,000 jobs from HVIP funding and spurred close to 9,000 jobs from private investment, totaling almost 12,000 jobs.



222

MILLION

### MILES TRAVELED

There were 222,066,801 cleaner-than-diesel miles traveled in California by HVIP-funded vehicles between 2010 and 2021.



## Growing the Green Economy

197

VEHICLES

### MANUFACTURERS

There are 43 HVIP and CORE-eligible manufacturers offering 197 vehicles.



NEARLY  
\$900  
MILLION

### VEHICLE PURCHASE

HVIP and CORE have funded \$896+ million toward the purchase of over 11,300 vehicles and pieces of equipment since 2010.





# Proposed Heavy-Duty Project Allocations



**\$1.787B for Clean Truck and Bus Vouchers (HVIP)**  
Vouchers for zero-emission truck and buses



**\$273M for Clean Off-Road Equipment Vouchers Incentive Project (CORE)**  
Vouchers for zero-emission off-road equipment



**\$75M for Demos and Pilots**  
Funding for emerging opportunities



**\$60M for Demos and Pilots Projects-Commercial Harbor Craft**  
Funding for commercial harbor craft



**\$28.64M for Truck Loan Assistance**  
Financing for small-business fleet owners

- Includes over **\$2B** for heavy-duty and off-road equipment investments
- Supports Innovative Clean Transit, Advanced Clean Fleets, and Commercial Harbor Craft Regulations
- Focus on small fleets and DACs



**\$5M for New Zero-Emission Truck Loan Pilot**  
Financing for both heavy-duty ZEVs and charging/fueling infrastructure

# Clean Truck and Bus Vouchers



- Following legislative direction, the proposal increases benefits for small businesses and DACs, strengthens focus on equity, and enhances market development
  - Begins introduction of fleet size limits in 2024
  - Introduces tiered voucher amounts based on fleet size
  - Leverages private capital through large fleet bulk purchase requirement
  - Reserves funding for small and medium fleets
- Continues set-asides
  - Supports the deployment of zero-emission drayage trucks, school buses, and transit buses
  - Increases funding for Innovative Small e-Fleets pilot

# Proposal Advances the Market and Supports DACs and Small Fleets

Savings from voucher reductions to large  
fleets expected to allow HVIP to fund  
**400+** more zero-emission trucks



Promotes large-scale shift from  
combustion to zero-emission in  
disadvantaged communities

Increases incentive amount by  
**15%** for small fleets and ensures  
funding is continuously available for  
small fleets and public entities



# Clean Off-Road Equipment Vouchers



- Supports rapidly growing demand in the off-road sector
- CORE Pro Landscaping launched on November 7, 2022
- Continues support for small businesses and regulatory efforts
- Proposing to increase maximum voucher amount from \$500,000 to \$1M for zero-emission cargo handling equipment, commercial harbor craft, and locomotives



# Demonstrations and Pilot Projects – Commercial Harbor Craft (CHC)



- Following Legislative direction, proposal includes \$60M to maximize emission reductions from vessels subject to the CHC regulation
  - Private ferry operators regulated by the California Public Utilities Commission
  - Commercial passenger fishing vessels, research vessels, and excursion vessels also prioritized
  - Funding available for both zero-emission and cleanest available combustion
- Staff will conduct a public process to determine how funds will be prioritized and administered

# Funding Plan Contingencies

- To minimize disruptions and consistent with past practice, staff proposes that the Board grant the Executive Officer authority to:
  - Allocate a portion of future years funding in the event of a waitlist or funding shortfall for first-come, first-served projects
- Will use a transparent, public work group process to:
  - Add or scale back funding levels
  - Make technical or administrative changes



# Proposed Changes to the Carl Moyer Program Guidelines



# Proposed Moyer Cost-Effectiveness (CE) Adjustment

- Last year's increase in the CE limit and the Incentives Program Advisory Group have accelerated ZEV and equity work in the on-road sector.
- Consistent with the update to the on-road zero-emission CE limit, staff propose to update off-road zero-emission CE limit to \$522,000 per ton.
- Update ensures Carl Moyer Program focuses on providing incentives and deploying advanced zero-emission technologies in the off-road sector.

CE Limit Type	Current CE Limits (\$/ton)	Proposed CE Limits (\$/ton)
Off-Road Optional Zero-Emission Limit	\$109,000	\$522,000

# Conclusion & Recommendation

# Staff's Proposal Advances Clean Transportation and Supports Equity

- Most significant appropriation to date
- This proposal:
  - Advances climate goals and air quality goals
  - Provides benefits to low-income and DACs
  - Builds significant momentum for expanding the market for clean vehicles and transportation options
- **Staff's Recommendation:** Approve proposed Funding Plan and Carl Moyer changes

# Thank you!