



Proposed Fiscal Year 2025-26 and Fiscal Year 2026-27 AQIP Funding Plan

Board Presentation
June 25, 2026

Drive Forward

Executive Order N-27-25

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

Drive Forward

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

Role of CARB Incentive Programs



**Provide climate,
air quality, public
health, & economic
benefits**



**Accelerate
development of
clean technologies**



**Increase access
and affordability
for cleaner
transportation**



**Support/
complement
regulatory
programs**

Overarching Goals for Incentives



Protect public health, support achieving federal air quality standards, fight climate change



Support the State's continued commitment to deploying the cleanest technology available



Support equitable, community-driven clean transportation approaches



Promote economic growth, job training, and apprenticeship opportunities



Build on successes of previous investments and incorporate lessons learned

CARB Incentive Portfolio

Pre-commercial

Early Market

Market Scale

Air Quality Improvement Program (AQIP)*

Funded to July 1, 2035

Low Carbon Transportation (LCT)*

No continuous funding

California Clean Fuel Reward (CCFR)

Funded from Low Carbon Fuel Standard Proceeds

Mitigation Fund Programs

One-time appropriations

Community Air Protection (CAP) Incentives Program

Funded through 2045

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

No continuous funding

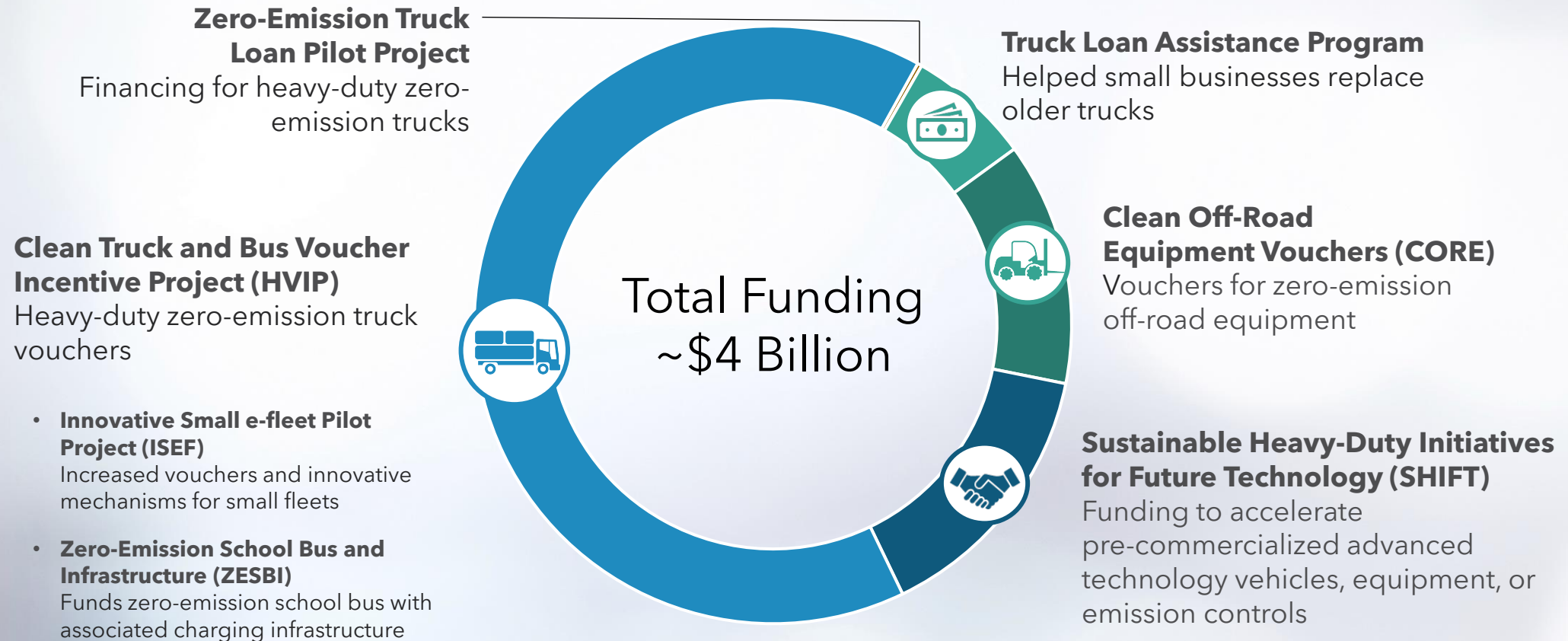
Carl Moyer Program

Funded to January 1, 2034

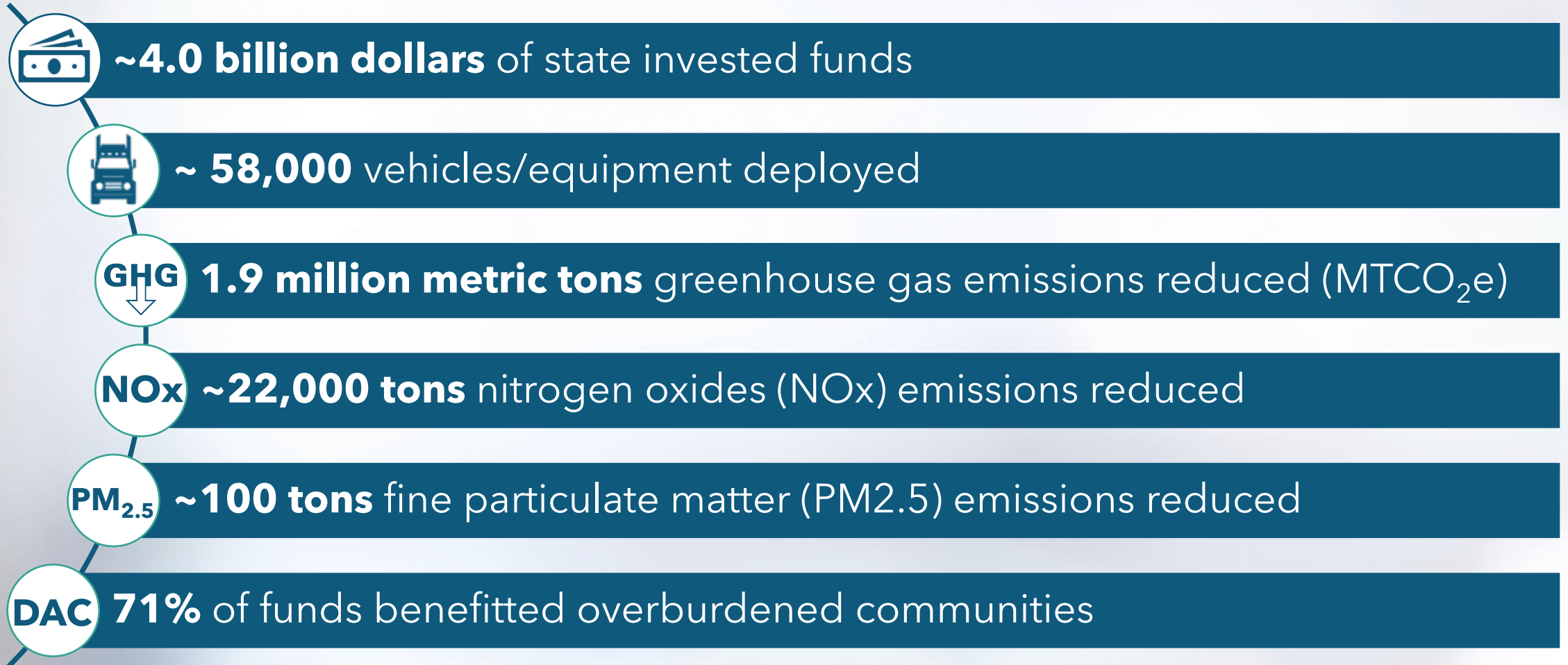
*AQIP + LCT = Clean Transportation Incentives

Medium- and Heavy-Duty CTI Funding to Date

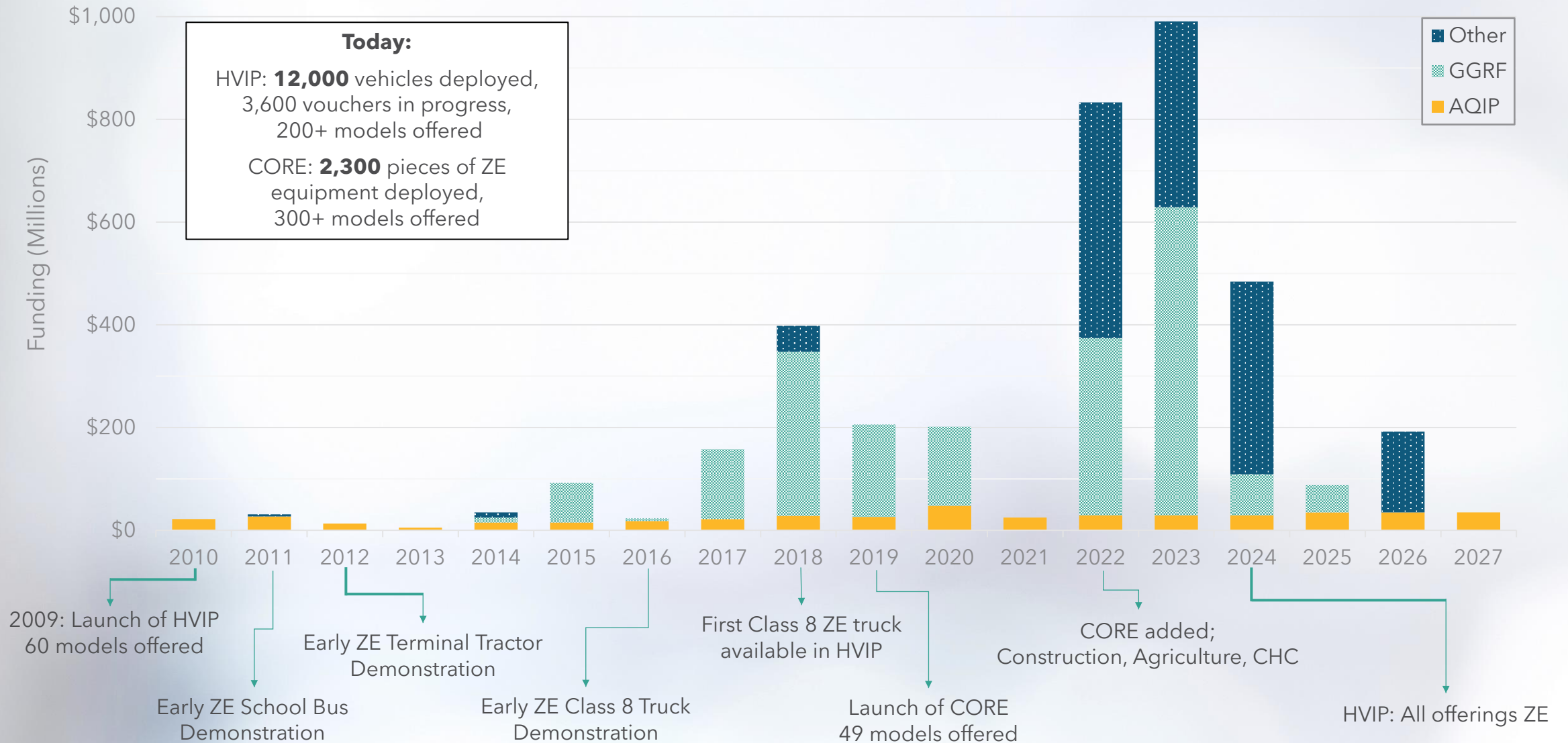
Fiscal Year 2009-10 through 2024-25



Medium & Heavy-Duty CTI Accomplishments



Medium- and Heavy-Duty CTI Incentives Timeline



Air Quality Improvement Program (AQIP)

AQIP Overview

- Funded by the Air Quality Improvement Fund
- Continuous annual appropriation of approximately \$35 million

AQIP Priorities (*CA Health & Safety Code, Section 44274*)

- Fund projects relating to zero-emission fuel and vehicle technologies
- Fund projects in the logistics, goods movement, off-road, warehouse, and port sectors
- Improve air quality and reduce criteria emissions in non-attainment basins
- Preference provided to projects that offer more benefits for the cost

Fiscal Year (FY) 2025-26 and FY 2026-27 AQIP Funds

AQIP Funds for Medium- & Heavy-Duty Zero Emission Projects

Fiscal Year 2025-26 AQIP Funds	~\$35M
Proposed Fiscal Year 2026-27 AQIP Funds	~\$35M
Total Funding	~\$70M

Outreach & Engagement



**Workshops and
Workgroups**



**Evening Community
Meetings**



**One-on-one
Meetings**



**Community
Surveys**

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

AQIP Proposal: ~\$68 million to CORE

Key Considerations:

- High demand in CORE
- Advancing technology and achieving significant emission reductions
- Stakeholders identified growing opportunities in zero-emission off-road
- Supports state air quality and climate policy drivers
- Higher impact when strategically investing funds in a single program

CORE Overview & Next Steps

- **CORE Overview**

- First come – first served zero-emission off-road incentives
- Funding Categories: Construction, Agriculture, Cargo Handling Equipment, Mobile Power Units, Forklifts, etc.

- **Implementation Process**

- Workshop planned for July 2 to discuss funding and implementation updates
- Funding available in Fall 2026

Mobile Power Unit – Mobile EV Charger



Construction – Mini Hydraulic Excavator



Large Forklift



Cargo Handling – Battery Electric Reach-Stacker

Conclusion & Recommendation

Goals

- Protect public health
- Deploy zero-emission technology
- Support air quality, climate, and equity goals

Staff Recommendation

- Approve Proposed Fiscal Year 2025-26 and Fiscal Year 2026-27 AQIP Funding Plan