

DOCKETED	
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Description:	<p>DATE Topics Programs RELEASE NUMBER October 24, 2019 19-47 CONTACTS Melanie Turner Office of Communications melanie.turner@arb.ca.gov (916) 322-2990 CATEGORIES Air Pollution, Airborne Toxics, Climate Change Low Carbon Transportation Investments and Air Quality Improvement Program</p>
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Clean Transportation Incentives

For Low Carbon Transportation Investments and the Air Quality Improvement Program

Public Workshop on the Fiscal Year 2020-21 Funding Plan
March 12, 2020

Today's Agenda

Time	Session
10:00am – 10:30am	Introduction and Overview of Project Category Funding Allocations
10:30am – 12:30pm	Vehicle Purchasing Incentives and Clean Mobility Investments: CVRP & Clean Transportation Equity Projects
12:30pm – 1:30pm	Lunch
1:30pm – 3:00pm	Heavy-Duty Vehicle and Off-Road Equipment Investments
3:00pm – 4:00pm	Open Discussion

Part of CARB's Larger Incentive Funding Portfolio

Funding Plan – Today's Workshop	Low Carbon Transportation	Air Quality Improvement Program (AQIP)
	GHG reductions & Priority Populations	Criteria pollutant and toxics reductions
	\$350M for FY 20-21	\$28M for FY 20-21

Community Air Protection (AB 617)	Carl Moyer Program	FARMER	VW Mitigation Trust
Criteria and toxics, & GHG reductions for community goals	SIP emission reductions	Criteria, toxics, and GHG reductions for ag sector	NOx Mitigation & zero-emission
\$200M for FY 20-21	\$94M for FY 20-21	\$50M for FY 20-21	\$423M for 2017+

Auction Proceeds Investments for Low Carbon Transportation

- Annual budget appropriation guided by the priorities in the Cap and Trade Auction Proceeds Investment Plan
 - Facilitate greenhouse gas reductions
 - Benefit priority populations
 - Maximize health, environmental, economic co-benefits
 - Continue investments in existing programs
 - Provide funding certainty over multiple years
 - Support job training and apprenticeship opportunities

Policy Drivers and Guiding Documents

May 2016

Mobile Source Strategy

CALIFORNIA SUSTAINABLE FREIGHT ACTION PLAN

CALIFORNIA AIR RESOURCES BOARD

Low-Income Barriers Study, Part B: Overcoming Barriers to Clean Transportation Access for Low-Income Residents

2018 PROGRESS REPORT
California's Sustainable Communities and Climate Protection Act

DOCUMENT 2018

CALIFORNIA AIR RESOURCES BOARD

CALIFORNIA AIR RESOURCES BOARD

California's 2017 Climate Change Scoping Plan

The strategy for achieving California's 2030 greenhouse gas target

arb.ca.gov November 2017

Cap-and-Trade Auction Proceeds Third Investment Plan:
Fiscal Years 2019-20 through 2021-22

GOVERNOR

CALIFORNIA CLIMATE INVESTMENTS
Cap and Trade Dollars at Work

January 2019

State of California

2016 ZEV Action Plan
An updated roadmap toward 1.5 million zero-emission vehicles on California roadways by 2025

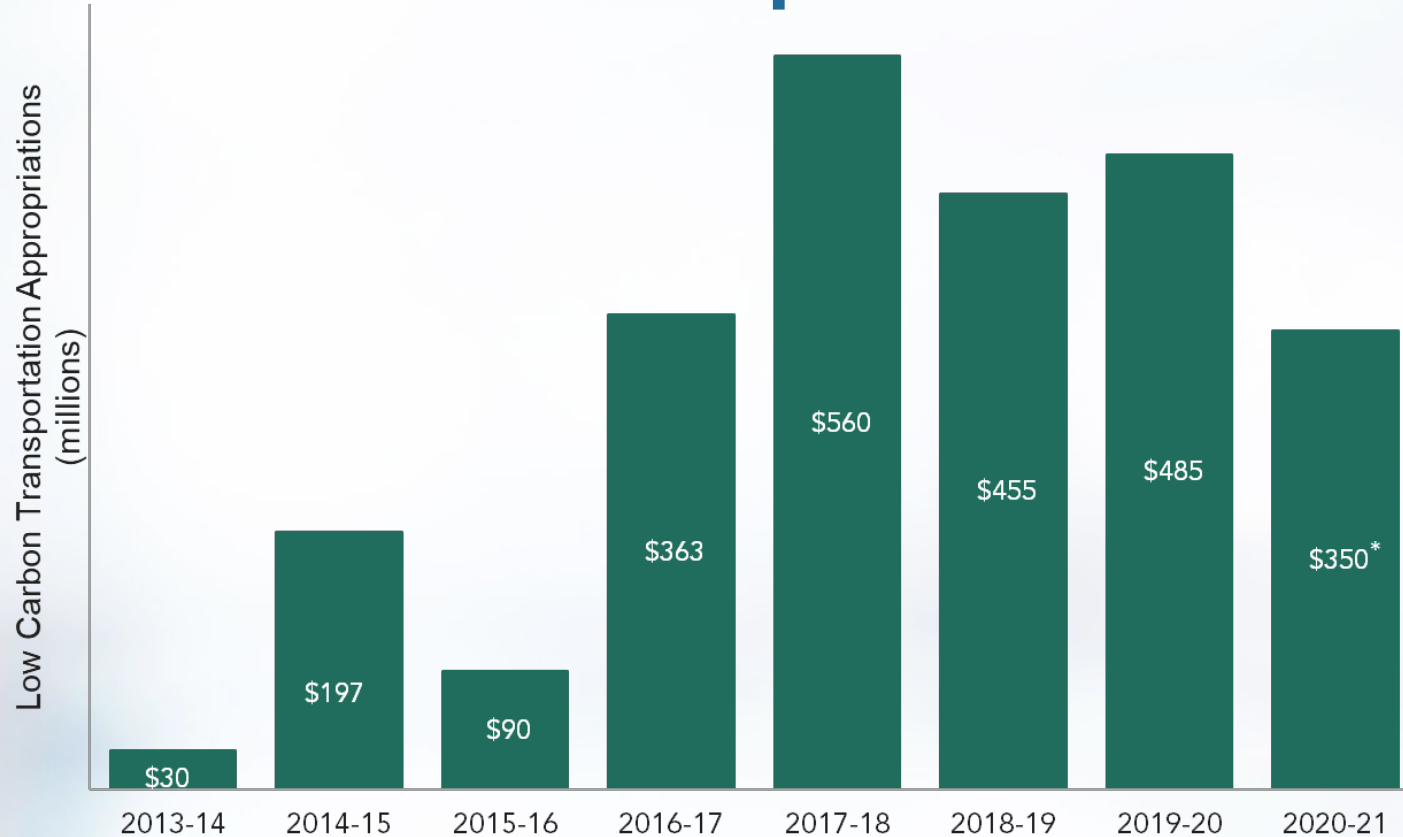
GOVERNOR'S INTERAGENCY WORKING GROUP ON ZERO-EMISSION VEHICLES
Governor Edmund G. Brown, Jr.
October 2016

CALIFORNIA AIR RESOURCES BOARD

Governor's 2020-21 Low Carbon Transportation Proposal

- \$350 million to accelerate transition to low carbon passenger and freight transportation in three main categories:
 - Clean Vehicle Rebate Project (CVRP)
 - Clean Transportation Equity
 - Heavy-Duty Vehicles and Equipment
- Key investments to meet our long-term air quality and climate goals

Low Carbon Transportation Funding



AB 1550 Priority Population Investment Requirements

- Established priority population investment requirements
 - Low Carbon Transportation targets exceed minimum
- Projects must provide direct, meaningful, and assured benefits that addresses a community or household need
- 2020-21 Funding Plan will continue to incorporate guiding provisions

AQIP

- Created by AB 118 (2007); updated and reauthorized by AB 8 (2013)
- Provides the foundation and framework for Low Carbon Transportation Investments
- Annual funding plan guides investments
- Focuses on criteria pollutant and toxics projects
- About \$28 million proposed for FY 2020-21

Key Priorities for 2020-21 Funding Plan

- Support the State's climate change, air quality, ZEV deployment, and petroleum reduction goals
- Accelerate the transition to advanced technology low carbon freight and passenger transportation
- Increase access to and awareness of clean transportation and mobility options for priority populations

Funding Plan Development Schedule

Milestone	Date
Category specific work group meetings*	March – June 2020
Final Workshop	June 23, 2020
Release proposed Funding Plan	September 2020
Board Consideration of Proposed Funding Plan	October 2020
Start implementing 2020-21 projects	November 2020

*Handout lists preliminary work group meeting schedule; subject to change

Additional information available at:

<http://www.arb.ca.gov/aqip/>

<http://www.arb.ca.gov/msprog/aqip/meetings/meetings.htm>

Questions?

Webcast email address

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SB 1275

Clean Vehicle Rebate Project

CVRP Status Update

- 365,000 rebates issued since 2010
 - 343,000 Standard Rebates
 - 17,000 Increased Rebates for low-income consumers
- 2019-20 CVRP budget
 - \$213 million for all rebate types; should last to July 2020
 - \$25 million for low-income rebates; last through Fall 2020
- Monthly application totals have stabilized since 2018
 - Now average 6,000-7,000 applications a month

FY 2019-20 Program Changes

- Vehicle Eligibility
 - Increased all-electric range requirement for PHEVs
 - Base MSRP cap of \$60k for BEVs and PHEVs
- Participant Eligibility
 - Decreased lifetime rebate limit to one per person
 - Shortened application window to 3 months
- Rebate Amounts
 - Decreased standard rebate amounts
 - -\$500 for FCEVs, BEVs, and PHEVs
 - -\$150 for ZEMs

Prior CVRP Demand Projections

FY 2019-2020 Program Changes	FY 20-21 need	FY 21-22 need
Funding Need with No Changes	\$301M	\$337 M
Funding Need with Changes	\$217 M	\$ 243 M

- Table taken from the FY 2019-20 Funding Plan, Appendix C
 - **Bottom row:** Projected funding need given the program changes implemented December 2019

Initial CVRP Options to Consider for 2020-21

- \$125 million initial proposed allocation
 - \$100 Million for Standard Rebates (will not meet forecasted demand)
 - \$25 Million for Increased Rebates
- Considerations for 2020-21
 - A “limited time offer” program for standard rebates
 - Low and moderate income program only
 - Review income eligibility process and align where possible with other clean transportation equity programs
 - Align fuel cell incentives with battery electric vehicle incentives

Plan for FY 2020-21

- Goal for the year: balance market support with funding allocation
 - Consider scenarios for various potential budget appropriations
- Work Group Plan:
 - Monday, March 16: To focus on limited time offer and other key lever options, build scenarios
 - Wednesday, April 8: Projections
 - Mid April (If needed): TBD

Questions?

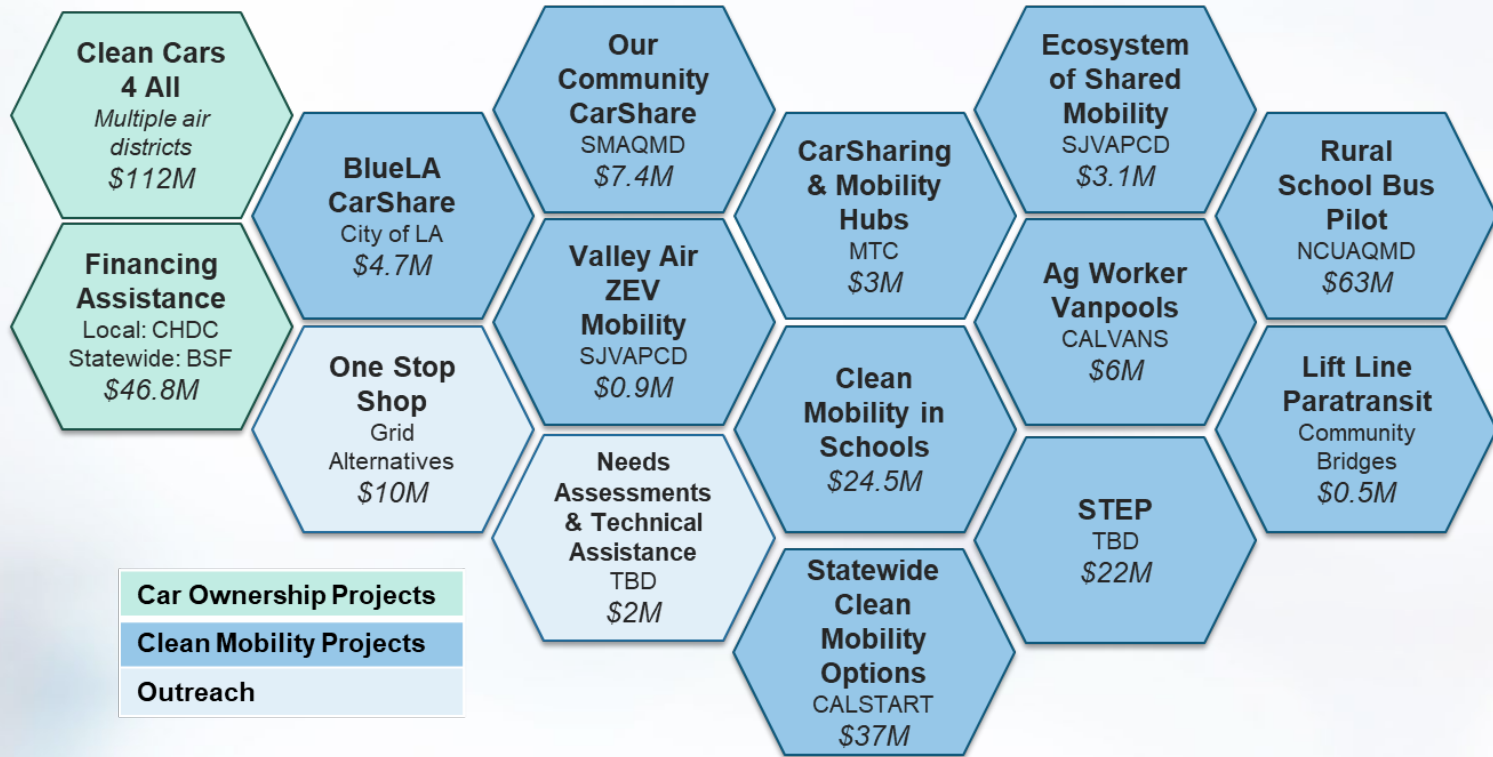
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SB 1275

Clean Transportation Equity Projects

Clean Transportation Equity Projects



Car Ownership Projects

Clean Cars

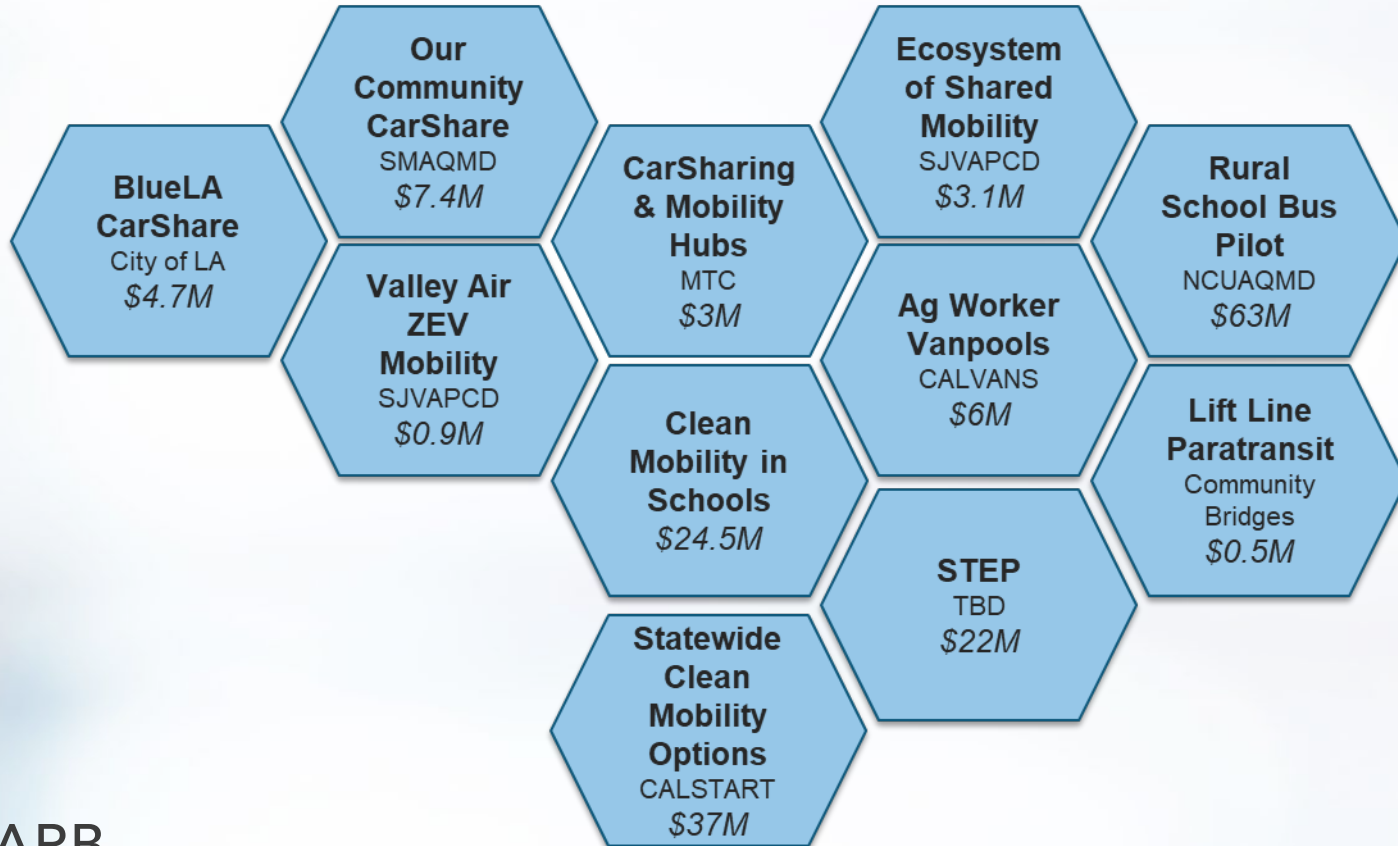
4 All

*Multiple air
districts
\$112M*

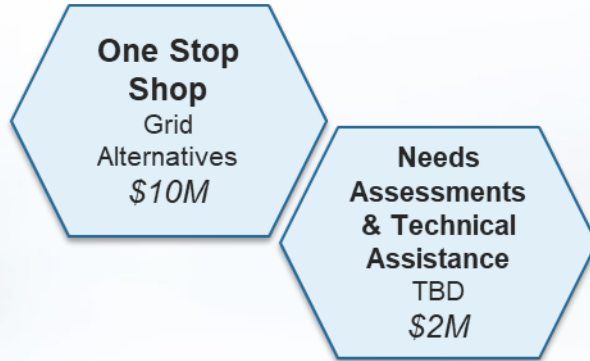
Financing Assistance

Local: CHDC
Statewide: BSF
\$46.8M

Clean Mobility Options Projects



Outreach Projects



Equity Project Progress

- Established programs are maturing and expanding
- Projects continue to overcome various implementation challenges
- Focused on advancing equity goals and guiding projects toward long-term sustainability
- Strong interest and participation in newly launched projects

Applying Equity Principles

- Continue to implement SB 350 Barriers Report recommendations
- Expand funding opportunities for community transportation needs assessments and technical assistance
- Develop and enhance One-Stop-Shop
- Continue to identify metrics to evaluate equity projects and outreach efforts

Path Forward for Equity

- Identify potential funding allocations and policy changes for existing projects
- Increase capacity-building with community-based organizations
- Further align projects and refine coordination strategies
- Implement AB 193 through pilot in local financing
- Incorporate workforce training and development opportunities into existing projects

Equity Project Funding for 2020-21

(Millions)

Project Category	Allocations to Date	Remaining Funding*	Preliminary FY 2020-21 Allocations
Clean Cars 4 All (EFMP Plus-Up)	\$112	\$38	\$30-50
Financing Assistance	\$47	\$39	\$0-15
Clean Mobility Options	\$57	\$49	\$0-15
Ag Worker Vanpools	\$6	\$0	\$0
Rural School Bus Pilot	\$63	\$25	\$5-15
Sustainable Transportation Equity Project (STEP)	\$22	\$22	\$0-20
Clean Mobility in Schools	\$25	\$25	\$0-10
One Stop Shop	\$10	\$7	\$0-5
Outreach & Technical Assistance	\$2	\$2	\$0-2
TOTAL	\$343	\$205	\$75

*Allocated funding not spent as of March 1, 2020
Columns may not add to the total due to rounding

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12:30-1:30pm

Lunch Break

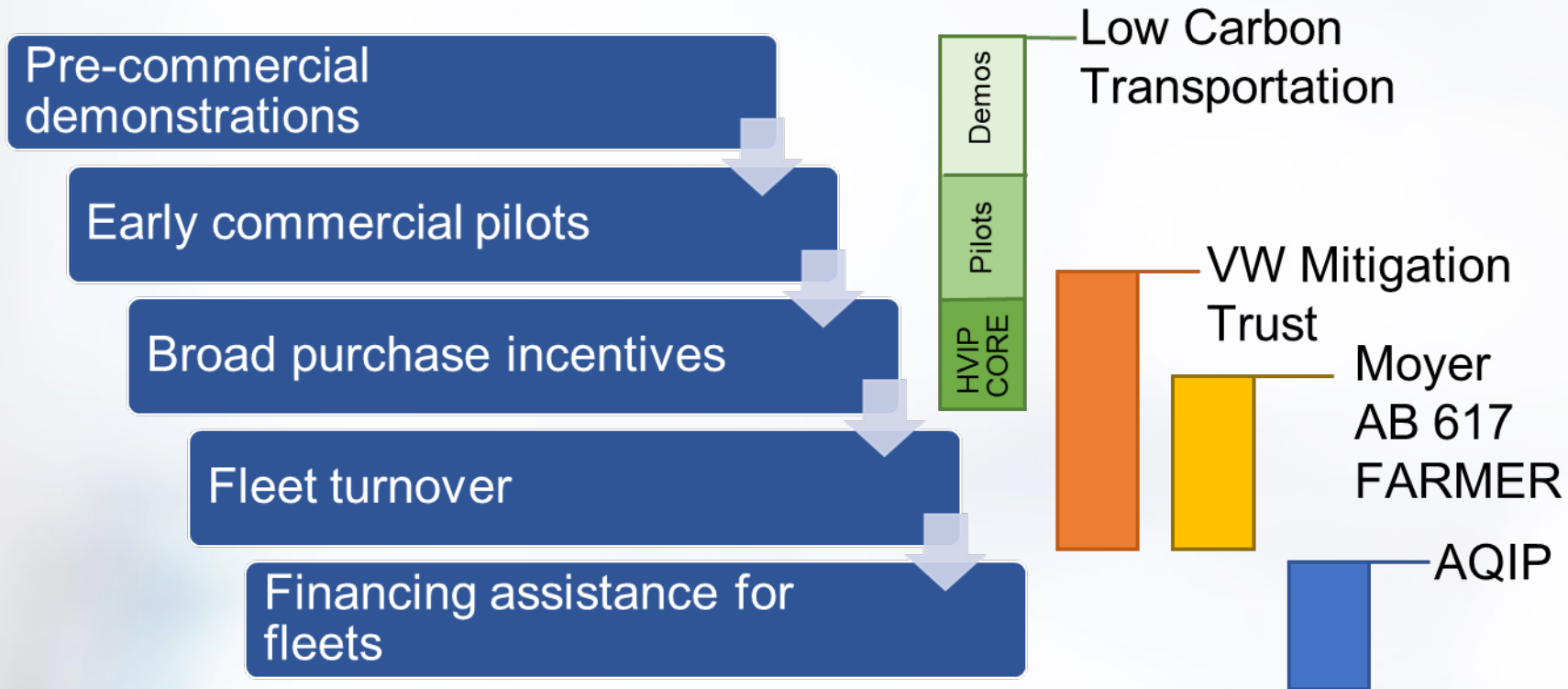
SB 1204 & SB 1403

Heavy-Duty Investment Strategy

Heavy-Duty Investment Strategy for Vehicles and Off-Road Equipment

- Roadmap on how the portfolio of CARB incentives:
 - Fund across the commercialization arc
 - Fund rapid technology advances by supporting beachhead technologies
 - Establish funding needs for Low Carbon Transportation investments over the next three fiscal year cycles

Heavy-Duty Technology Progression Through CARB Incentive Programs



Heavy-Duty Investment Strategy for Vehicles and Off-Road Equipment

- The Strategy includes:
 - Technology status updates
 - Beachhead strategy discussion
 - State school bus incentives update per SB 1403
- Incorporates new elements this year:
 - Metrics of success
 - Expanded consideration of off-road equipment
 - Infrastructure assessment

Heavy-Duty Investment Priorities for FY 2020-21

- Support SB 350, SB 375 and AB 617 goals
- Continue to update and build on project momentum
- Address fiscal crisis

Questions?

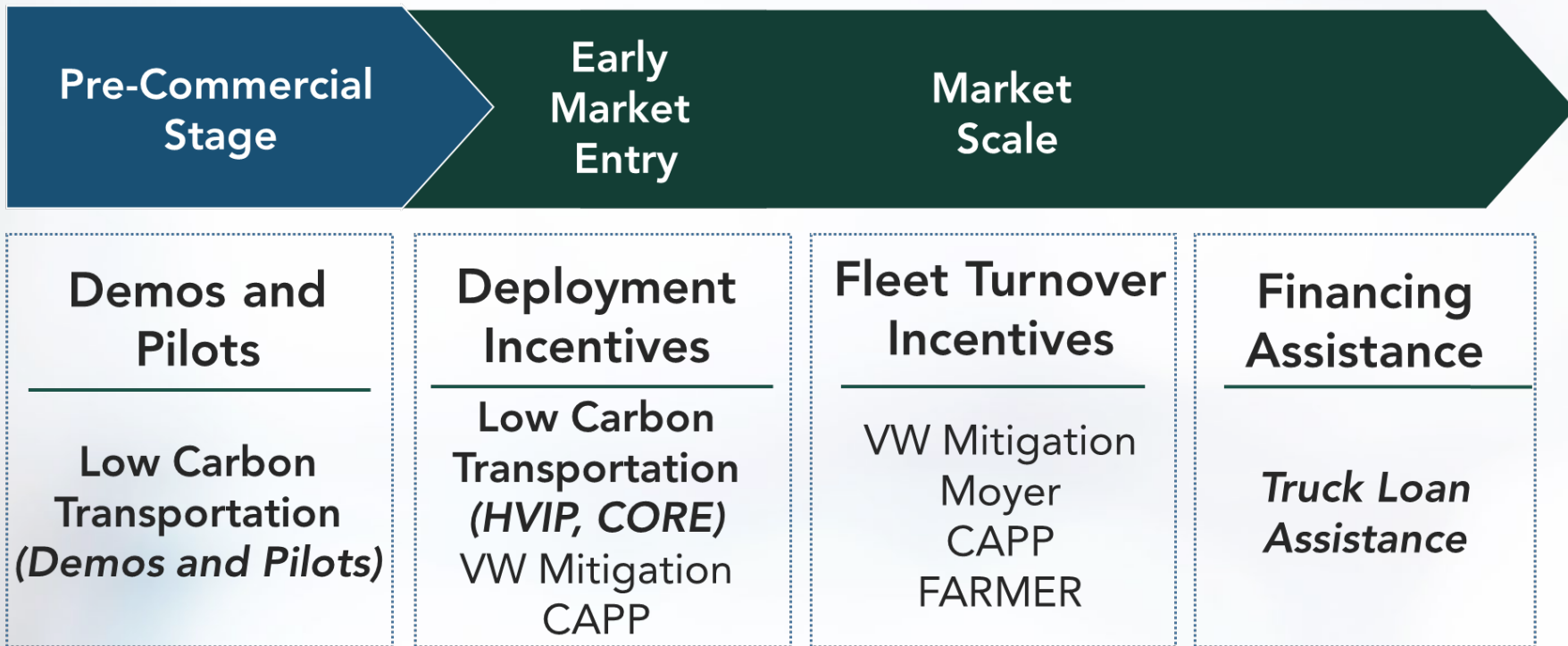
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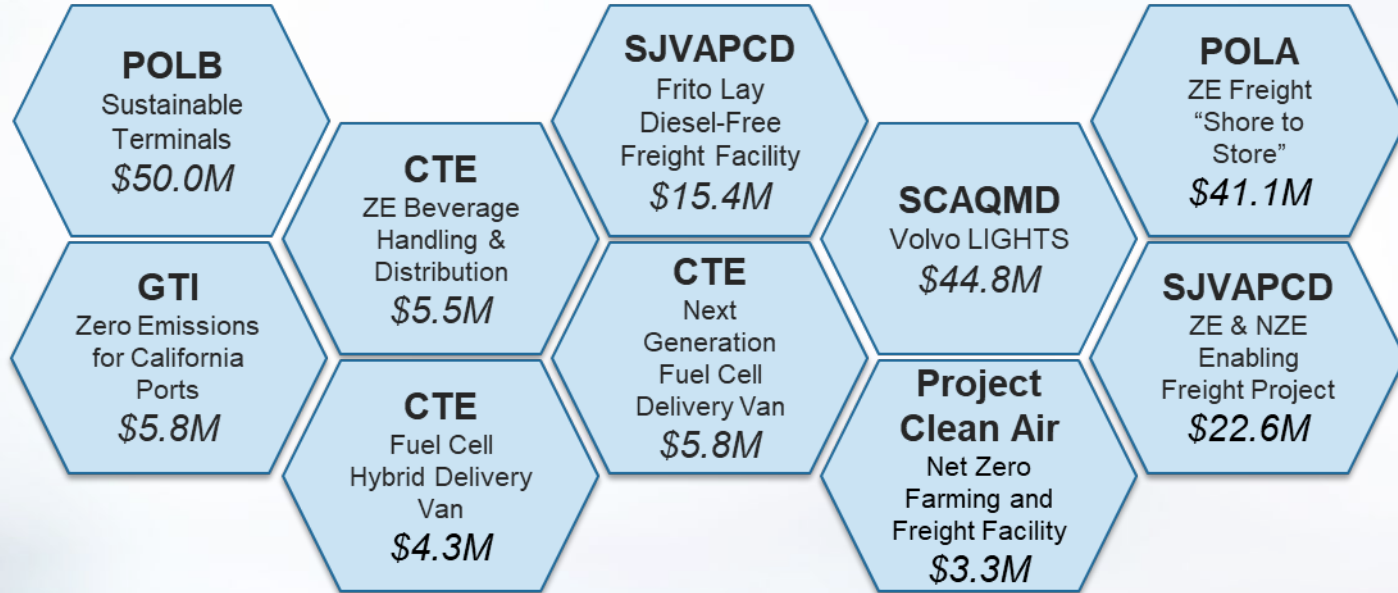
SB 1204, SB 1403 & AQIP

Heavy-Duty Trucks, Buses, and Off-Road Freight Equipment

Heavy-Duty Trucks, Buses, and Off-Road Freight Equipment

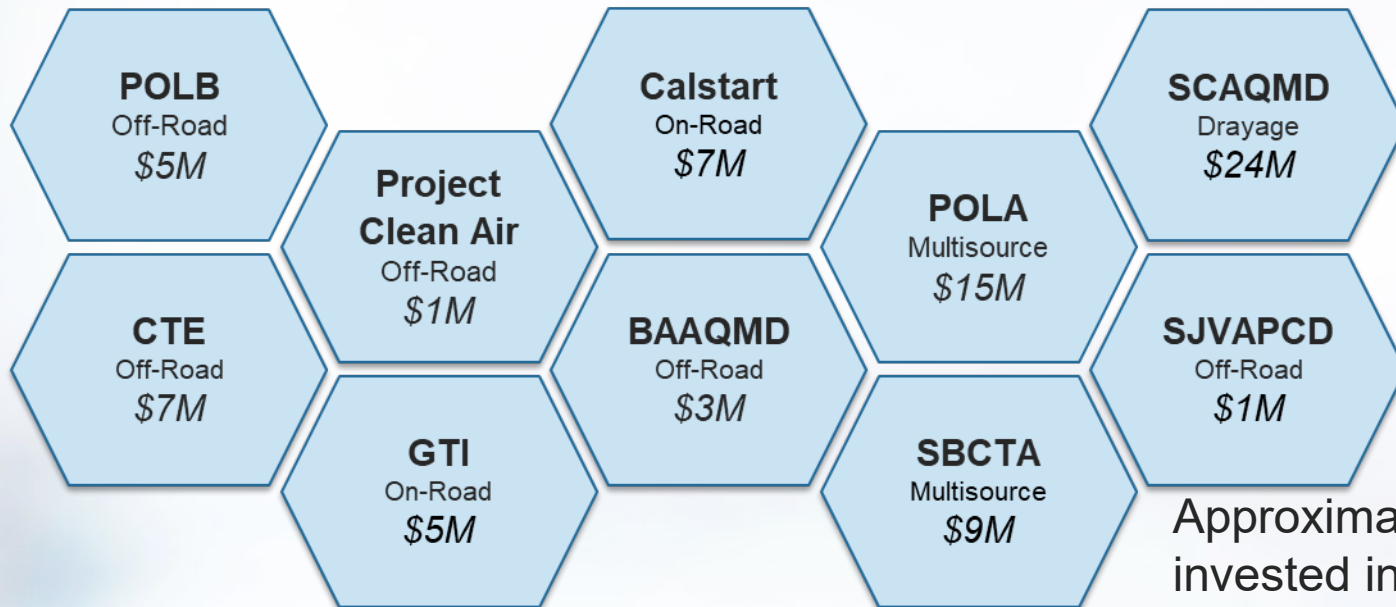


Ongoing Zero- and Near Zero-Emission Freight Facilities Projects



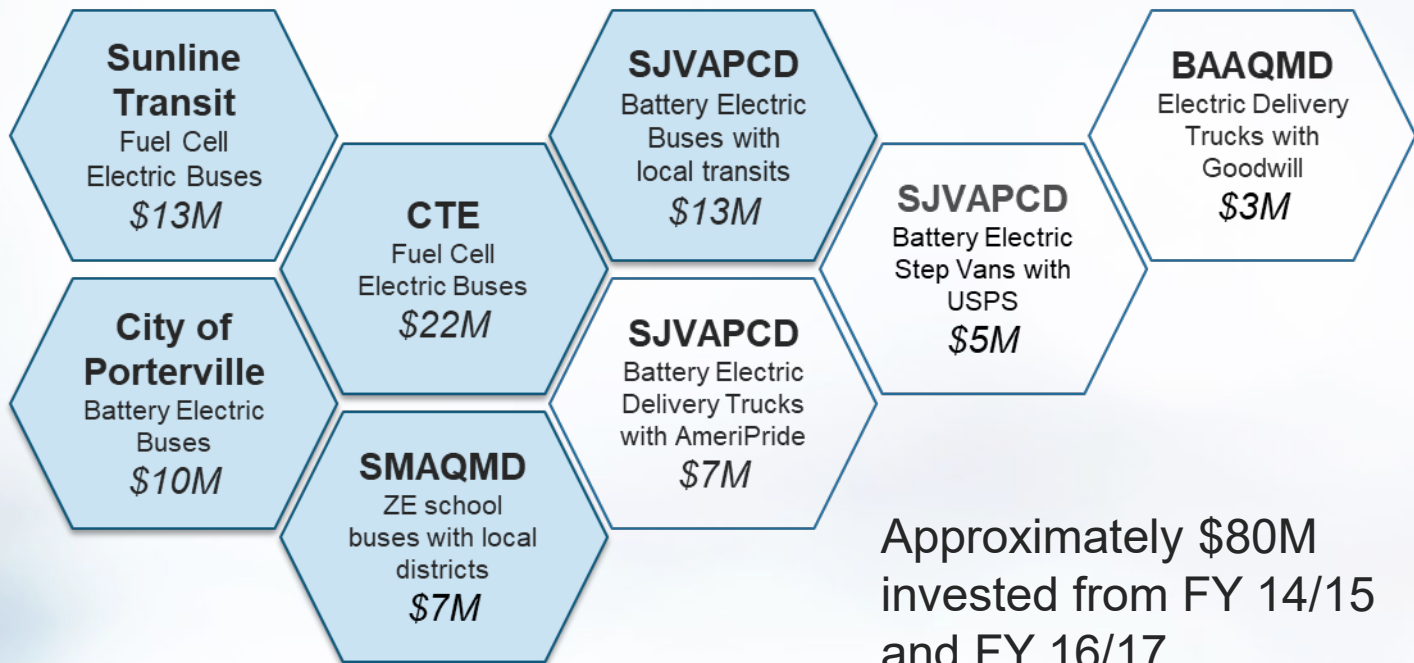
Approximately \$200M
invested in FY 17/18
and FY 18/19

Ongoing Heavy-Duty Demonstration Projects



Approximately \$80M
invested in FY 14/15
and FY 16/17

Ongoing Truck and Bus Pilot Commercial Deployment Projects



Truck Loan Assistance Program Updates

- Contribution Rate Increase
 - Addresses increased risk from changes in market and economic trends for participating lenders
 - Effective March 2, 2020
- California Registration Requirement
 - Focus assistance on truckers impacted by Department of Motor Vehicles compliance verification

CORE is Now Open

- Project launch in December 2019
- 14 equipment eligibility applications received as of February 24, 2020
- \$44.2 million in funding
- ZE terminal trucks transferring from HVIP





- Over 50% of GGRF-funded deployments serving priority populations
- Nearly 9,300 vouchers issued since inception, totaling \$555 million
 - Including waitlist
 - Record breaking last 24 months
- Waitlist closed November 2019
 - ~1,600 vouchers
 - Funding demand (\$140M) exceeded entire FY19-20 budget



HVIP Funding Shortfall

- Record demand has deepened a fiscal crisis
- Current program projections at ~\$200 million
- Policy changes needed to provide savings while meeting program goals
- Staff considering a wide array of options

Potential Options To Address Fiscal Crisis

- Five categories for consideration:
 - Technology/vehicle graduation
 - Vehicle and fleet eligibility
 - Reduce voucher amounts
 - Lower voucher request caps
 - Consider upcoming regulations
- Waitlist improvements
- Encourage shorter vehicle delivery timelines
- Work group meeting to discuss changes April 7, 2020

Key Program Impacts of Funding Shortfall

- Initial proposed appropriation of \$150M will only partially fund recommended level of funding for HVIP
- Current level insufficient to fund CORE or Demos and Pilots

Recommendations for Investment Priorities	
	FY 2020-21
Demos	<i>\$60-\$85 Million</i> Focus: ZE/PHEV Heavy-Duty Regional Delivery, ZE/Hybrid Ag-Construction Equipment, ZE/Hybrid Heavier Cargo Handling Equipment, ZE/Hybrid Marine
Pilots	<i>\$185-\$310 Million</i> Focus: ZE/PHEV Drayage and Regional Delivery Trucks, Advanced Powertrains, ZE/Hybrid Heavier Cargo Handling Equipment, ZE Facilities
Commercial	<i>\$220-\$320 Million</i> Focus: ZE Delivery, ZE Transit, Ground Support Equipment, ZE/Hybrid Heavier Cargo Handling Equipment
Total Funding	<i>\$465-\$715 Million*</i>

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Summary and Next Steps

\$430M Clean Transportation Incentives: Proposed Project Category Allocations

	2019-20 Allocation (millions)	2020-21 Initial Recommendation (millions)
CVRP	\$238	\$125*
Transportation Equity Projects	\$65	\$75
Clean Trucks, Buses, and Off-Road Freight	\$182	\$150
AQIP	\$48	\$28.64
Total Clean Transportation Incentives Funding	\$533	\$378.64

**Includes \$25 million for increased rebates for low-income consumers*

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