

**DOCKETED**

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December 19, 2023

**California Energy Commission (“CEC”)**  
1516 Ninth Street  
Sacramento, CA 95814

**RE: 18 -TRAN - 01 SB 114 Funding Available for Zero Emission School Buses and Infrastructure**

Dear California Energy Commission and California Air Resources Board Staff,

BYD | RIDE appreciates the opportunity to submit comments regarding the Fiscal Year 2023-24 SB 114 Zero Emission School Buses and Infrastructure (ZESBI) Grant. We would like to express our gratitude to the CEC and CARB staff and leadership for their work on this grant and for their broader efforts in supporting the mass adoption of zero-emission technology in California, particularly in addressing the transition needs of the state’s diesel school buses. As a leader in Medium- and Heavy-Duty (MDHD) electric vehicle technology, BYD | RIDE is ready and eager to collaborate with CEC and CARB to achieve the state’s critical zero-emission school bus goal before 2035. BYD | RIDE provides the following information for the Board to consider when implementing this grant and to expedite the transition to zero-emission school buses in California.

**BYD | RIDE – An Industry Driver in California**

We are a global company revolutionizing zero-emission technology across all MDHD markets. Our Lancaster manufacturing facility, operational since 2013, has evolved into a 550,000-square-foot green technology hub with hundreds of union employees, who are covered by a federally recognized community benefits agreement that gives preference in hiring to those who may have experienced a barrier to employment in the past. Currently, the Lancaster facility can produce 1,500 MDH Zero Emission Vehicles (ZEVs) annually and is poised to meet growing market demands.

Soon, BYD will undergo a transformation into RIDE, an American spinoff. RIDE, representing Real Innovation Delivered with Excellence, will take the reins in much of the BYD transit and school bus market. BYD Motors will continue its commitment to serving the drayage truck and off-road markets. Therefore, our comments are presented here as BYD | RIDE.

**A Joint Vehicle and Infrastructure Application is Necessary**

BYD | RIDE strongly supports the idea of having a joint grant application to include both vehicle and infrastructure. Our experiences working with rural, small, and disadvantaged school districts in California, which are the priorities of this grant, have taught us that these difficulties in a burdensome application process can discourage some from applying. It is important to streamline the application documents and process by including only the most necessary questions and documentation. This approach will encourage more under-resourced school districts in areas with poor air quality to apply and benefit from the state incentive. Such simplification will expedite the rollout of cleaner school bus fleets, benefiting both the state and its children. In alignment with this, we also propose simplifying the reporting process for similar reasons.

### **Allow Ample Application Time**

BYD | RIDE suggests a three to four-month opening window for the grant application. This timeframe provides ample time for school districts to make decisions on zero-emission vehicle transition, plan, and prepare applications. Particularly if the Grant is anticipated to open in Early 2024, when schools are in session, extending the application period or choosing a less busy time of the school year is recommended.

### **Include Sales Tax as an Eligible Expense and Fund Up to the Full Purchase Cost of the Bus and Infrastructure**

BYD | RIDE suggests including sales tax as an Eligible Expense. Currently, 50% of California School districts we work with that qualified to participate in programs like HVIP are dropping out because they cannot afford the upfront cost of what is supposed to be a free electric school bus. Many point to the burden of state sales taxes that can easily add \$40,000 or more to the purchase of a single bus, making large-scale adoption cost-prohibitive in areas where the buses are needed most. The high upfront cost can be daunting - especially for small, disadvantaged, or rural school districts that are disproportionately affected by climate change. This delta could be even greater if considering soft costs like scrappage, documentation, inflation, and others. To achieve the state's climate goal of having 100 percent of electric school buses sold throughout California by 2035, it's crucial to minimize the barriers to afford the upfront cost of purchasing zero-emission school buses and make sales taxes an eligible cost for school bus purchases under this grant. For ZESBI, a competitive grant, BYD | RIDE recommends making sales taxes an eligible cost and funding up to the full purchase cost of zero-emission school buses and charging infrastructure. This will eliminate upfront burdens for small, rural, and underserved districts.

### **Provide Maximum Flexibility in Stacking with Other Sources of Funding**

BYD | RIDE strongly suggests that CEC and CARB provide maximum flexibility in stacking SB 114 funds with other sources, including the EPA Clean School Bus program, EPA DERA, and non-CEC incentives. Enhanced flexibility allows districts more options to bridge the gap between SB 114 funding and vehicle costs, promoting the feasibility of zero-emission technology adoption.

### **Allow Flexibility in Self-certify as Prioritized School District**

BYD | RIDE recommends that CEC and CARB offer a self-certification option for school districts to convey their prioritization. Existing metrics like CalEnviroScreen or AQMD size may not fully capture the district's situation. Factors such as air quality and child asthma rates are equally crucial. Providing a self-certification option ensures that the most critical districts benefit from the grant.

### **HVIP Voucher Cap, Third-Party Applicants, and Fleet Cap**

It's currently unclear if this grant will be subject to the 30-per-year unredeemed voucher cap under HVIP. BYD | RIDE strongly encourages CARB and CEC not to count vehicles applied for under this grant toward the voucher cap. This approach would provide an incentive for more school districts to apply. In addition, we recommend that the State considers making third-party applicants serving a public school district eligible. Third-party applicants can include private transportation providers, OEMs, or any other entities that service a public school district in California. In this way, these entities could also lend a hand to school districts, especially under-resourced ones, to apply on their behalf. If third-party applicants are allowed, we further suggest that the third-party applicants are not made subject to the 30-per-year



unredeemed voucher cap or the fleet size limitation. The overall goal is to fund as many school buses as possible, so we urge the agencies to provide maximum flexibility.

We want to reiterate our recognition of the hard work CARB and CEC staff have put into this meaningful incentive and give our appreciation for the opportunity to voice our support and suggestions. Please do not hesitate to contact me should you have questions or wish to discuss further.

Sincerely,

*Angel Yin*

**Angel Yin**

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