

Assembly Bill (AB) 118

*Air Quality Improvement
Program (AQIP)*

Clean Vehicle Rebate Project (CVRP)

Waiting List Expansion

Board Meeting
Sacramento, CA
April 25, 2014

California Environmental Protection Agency

 **Air Resources Board**

AQIP Overview

- One of three programs authorized under AB 118 (2007)
 - Funds mobile source technology advancement
 - Specific project types authorized
 - Annual funding plans identify projects and allocations
- Guiding principles focused on air quality standards and complementing other Air Resources Board incentive programs focused on near-term reductions
- Project Types
 - CVRP
 - Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)
 - Advanced Technology Demonstration Projects
 - Truck Loan Assistance Program

CVRP Background

- Launched in spring 2010
- Rebates for purchase or lease of eligible vehicles
 - \$1,500 for Plug-In Hybrid Electric Vehicles (i.e. Volt)
 - \$2,500 for Zero-Emission Vehicles (i.e. Leaf)
- Accelerates market growth of the cleanest vehicles available

CVRP Success:

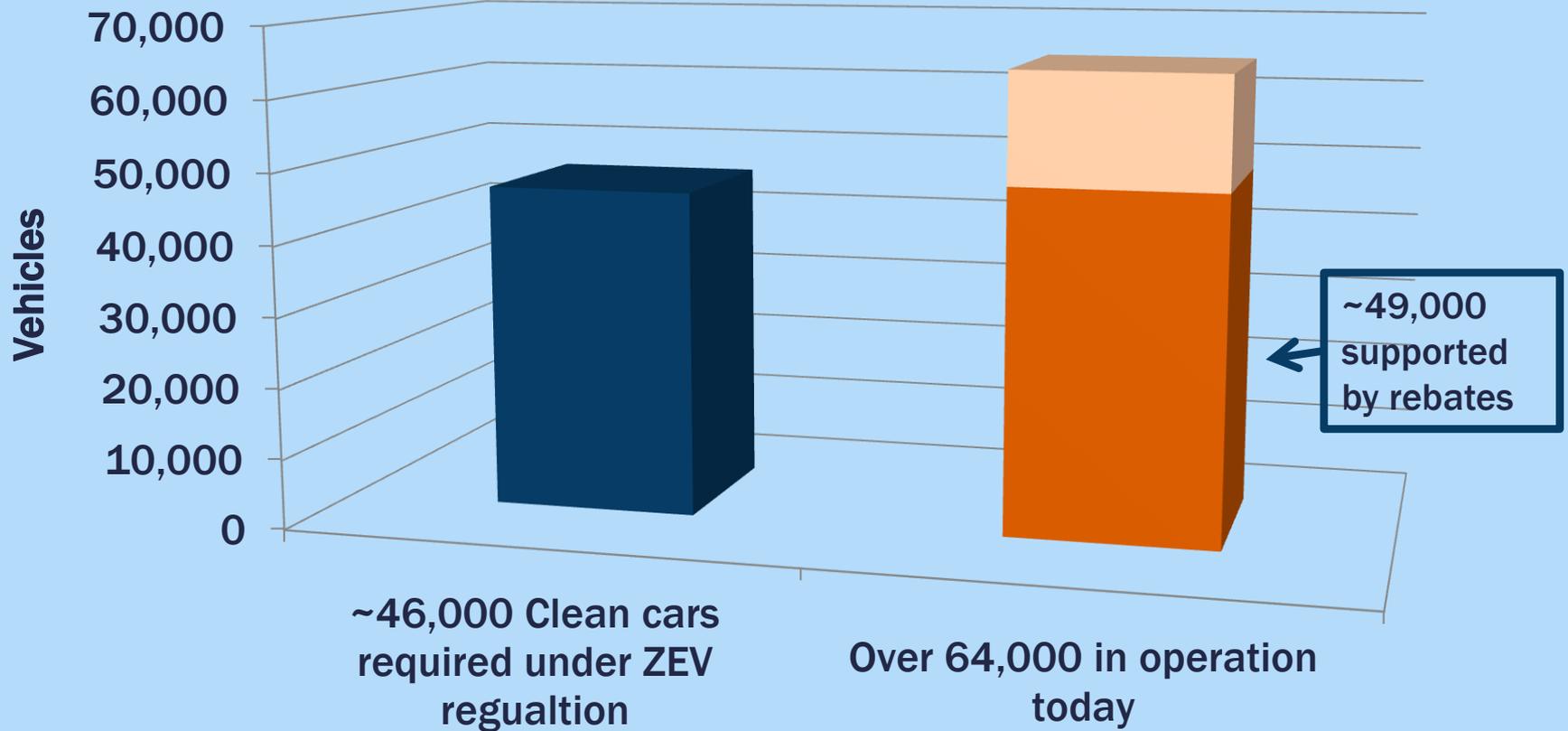
Over 49,000 Rebates Approved

Vehicle Type	# Vehicles
Zero Emission Vehicles (ZEV)	25,676
Plug-in Hybrid Electric Vehicles (PHEV)	23,032
Zero Emission Motorcycles	201
Neighborhood Electric Vehicles	137
Commercial ZEVs*	49
Total	49,095

**Part of HVIP as of FY 10-11*

- **As of March 31, 2014**
- **Figures include rebate funding of \$44.05 million (M) provided by California Energy Commission**

Continued Investment Critical To Ensure Market Momentum



Significant Project Achievements

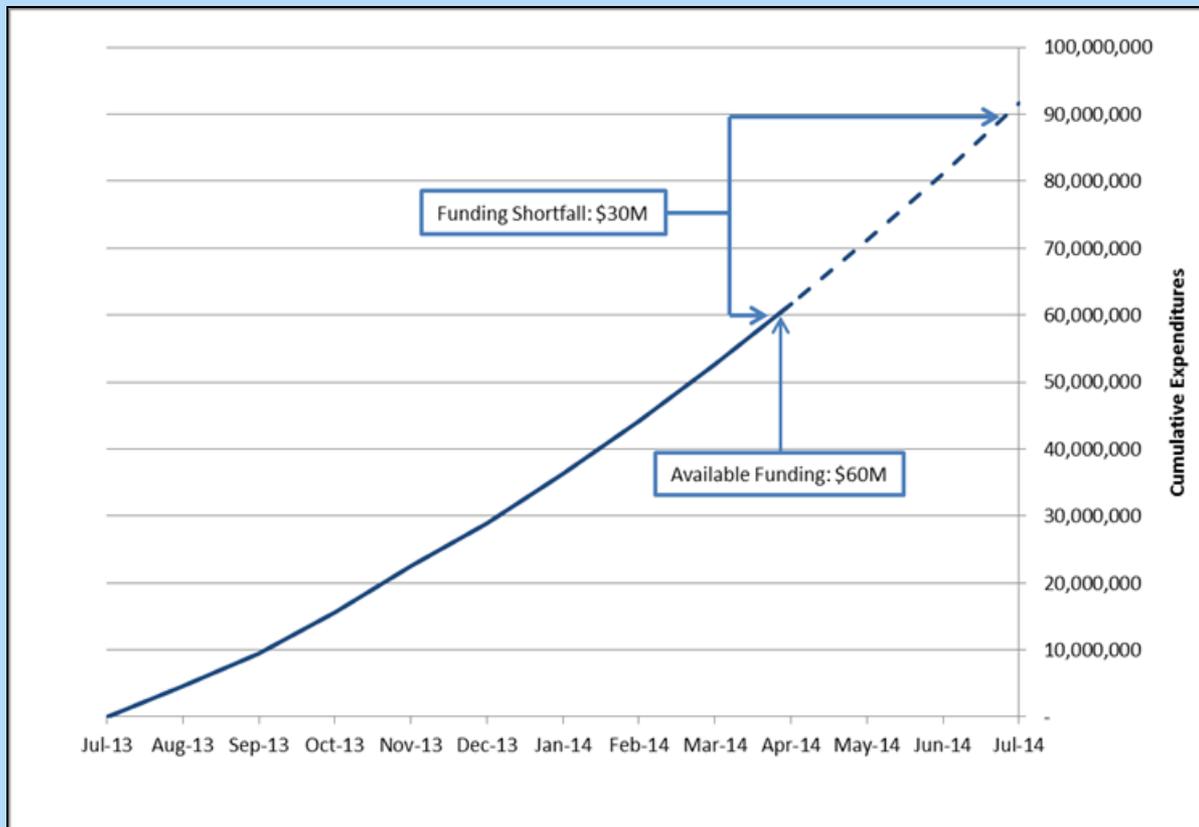
- Reduced criteria pollutant and air toxics emissions
 - ~1,200 tons of nitrogen oxides reduced
 - ~1.5 M metric tons of carbon dioxide equivalents reduced
- Growing market diversity
 - 2012: 12 models
 - 2013: 18 models
- Demand for funding continues to grow
 - 160% increase in rebates reserved between 2012 and 2013
 - March 2014 record month with over 4,800 rebates reserved (over \$9.8M in funding)



FY 2013-14 CVRP Funding Allocation

\$59.55 M
Total

Projected FY 2013-14 CVRP Cumulative Expenditures



- Funds exhausted April 1, 2014
- \$30M funding shortfall estimated
- Current waiting list only covers \$5M of the funding gap
- Expanded waiting list needed

Proposed Waiting List Expansion

- Staff proposal
 - Expand waiting list by an additional \$25M
 - Maintain existing project eligibility requirements
- Working with Administration on funding options
- Benefits
 - Prevents CVRP suspension
 - Provides consumers certainty while making purchase decisions
 - Minimizes disruption to the advanced clean car market



Future Project Changes Under Development

- **Staff currently developing the FY 2014-15 Funding Plan**
 - **Board consideration in June 2014**
 - **Propose changes to CVRP structure**
 - **Introduction of new pilot projects in disadvantaged communities**

Staff Recommendation

- **Authorize the Executive Officer to expand the waiting list by \$25 million**
- **Allow rebates approved for the CVRP waiting list to follow existing Board approved eligibility criteria and funding amounts.**