



# **Amendments to the Enhanced Fleet Modernization Program Guidelines**

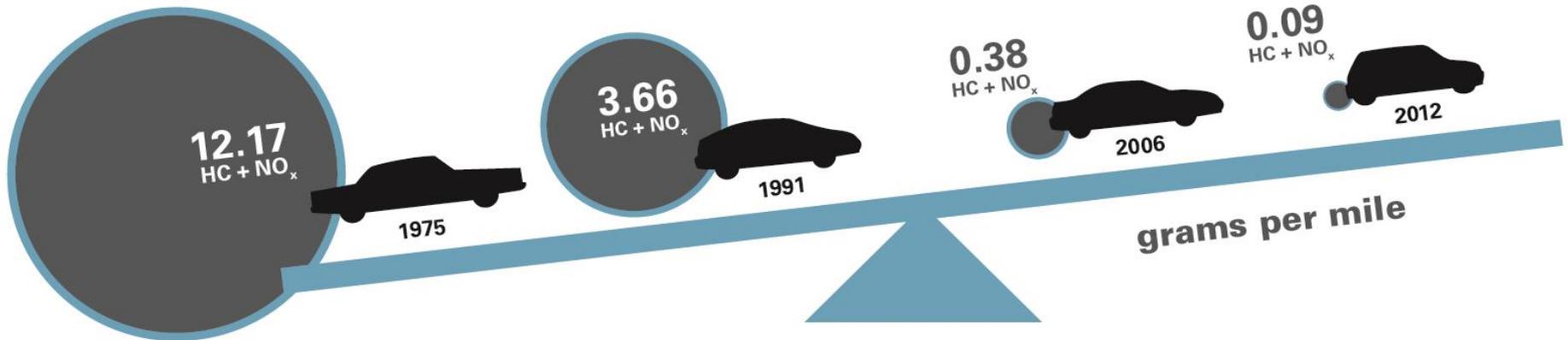
# Today's Presentation

- Program Background
- Proposed Amendments
- Staff Recommendation

# Background

- Voluntary scrap program for cars
  - ~\$30 million annually through 2023
  - Funded by \$1 per vehicle registration
- Two elements
  - Retirement-Only
  - Replacement
- Focus on areas with greatest air quality problem
- Consider flexible compensation and low-income populations

# Why vehicle retirement?



# SIP Goals for Vehicle Retirement

- 2007 Ozone SIP
  - Expand vehicle retirement program
  - 60,000 retirements per year in South Coast and San Joaquin Valley
- EFMP Achievements To Date
  - ~25,000 vehicles per year statewide
  - ~12,000 vehicles per year in South Coast and San Joaquin

# Program Partners: Retirement-Only

- ARB - Adopts program guidelines
- BAR - Administers Retirement program statewide
  - \$1,000 (\$1,500 low-income)
  - Consistent with Consumer Assistance Program
  - Apply for funding through BAR

# Program Partners: Replacement

- ARB - Adopts program guidelines
- BAR - Contracts with Dismantlers
- Air Districts – Administer Replacement programs locally
  - South Coast and San Joaquin Valley
  - \$2,000 (\$2,500 low-income)

# Key 2013 findings from joint ARB/BAR study

- Improving cost-effectiveness and emission benefits
- Retirement
  - Significant low-income participation
  - Many vehicles had little remaining useful life
  - Emission benefits could be improved
- Replacement
  - Limited participation
  - Complicated process
  - Did not encourage cleanest vehicle purchase

# Senate Bill 459

- Increase benefits for low-income residents
- Promote cleaner replacement vehicles
- Enhance emission reductions
- Expand outreach to community-based organizations
- Update guidelines by June 2015

# Proposed Revisions: Retirement-Only Program

- Limit to low-income motorists
- Car must be functional
- Collect follow-up data
- Track participation and adjust program components if needed



# Proposed Revisions: Retire & Replace Program

- Focus on low and moderate income motorists
- Set minimum requirements
- Administer through San Joaquin Valley and South Coast air districts
- Flexibility to implement varied models
  - Community outreach focused
  - Dealer-based

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# Revisions Will Increase Effectiveness

- Require sufficient vehicle functionality and target high emitters
- Provide flexibility to allow region-specific approaches
- Increase minimum incentive levels
- Improve funding options for advanced technology and transit
- Expand outreach and consumer protections

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# Retire & Replace Incentives

## *Minimum Levels*

Income Eligibility	Replacement Options			
	8 year old or newer	35+ MPG	Plug-In Hybrid or ZEV	Alternative Mobility Options
Low Income <225% FPL	\$4,000	\$4,500	\$4,500	\$4,500
Moderate Income <300% FPL	-----	\$3,500	\$3,500	\$3,500
Above Moderate Income <400% FPL	-----	-----	\$2,500	\$2,500

# Alternative Mobility Options

- Face-value of incentive must be at least as much as for a ZEV
- Districts encouraged to negotiate with transit providers to maximize benefits above face value
- Can include multiple modes of transportation and options such as car-sharing memberships
- Flexibility needed for Regional solutions

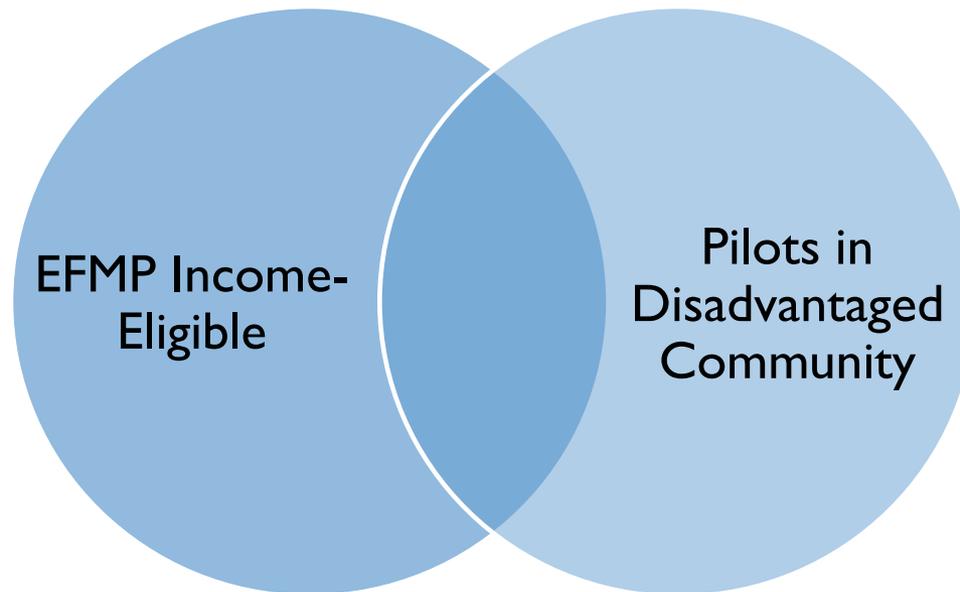


# Improving Participation by Low-Income Motorists

- Target outreach to low-income motorists and disadvantaged communities
- Establish relationships with trusted community organizations
- Assist participants to complete transaction
- Partner with Community Development Financial Institutions (CDFIs) to help with financial education and low-cost financing

# Additional Support for Disadvantaged Communities

Low Carbon Transportation Investments pilot projects will supplement EFMP



# Staff Recommends Approving Proposed Amendments

- Improves emission benefits and cost-effectiveness
- Ensures program serves low to moderate income households
- Sustains cleaner vehicle replacements
- Allows adjustments to maintain participation





***END PRESENTATION***

# Retire & Replace Incentives

*Includes Proposed EFMP Plus-Up Incentives for Disadvantaged Communities*

Income Eligibility	Replacement Options			
	8 year old or newer	35+ MPG	Conventional Hybrid	Plug-In Hybrid or ZEV
Low Income <225% FPL	\$4,000	\$4,500	up to \$7,000	up to \$9,500
Moderate Income <300% FPL	-----	\$3,500	up to \$6,000	up to \$8,500
Above Moderate Income <400% FPL	-----	-----	up to \$5,000	up to \$7,500