



October 22, 2018

The Honorable Mary Nichols & Members of the Governing Board
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Subject: Comments on FY 2018-19 Funding Plan for Clean Transportation Incentives

Dear Chair Nichols and Members of the Governing Board:

The Port of Oakland (Port) appreciates the opportunity to comment on the Proposed Fiscal Year 2018-19 Funding Plan for Clean Transportation Incentives. The Port understands that the Governing Board is considering approval of the 2018-19 Funding Plan on Thursday, October 25.

1. Port staff are writing in support of the continued funding of the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) program. The use of vouchers is by far the best way to incentivize the use of Near-Zero and Zero-Emissions (NZE and ZE) equipment, as well as to accelerate the commercialization of NZE and ZE equipment. From the Port's experience hosting two public funding workshops this year, the voucher program is the most popular and user friendly of all incentive types.

Not only has the Port encouraged the use of HVIP vouchers by independent equipment owners, the Port used an HVIP voucher to purchase its own zero-emissions passenger shuttle. For low-usage equipment such as the passenger shuttle, which is not eligible for most traditional grant funding, the HVIP voucher was a deciding factor in going electric.

Port staff recommend that the HVIP eligibility website also include the lead time for orders of the NZE and ZE equipment in the program.

2. Port staff encourage funding the Clean Off-Road Equipment (CORE) program, which is currently only funded from the FY17-18 Funding Plan. We request the schedule for implementing CORE be included in the Fiscal Year 2018-19 Funding Plan for Clean Transportation Incentives, along with a description of its current status.

3. Port staff note that even with vouchers, the costs of new NZE and ZE equipment are prohibitively high for most users. Even with stacked incentives, we see that prospective purchasers of NZE and ZE equipment still decline to purchase alternative-fueled vehicles because the combined burden of equipment costs, sales tax on the entire purchase price (not the post-incentive price), and charging infrastructure is too high. The stated goal of funding 80% of

the difference between advanced technology and diesel alternatives may still not make NZE and ZE equipment a viable alternative to purchasing new compliant diesel equipment and is not viable compared to used diesel equipment. To reach the equipment owners that only purchase compliant used equipment, the comparison to the cost of new diesel equipment is not the relevant comparison. Port staff request that the Governing Board remove the requirement that the “HVIP Base Vehicle Incentive plus voucher enhancements plus all other public incentives may not exceed 90 percent of the total vehicle cost (excluding taxes and fees).”

4. Given the importance of HVIP (and the CORE program under development), Port staff request that CARB (or the program administrator) periodically report on the purchase of ZE equipment. There are many lessons to be learned—this information should be transparent and shared. For example, provide more case studies (including a contact person) especially for ZE yard tractors and ZE drayage trucks in <https://www.californiahvip.org/tools-results/>.

Please contact me at DHeinze@portoakland.com with any follow-up questions.

Sincerely,



Diane Heinze, PE
Port Environmental Assessment Supervisor, Maritime Area