



December 7, 2020

Clerk of the Board  
California Air Resources Board  
1001 I Street, Sacramento, California 95814

Submitted electronically: <http://www.arb.ca.gov/lispub/comm/bclist.php>

**Re: Proposed Fiscal Year 2020-21 Funding Plan for Clean Transportation Incentives for Low Carbon Transportation Investments and the Air Quality Improvement Program**

Motiv Power Systems appreciates the opportunity to provide feedback on the Proposed Fiscal Year 2020-21 Funding Plan for Clean Transportation Incentives for Low Carbon Transportation Investments and the Air Quality Improvement Program (FY 2020-21 Funding Plan), which will be considered by the California Air Resources Board (CARB) on December 11, 2020.

We value CARB's continued commitment to driving the industry forward with programs in the Low Carbon Transportation Investment Plan, most notably - The Hybrid and Zero Emission Truck and Bus Voucher Incentive Program (HVIP). HVIP has proved to be a successful market driver for innovative technologies in the medium and heavy-duty vehicle sector. These investments not only benefit companies like Motiv but they support an entire EV ecosystem which contribute to transitioning California's transportation sector to zero-emission.

As a small electric truck and bus manufacturer in California, we understand the crucial role that incentives play in consumer demand. We have been in the medium-duty electric vehicle space since 2009 and have deployed over 100 vehicles with over 1 million miles. Over the years, we have seen promising progress in the Class 4-6 EV market, with increased range and decreased prices. In part, thanks to the HVIP program.

Motiv strongly supports CARB staff's proposal to graduate all internal combustion engines that are certified to the 0.02 g/bhp-hr NOx standard and expand the definition of near zero eligibility. We believe it is time to invest in more innovative technologies that achieve greater emission reductions with proven reliability. We are also supportive of CARB's proposal to streamline voucher tables with the current proposed voucher amounts. Motiv cautions against any further voucher reductions from the proposed amounts. Motiv fully understands the reality of this year's funding shortfalls, but we urge staff to prioritize the HVIP program by exhausting all resources and options available in order to secure adequate funding for FY 20-21 since this program has the greatest impact on overall emission reductions in the transportation sector.

Motiv acknowledges that the proposed Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) allocation is the lowest it has been in the history of HVIP. With this in mind, we offer the following feedback specific to HVIP:

1. **Reinstate stacking of state funds:** We ask that CARB consider re-instating stacking/combining of other state funds in the program since voucher amounts have decreased. If projects are eligible to receive additional funding through programs such as Carl Moyer, this could potentially further reduce the voucher amounts requested through HVIP. Thus, would increase the number of vehicles HVIP could support in FY 20-21.
2. **Fleet Voucher Soft Cap of 50 vehicles:** In principal we support a fleet cap, though we encourage CARB to follow the fleet cap amounts set in the *Contingency Proposal*. We strongly urge CARB to consider a fleet voucher cap of 50 vehicles per year instead of 30 per year. If the concern is for fleets to *"focus on*

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overcoming significant barriers with initial fleet deployments” then it should be equally important to focus our support on fleets who have already initiated the process of electrifying their fleets and want to take a sizeable next step. Additionally, Motiv suggests adopting a rolling cap for fleets similar to the manufacturer “soft” rolling cap, wherein the “soft” cap of 50 vouchers per fleet would not prohibit fleets from requesting vouchers in excess of the specified limit, but would necessitate case-by-case review prior to voucher approval. It is important to highlight the fact that a smaller fleet voucher cap would disproportionately hurt the truck industry more than the bus industry (school, transit and shuttle), as the truck industry is primarily made up of 300+ size fleets, and a small cap would eliminate a large portion of this space. On the other hand, the bus industry is more fragmented, hence will be better equipped to absorb a small fleet cap. Another option would be to differentiate between bus and truck purchasers in respect to a fleet cap. One solution could be to instate a fleet voucher cap of 30 for buses who typically have smaller fleets, while setting a fleet voucher cap of 50 for trucks whose market consists of much larger fleets. Please note that truck fleets do not have the same amount of funding opportunities available as buses tend to. Programs funded by the FTA, DOE and Volkswagen all support bus deployment in CA but do not offer the same support for truck fleets.

3. **Manufacturer Rolling Soft Cap of 200 vehicles:** Motiv is fully supportive of a manufacturer voucher cap to ensure manufacturers are delivering vehicles in a timely manner and to avoid tying up limited dollars. We recommend that CARB staff consider increasing the manufacturer voucher cap to 200 per manufacturer, as proposed in the *Contingency Proposal*. This industry has made a lot of progress and many manufacturers have ramped up production capacities to accommodate for several hundred units annually. If too low of a cap is adopted this could slow down the rate of progress and create a lot of uncertainty for production, and stable job creation. To avoid a start and stop cycle we believe a “soft” cap of 200 is a reasonable amount to attain volumes of scale in this blossoming industry. Too low of a cap places an operational burden on new zero-emission companies planning for inventory and labor jobs. Manufacturers have also made a lot of improvements in costs due to higher volume commitments of batteries and other components, if these volumes are decreased this could potentially decelerate the progress other manufactures have come so far to make.

Motiv thanks CARB staff for their commitment to involve stakeholders throughout the development of the FY 2020-21 Funding Plan. We recognize that staff has been faced with severe funding shortfalls this year and appreciates the consideration of stakeholder feedback and willingness to make suggested modifications we, and other stakeholders have requested. We hope that our feedback provides thoughtful suggestions that will help CARB and the state meet its zero-emission transportation goals.

Sincerely,

A handwritten signature in black ink that reads "Kash Sethi".

Kash Sethi  
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A handwritten signature in black ink that reads "Jillian Solomon".

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