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Gustavo
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California Environmental Protection Agency
California Air Resources Board
1001 I Street
Sacramento, California 95814

June 25, 2015

Dear Chairman Nichols and fellow members of the California Air Resources Board,

Thank you for ARB's leadership in combatting greenhouse gas emissions and placing an essential priority on benefiting disadvantaged communities.

I write to you today to ask that you please consider the following comments in regards to the HVIP and the Targeted Car Share Pilot Program in Disadvantage Communities. We collectively feel that there are some provisions within the programs that can be improved upon in order to accelerate development and deployment of advanced mobile source technologies to meet California's air quality and climate change goals.

HVIP incentivizes the purchase of many different types of medium- and heavy-duty ZEVs, from hybrid and zero-emission commercial SUVs (medium duty) to buses and big-rigs (heavy duty). Many of these vehicles are just now coming to market after years and years of development. Therefore, we anticipate an enormous surge in demand from both public and private entities for HVIP funding in the coming fiscal year.

Similarly, California is home to many start-up companies with all-electric vehicles at the core of their business operations and strategies.

However, the current limitations within HVIP, particularly the amount of funds available for the coming year, will hinder both the public and private sectors' ability to fully implement their bold ZEV adoption plans.

In order for the success of these endeavors, we believe that the ambitious scale of many potential projects must be matched with available support from HVIP. The following two components seem to limit key potential adoption:

- 1) The pool of funding available within the program.**
- 2) The voucher limit per grantee.**

First, the overall pool of funding allocated for HVIP for the FY 2015-16 is \$12 million. We feel that in order to drive ZEV adoption in California, this funding must match: the increased demand for assistance as these medium- and heavy-duty ZEVs come to market; the finances needed to incentivize the purchase of these high-cost ZEVs; and the scale of the applicants' innovative projects. Since HVIP currently provides vouchers on a first-come, first served basis until funds are depleted, we are certain the current funding available will quickly be oversubscribed. This would be similar to the additional funding for the CVRP program that has allowed it to keep up with an increased demand for advanced technology incentives.

Second, at the moment, Zero-Emission Truck and Bus Voucher Amounts provide individual grantees with base vehicle incentives for the first 200 vehicles they purchase. Capping the number of vehicles that such an incentive can be directed towards, however, limits the vehicle purchaser's ability to put more zero-emission vehicles on the road. For many public and private entities, this cap will only incentivize the purchase of a fraction of their fleet. This potentially hinders the deployment of more all-electric vehicles and all the economic, public health, and social equity benefits that ZEV adoption brings. **We ask that you please consider increasing the pool of funding for the program and the number of HVIP vouchers that each applicant is eligible to receive.**

Third, the FY 2014-15 Targeted Car Sharing Pilot Program in Disadvantage Communities has been oversubscribed. Over a dozen proposals have been submitted and only two were granted funds. The program has attracted interest from multiple stakeholders and the need to increase funding is now evident.

Lastly, private for profit companies are not eligible to apply for the program. Private for profits companies are a great venue to increase adoption and utilization of ZEVs. The largest car share and vanpool companies in the nation are for profit, privately owned. To prevent private-for profit entities to apply for the program, not only creates an unfair advantage to the non-for profit counterparts, but also limits the adoption and utilization of ZEVs. **We ask that you please consider increasing the pool of funding for the program and allow private for profit companies to be eligible.**

In closing, we again highlight our admiration of ARB and its Low Carbon Transportation Investments and the Air Quality Improvement Programs. Not only are you at the forefront of embracing new technology in an effort to reduce greenhouse gas emissions, but you are doing so through a lens of social equity. We hope you consider our suggestions above, recommendations that we all feel would have a real impact on the practical realization of many of the exciting and innovative projects that will support Governor Brown's executive order to accelerate the market for zero-emission vehicles in California.

Thank you in advance for your consideration.

Sincerely,

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