

17-12-4
Edward
Lovelace



XL Hybrids, Inc.
145 Newton Street
Boston, MA 02135

December 14, 2017

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

RE: Proposed FY17-18 Funding Plan for Clean Transportation Incentives

Dear Board Members,

XL is a leader in electrified commercial vehicles in North America spanning Class 2 to 6 vans, trucks, and buses and delivering conversion products at over 1,000 vehicles per year run rate. Overall XL is very supportive of the ARB staff's portfolio investment strategy and consultative approach to developing the funding plan. Focusing on the commercial vehicle

1. We agree with the overall program elements, funding levels, and appreciate the hybrid conversion voucher level increases. While our business is built on a strategy that does not require incentives, we appreciate the modest hybrid conversion incentives because that allows us to expand our market to lower annual mileage fleets and those with limited equipment capital.
2. The advent of commercial clean vehicle voucher programs across the country that were started here in CA with HVIP we believe represent a best practice for developing a financially sustainable market for these new technologies rather than just continuing another generation of companies that experience death by pilot. But one of the biggest remaining problems is the lack of funding continuity in these programs. CA has made great steps towards addressing this with a significantly larger HVIP budget this year, and a strategy to provide transition funding as the new FY17-18 HVIP contract and implementation manual details are finalized. We are still concerned about the tail end of the funding and insuring that buyers and sellers can continue to market the clean vehicle products, and deploy the products. Nothing is worse than having to stop and start marketing the clean vehicle products. It means that fleets cannot plan, and technology providers cannot plan. One suggestion, and it is probably not the only solution, is to allow companies to continue selling/buying at their own risk that the program is renewed. I know there are legal concerns about this, but I request that this conversation is renewed with staff to see if there is a path.

Thank you again for your commitment to clean air.

Sincerely,

A handwritten signature in black ink, appearing to read 'Edward Lovelace'.

Edward Lovelace
Chief Technology Officer,
elovelace@xlhybrids.com, 617-718-0329