



November 14, 2022

California Air Resources Board (CARB)
1001 I Street
Sacramento, CA 95814

Re: Accelerating Transportation Electrification and Emissions Reductions through CARB's Clean Transportation Incentives

Dear Chair Randolph and Members of the Board:

Ideanomics appreciates the opportunity to comment on the Fiscal Year 2022-23 Funding Plan for Clean Transportation Incentives. Ideanomics is a global group with a simple mission: accelerating the commercial adoption of zero emission vehicles (ZEVs). By bringing vehicles, charging and financing solutions together under one roof, we offer a complete set of solutions to simplify the transition to ZEV fleets.

CARB's incentive programs have been incredibly important to building the early market for ZEVs, including in medium- and heavy-duty sectors most important to addressing harmful and disproportionate impacts from diesel pollution. As the market grows and CARB and the State look ahead to rapidly transitioning to 100 percent zero emission vehicles, it is time to evolve the state's funding programs to look at more scalable, market-wide approaches to expand their reach and accelerate the transition to zero emissions transportation. We strongly believe CARB can reach more fleets and transition more vehicles to ZEVs more quickly by:

- Expanding HVIP eligibility for entities looking to buy and lease out ZEV trucks through vehicle-as-service or other similar models
- Allow HVIP eligibility for vehicle repowers or retrofits of used vehicles using zero emission powertrains such as fuel cells or battery electric vehicles

We appreciate that CARB has begun exploring innovative financing models through the Innovative Small e-Fleets Pilot, and we are confident that this will prove a successful model. CARB's incentive programs should look to unlock capital wherever it may lie to support the ZEV transition, especially in the heavy-duty sector, through a variety of models, provided that the vehicles will operate in a similar fashion and provide similar benefits as traditional HVIP financing models. We strongly encourage CARB to rapidly expand eligibility for these financing models across the HVIP program in order to unlock additional investment and opportunities for heavy-duty fleets to transition to ZEVs.

Allowing retrofits to ZEVs to be eligible for incentives will further accelerate emissions benefits from the program and expand its reach to reduce emissions from existing vehicles. CARB's

planning documents and regulatory proceedings – including the Scoping Plan, Mobile Source Strategy, Advanced Clean Fleets and Low Carbon Fuel Standard – all point to an ongoing demand for liquid fuels and combustion vehicles in the State through at least mid-Century, due to the large, existing vehicle fleet. However, those vehicles can be converted to ZEVs, too, and CARB can help fleets convert legacy vehicles to ZEVs by incorporating retrofits into HVIP or other incentive programs. Doing so will allow additional ZEV operations during the early market for heavy-duty ZEVs while OEMs transition from producing combustion vehicles to ZEVs and will also help mitigate impacts of current and near-term supply chain challenges that are hindering the ZEV market.

Thank you for the opportunity to comment on these important programs. We look forward to working with CARB to successfully implement the current fiscal year's incentives, and to continue adapting and evolving funding programs to best support the State's goals moving forward.

Sincerely,

Jack Clark
Vice President, Partnership Programs
Ideanomics