



TOYOTA MOTOR NORTH AMERICA, INC.

Sustainability and Regulatory Affairs
1630 W. 186th Street, Gardena, CA 90248

December 4, 2020

Chair Mary Nichols and Members of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95812

RE: FY20-21 Funding Plan Proposal to Revise CVRP PHEV Min. All-Electric Range Requirement

Dear Chair Nichols and Members of the Board:

Toyota Motor North America appreciates the opportunity to provide comments on FY20-21 Clean Transportation Incentive proposal. Toyota supports comments submitted by Auto Innovators on FY20-21 CVRP Funding Plan, and its concerns with the staff proposal to raise the minimum all-electric range requirement for PHEV. Toyota wishes to emphasize its concerns with the staff proposal since it will eliminate the Toyota Prius Prime from qualification for CVRP and remove \$2,500 of incentives for low-income buyers.

Toyota requests the board to reconsider the staff proposal that would eliminate Prius Prime from qualifying for the CVRP.

Toyota Prius Prime

Since its launch in 2017, Prius Prime has been one of the most popular ZEV models purchased by Californians.

Table 1: Prius Prime sales since launch in 2017

State	Make Model	Calendar YTD 2020	Calendar Year 2019	Calendar Year 2018	Calendar Year 2017
CALIFORNIA	TESLA MODEL 3	31,152	59,508	51,293	875
	TESLA MODEL Y	8,472	0	0	0
	TOYOTA PRIUS PRIME	4,542	12,532	13,415	9,645
	CHEVROLET BOLT	4,291	8,239	9,745	13,487
	HONDA CLARITY PHEV	1,710	7,417	8,717	438
	NISSAN LEAF	1,155	4,160	5,498	4,418
	HYUNDAI KONA EV	906	1,841	0	0
	KIA NIRO EV	772	1,283	0	0
	CHRYSLER PACIFICA	765	1,771	3,071	1,249
	HYUNDAI IONIQ PHEV	619	1,181	1,470	0
	KIA NIRO PHEV	570	2,061	2,004	0
	HYUNDAI IONIQ EV	182	691	577	248
	HONDA CLARITY EV	41	541	886	1,044

Source: IHS Markit (Nov. 2020) – 2020 YTD sales thru Sept 2020

Prius Prime is popular because it offers advanced zero emission technology (with an EV range of 25 miles), reasonable charging time (5 hours with 120V outlet), impressive efficiency with EPA-

estimated total driving range of 640 miles, predictable Toyota reliability, and good value for the money. The Toyota Prius Prime has broad appeal across mainstream buyers and eliminating it from the CVRP program would be a mistake.

Prius Prime MSRP starts around \$28,000 and qualifies for \$1,000 CVRP rebate and \$900 Clean Fuel Reward. With incentives, the price point could be around mid-\$20K and make the product reachable to many moderate-income buyers. For low income buyers, with CVRP’s added \$2,500 incentive, the point could further drop to low-mid \$20K.

Demographic data shows that Prius Prime buyers’ median income is well within CVRP income cap restrictions, and is, by far, the lowest among other popular ZEV models who would continue to qualify for CVRP.


Table 2: Median HH income and age of ZEV owners

	Chevrolet Bolt EV	Honda Clarity PHV	Nissan Leaf	Tesla Model 3	Toyota Prius Prime
Median Income	\$123K	\$144K	\$128K	\$172K	\$106K
Median Age	56	54	55	50	61

Source: 2020 NVCS Maritz (Oct '19-May '20)

Table 3: Median HH income and age of ZEV owners

Income Cap for Higher-Income Consumers



Consumers are not eligible for CVRP rebates if their gross annual incomes are above the thresholds listed below. The income cap applies to all eligible vehicle types except fuel-cell electric vehicles.

Vehicle Date of Purchase/Lease*	Income Cap
November 1 2016 – Present	<ul style="list-style-type: none"> \$150,000 for single filers \$204,000 for head-of-household filers \$300,000 for joint filers

Source: CVRP Website

Furthermore, since launch, close to twenty thousand CVRP rebates have been issued to Prius Prime buyers. Most importantly, over 50% of the recipients of these Prius Prime CVRP rebates were from buyers who reside within California’s Disadvantage Advantage Community zip code.

Table 4: Center for Sustainable Energy data on CVRP for Prius Prime since launch.

CVRP Data – Prius Prime (since start of sales)	Qty
Total Rebates	19623
Rebates within DAC Zip Code (CES 2.0)	10407
Rebates within Low Income Community	5334

Source: Center for Sustainable Energy (Nov. 2020)

In closing, incentives like CVRP assist in making Prius Prime appealing to a broad cross section of Californians, including disadvantaged communities. The data on this point are clear. With over \$75M CVRP funds available, Toyota requests the board to reconsider the staff proposal that would eliminate Prius Prime from qualifying with CVRP.

If you have any further questions, please contact Glenn Choe, Principal Engineer, at glenn.choe@toyota.com or 502-542-9078. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "F. Turatti".

Fred Turatti
General Manager
Toyota Motor North America
Sustainability and Regulatory Affairs