October 26, 2021

Liane Randolph, Chair
California Air Resources Board (CARB)
1001 “I” Street
Sacramento, CA 95814

Re: Charge Ahead California Comments on the 2021-2022 Funding Plan for Clean Transportation Incentives

Dear Chair Randolph and Members of the CARB Board,

Thank you for the opportunity to provide comments on the Fiscal Year 2021-2022 Funding Plan. As the sponsoring coalition of SB 1275 (De León, 2014), the Charge Ahead California campaign is pleased with the staff proposal. The proposed funding plan addresses many of the equity priorities we have highlighted throughout the years, and we appreciate the plan referencing research by both Charge Ahead California and our individual steering committee members. We believe, however, there are certain portions of the plan that need clarification or adjustment.

We strongly support the proposed Funding Plan’s commitment to invest at least 60% in disadvantaged and low-income communities. CARB has for the past several years exceeded the requirements of AB 1550 (Gomez, 2016.) Allocating at least 60% of investment dollars in disadvantaged and low-income communities would raise the bar even higher. We also urge CARB to treat the 60% investment gaurntee as a minimum floor rather than a maximum cap.

We also encourage CARB to focus and target their incentives and investments to ensure these funds are reaching the hardest to reach communities. First-come first-serve approaches are inherently inequitable; programs should prioritize those with the most barriers to participation and access. All agencies implementing low-carbon transportation equity programs should collaborate and partner with local community-based organizations and other trusted leaders in their region to improve program education and participation. Having on-the-ground outreach and case management will also help connect residents in disadvantaged communities with other programs and services.

Light Duty Programs comments

Clean Vehicle Rebate Project (CVRP)

● We support decreasing the income cap for standard rebate eligibility based on sales benchmarks. As noted in our prior letter, the income cap has remained unchanged for over three years and remains high. To make sure that the rebate is going to those who would not otherwise have purchased a vehicle, CARB should implement a new income cap. Further, lowering the income cap at the one million and 1.25 million vehicle milestones will help ensure an orderly winddown of the CVRP program, as well as extend limited program funds.

● Reduction in MSRP cap. Limiting the MSRP cap will send an important market signal to manufacturers in support of more affordable electric vehicles. Further, lowering the MSRP cap indirectly advances equity, as favoring more affordable electric vehicles will help resolve "sticker shock," which is a major stumbling block for prospective low-to-moderate income purchasers.

● Develop a comprehensive plan to sunset the program while transitioning funding to equity-focused projects long-term. To this end, we request that CARB analyze and develop a comprehensive plan, within a year, to sunset the program. This analysis and plan should include a strategy to sunset the program in its current form and allow for the opportunity to re-imagine a vehicle incentive program that centers equity in future years.

Clean Cars 4 All (CC4A)

● We support the statewide expansion of CC4A and welcome the long-awaited launch of the program in San Diego County. We also appreciate CARB's intention of allowing current CC4A programs and their community partnerships to continue alongside statewide expansion. Statewide expansion, however, is unfunded. As such, we believe funding for statewide CC4A expansion should be on top of funding for existing transportation equity programs.

● We appreciate CARB considering our concerns about some districts issuing 1099 Forms to program participants. Additionally, we appreciate CARB clarifying its position that CC4A incentives are price buy-downs rather than income. This issue, however, remains unresolved. We again request that CARB be explicit and provide direction to each implementing air district not issue a 1099 form. CARB can convene the various legal teams to address this issue.

● Conventional hybrids should be phased out of CC4A. To help provide cleaner options for program participants, we encourage CARB staff to remove conventional hybrids from the eligibility list. Zero-emission vehicles, including plug-in hybrids, provide the best value for customers, and there is no reason for the state to be subsidizing more polluting vehicles when so many ZEV options are available. Additionally, phasing out conventional hybrids would align CC4A vehicle eligibility with the proposal for financing assistance programs.

● Improve CC4A participant uptake of alternative mobility options. The funding plan notes the number of participants choosing transit passes and other mobility options is abysmally low. While we applaud the CC4A's success in replacing thousands of polluting cars with cleaner and zero-emission models, CARB and the air districts must do more to encourage participants to choose transit and other incentives as well.

Clean Vehicle Assistance Program (CVAP)

● Loan loss reserve. We encourage CARB to work with the Beneficial State Foundation to better integrate a loan loss reserve component, which should allow for better financing options for those that might need additional financial support to participate in the program.

● Move away from the first-come first-serve approach. Given the limited funds available, we support staff's proposal to move this program from a first-come first-serve program, to one that is targeted and focused on reaching the households that would benefit most.

Clean Mobility Equity Programs

● We call for continued allocation of funding for the clean mobility equity programs. While we appreciate the increase in funding over previous years, equity programs remain underfunded and oversubscribed. Further, much of this increased funding will go to CC4A, while the rest of the equity programs will need to compete for funding. The Clean Mobility Options and Sustainable Transportation Equity Project provide alternative mobility options for low-income households and are advancing equity in a meaningful way because they are moving away from a prescriptive approach, are community driven, meet community needs, are targeted to the highest priority populations, are multisector, and are aiming to reduce vehicle miles traveled.

Medium and Heavy-Duty Programs and Off-Road Incentives Comments

Medium- and Heavy-Duty Vehicle Incentives

● The Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) should support future CARB regulations that will be necessary to meet air quality and greenhouse gas standards. Achieving sufficient emission reductions from medium and heavy-duty vehicles will require a strong foundation of regulatory standards complemented by incentives that speed deployment of advanced technologies. Further, we strongly support the draft Funding Plan's focus on small fleets, as well as increased funding for micro fleets in disadvantaged communities.

● We support the proposed fleet size limits for HVIP. Limiting fleet size will help fleets with fewer resources have better access to clean trucks. Further, limiting fleet size will also strengthen the connection between HVIP and localized emission reductions by focusing on small- to medium-sized businesses, which are most likely to regularly operate their trucks where they are domiciled.

● We support the staff proposal to add an HVIP set-aside for Innovative Small e-Fleets, incentives geared towards small truck fleets and independent owner operators. The smallest fleets face the greatest challenges in making the transition to zero-emission trucks, so HVIP should increasingly focus on assisting those fleets. We also support moving rural school bus programs out of the equity category and into HVIP.

Clean Off-Road Equipment Voucher Incentive Project

We support the funding to CORE, including the addition of small off-road engine replacement programs. Commercial landscaping equipment is a heavy generator of smog-forming emissions. Emissions from landscaping equipment also pose risks to workers who are exposed all day long. Zero-emission landscaping equipment is increasingly available, but commercial landscapers have been slow to adopt it. Incentives should reward early compliance with the Small Off-Road Engine rules expected to be adopted later this year. We urge CARB and the air districts to partner with community-based organizations to do extensive outreach, in relevant languages, to small landscaping contractors, especially in disadvantaged communities, to make sure they have full opportunity to take advantage of incentives.

We appreciate CARB staff considering our comments and feedback throughout this process. We look forward to continued work with CARB in the implementation of this Funding Plan, should it be adopted.

Sincerely,

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