



October 31, 2022

California Air Resources Board (CARB)
Clean Transportation Incentives Division
1001 I Street
Sacramento, CA 95814

Re: Charge Ahead California (CAC) Comments on the Fiscal Year 2022-2023 Funding Plan for Clean Transportation Incentives Draft Proposal

Thank you for the opportunity to provide comments on the proposed Fiscal Year (FY) 2022-2023 Funding Plan for Clean Transportation Incentives. We want to first appreciate CARB and its staff for an engaging process, which has included multiple workshops and workgroups to discuss in detail policies, guidelines and procedures. The proposed plan addresses many of the equity priorities we have highlighted throughout the years and in our past letters. We provide the following comments and recommendations for staff and CARB Board to consider as they seek final approval.

I. Prioritizing Hard-to Reach Communities

We applaud CARB's continued commitment to prioritize investments in priority populations. Staff estimate over 70 percent of the \$2.61 billion in funds is expected to benefit priority populations¹. This is an increase of almost 10 percent from the previous year, which is a step in the right

¹ Proposed FY 22-23 CARB Funding Plan for Clean Transportation Incentives
https://ww2.arb.ca.gov/sites/default/files/2022-10/proposed_fy2022_23_funding_plan_final.pdf; ES-1

direction. We urge CARB to develop a tool that will allow stakeholders to access participation data and review where these investments are made. We also encourage CARB to develop specific equity metrics to assess whether these programs are developing equity outcomes. We urge CARB to treat the 70 percent as a minimum floor rather than a maximum cap and continue to find ways to increase the amount of funds going to priority populations and prioritize investments in communities that will benefit the most from the transition to zero-emission technology.

We continue to ask CARB to target their incentive programs to the hardest to reach communities - low-income households in disadvantaged communities. Several of CARB's programs continue to only have an income requirement, but not a DAC requirement, reducing the air quality impacts such incentives will have on our most polluted communities. In order to address this, we urge CARB to move away from a first-come first serve approach, to one that is need based. Top-down and first-come first-served approaches are inherently inequitable; programs should prioritize those with the most barriers to participation and access while also empowering and building upon the capacities of impacted communities. CARB should develop guidelines for a need-based approach that maintains the program's integrity and are objective in implementation. We ask CARB to look at its data to determine areas where there's been minimal EV adoption and consider deploying outreach and targeted incentives.

II. Coordination Between State Agencies and Program Administrators

All agencies and program administrators 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 coordinated on-the-ground outreach and case management will help connect residents in disadvantaged communities with other programs and services. We request that CARB host a convening with all program administrators who will be providing outreach and education and who are partnering with community partners to coordinate, collaborate and ensure we're not leaving any community out.

With a significant amount of federal funding coming to the state, it will be critical that state agencies who will receive funding and will be implementing programs coordinate. We cannot wait till we receive the funds, coordination needs to start now to help align and streamline the application process to ensure equitable implementation and distribution of funds.

III. Improved Transparency and Procedural Equity

We applaud CARB and its staff for its commitment to engage the public and stakeholders, both through its required process of public workshops and work groups, as well as individual meetings with interested stakeholders. Systems can always be improved and therefore, we ask staff to consider how best to improve its transparency and ensure procedural equity. We encourage staff to be intentional and seek organizations out, especially those in areas who have very limited uptake of incentives to hear from them on ways to improve their programs.

We request that staff make policy decisions prior to the approval of the funding plan or before posting an RFP. Staff has previously stated that they leave some policy decisions till they bring on a program administrator to help define what that policy should be. However, it's our belief that this should be done prior so that the RFP reflects that policy decision and whoever responds to it is provided clear direction on how they should develop their scope of work.

We request that CARB post their agenda, presentations and any other materials at least 10 days before to allow time for stakeholders to review and be prepared. This is standard practice at agencies like the California Energy Commission and California Public Utilities Commission and so we ask CARB to follow the same procedures.

IV. Resolve the 1099 Tax Form

For the last several years, we've asked CARB to resolve the pending 1099 tax form issue. Even though there have been some attempts to resolve it, leading to updated language, it's not statutory or at best, direct language requiring all program administrators to not provide a 1099 form. Discretion continues to be given to program administrators, and currently two Air Districts provide them. By allowing some to get 1099 form is creating an inequity, and potentially jeopardizing the low-income households' access to other income-based programs. With CARB's proposed increased CC4A amounts and potential federal funding, it becomes even more important to resolve this issue. We ask CARB to find a solution to this issue by the end of **Quarter 1 2023**. In the meantime, we urge CARB to include direct language in their RFPs prohibiting the implementation of 1099 forms in any new grant agreements.

V. Sunset Clean Vehicle Rebate Project (CVRP)

With the most recent budget allocations, the Governor has made it clear that we need to prioritize equitable vehicle incentives programs. With no new funding for CVRP, we urge CARB to develop a comprehensive plan to sunset the program. CVRP currently has funding until FY 2024. It's time to transition this market-based program that has primarily benefited higher income households to another that centers equity and delivers equity outcomes. CARB should not transition this project to be another low-income program, as this already exists with the Clean Vehicle Assistance Program (CVAP). CVAP also provides the incentive at the point of sale, while CVRP continues to be a rebate.

In our letter from last year, we asked CARB to develop a comprehensive plan **within a year**, to sunset the program in 2024. We ask that this plan be developed no later than **summer 2023**. 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.

VI. Implementation of CC4A Increased Incentives

We support CARB's proposal to increase CC4A incentive amounts, especially for residents of disadvantaged communities (DACs.) Residents of DACs have the greatest barriers to clean transportation. Increasing DAC incentive amounts will ensure these communities remain at the

center of CC4A while the program is expanded statewide. CARB needs to implement increased rebate amounts for CC4A while also ensuring program funding stability. We appreciate CARB working with CC4A air districts to figure out how to implement the increased rebate amounts. In order to smoothly implement these changes, administrators need certainty in terms of effective dates and funding, as well as some flexibility in how to use funding.

VII. Statewide CC4A and CVAP

As CARB moves forward with the joint solicitation of statewide CC4A and CVAP, we maintain concern of the potential impact of merging the two programs. The statewide administrator will be tasked with the simultaneous statewide expansion of two very different programs, each with different needs and operational challenges. Even though the issue of the statewide CC4A overlapping with regional Air District programs has been resolved, we are now concerned with what will happen with CVAP if a new administrator is selected. Procedurally, would the existing program administrator need to wind down their program in favor of the new statewide administrator? If so, this would likely result in a loss of local community knowledge and infrastructure that took years to develop.

VIII. E-Bike Incentive Project

Given the limited funds, we encourage CARB to limit the program to low-income participants in disadvantaged communities. After participation for this target audience has been exhausted, open the program up to other lower-income participants outside of disadvantaged communities. If any funds are remaining after these two target audiences, then open the project to all. We also recommend that CARB allow participants to self-report income or provide documentation that demonstrates their participation in another low-income state program instead of requiring extensive documentation to remove barriers to accessing incentives.

IX. Clean Mobility Programs and Projects

Given the limited budget allocation for these programs and projects this year, we understand that there will be limited changes and projects this upcoming year. However, we would encourage staff to start the public and transparent process of updating program guidelines now. We continue to ask staff to streamline the application process to make it less burdensome for communities to access funds. We also request that staff move projects to a need-based approach to best serve most impacted communities, especially those that have identified alternative mobility programs as a solution to their transportation needs.

X. Medium and Heavy Duty Investments Prioritize Small Fleets

To maximize the impact of these investments and projects, we ask that CARB require projects to include a DAC requirement and prioritize getting funding to these projects first. Staff should require its program administrators to continue to grow their outreach and educational efforts to build awareness and work to prioritize funds for small businesses, especially those that would not traditionally have access to these types of funds.

We support staff's proposal to prioritize smaller trucking fleets for incentive funds. These smaller fleets are those least likely to be able to afford the higher sticker prices for zero-emission trucks, so incentives will help them realize the savings that ZEVs offer in sharply lower fuel and maintenance costs. This proposal also aligns with staff's proposed Advanced Clean Fleets rule, which would only regulate larger fleets.

Given the significant investments in MDHD charging infrastructure, we encourage staff to coordinate closely with CEC and other clean transportation investment projects to streamline the application process and incorporate elements, such as workforce training, career development, and job pathways/creation requirements in these grant opportunities.

We encourage CARB to require these projects to include some type of community engagement requirement to inform the local community of the project and the benefits it's providing. This could be a workshop, participation in a local community event or some other forum that increases the visibility of the project.

We appreciate CARB staff's continued engagement and consideration of 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.

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