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November 6th, 2023  
California Air Resources Board (CARB)  
1001 I Street  
Sacramento, CA 95814

Re: Charge Ahead California Comments on the Proposed Fiscal Year 2023-2024 Funding Plan for Clean Transportation Incentives

Thank you for the opportunity to provide comments on the proposed Fiscal Year (FY) 2023-2024 Funding Plan for Clean Transportation Incentives (Funding Plan). We appreciate CARB's staff for their work in developing this Funding Plan. We support the approval of this Funding Plan by the Board and look forward to continued communication and collaboration on the points laid out here.

Below you'll find our comments and recommendations for programs covered under this Funding Plan.

**I. Commitment to prioritize investments in priority populations**

We appreciate CARB's continued commitment to prioritize investments in priority populations. We have seen progress over the years in getting more funding into the state's populations that seek to benefit the most from these investments.

We urge CARB to not just build upon last year's 70 percent of funding to be invested in priority populations, but that these investments and programs are intentionally targeted at those with the most barriers to adoption. The recent Low Carbon Fuel Standard (LCFS) 2023 Amendment, Standardized Regulatory Impact Assessment reinforced the need to not just prioritize priority populations, but intentionally target investments to those that continue to face the biggest

barriers to adoption. The report found that as the state places additional costs on fossil fuel production and transitions to EVs...

"...the proposed amendments are likely to indirectly result in increases to the retail price of fossil fuels at the pump, due to cost pass-through by fossil fuel producers and importers. This potential price increase may impact low-income, disadvantaged, and rural communities more than other consumers of fossil fuels, because individuals living in these communities traditionally spend a larger share of their income on transportation fuels. In addition, it is possible that individuals in these communities may lack the means to effectively make use of ZEV technology as quickly as wealthier individuals, and therefore would rely on more expensive fossil fuels for longer.<sup>1</sup>"

It is imperative that CARB act with urgency and intentionality to avoid the identified indirect burdens outlined in the report. We face a scenario where priority populations will now also have to shoulder additional conditions - increased fuel costs, limited access and affordability and additional pollution - due to the status quo approach of investments in priority populations. This is why we request CARB to be innovative and transformative as you update and implement programs to address these barriers and potential harms.

### **I. Investment goals**

Staff has stated that the Plan will invest "at least 60-70% of Low Carbon Transportation funds...in projects that meet one of the AB 1550 criteria with the following targets: At least 45-50% of funds for projects located within, and that benefit individuals who live in, disadvantaged communities; at least 15-20% of funds for projects located within, and that benefit low-income communities, or that benefit low-income households."<sup>2</sup>

We appreciate CARB setting investment targets. We request that CARB develop a strategy, informed by a public process, that outlines the activities they will employ - through each program and project they implement - to meet these targets. We also recommend that CARB report on its progress on a bi-annual basis to determine whether there's a need to adapt and adjust strategies to meet the intended targets.

### **II. Moving vehicle incentives and mobility programs to a need-based approach**

We again ask CARB to transition vehicle incentive and mobility programs to a need-based approach. Our research and analysis demonstrates that harder to reach communities – low-income households in Disadvantaged Communities (DACs) and tribal nations – have limited participation in these programs. From our review of the proposed Funding Plan, no significant changes will be made to further a more intentional and targeted need-based approach.

To ensure vehicle incentive programs reach these communities, we ask that CARB develop a phased incentive approach where, initially, the administrator only accepts and processes applications for the lowest income applicants within DACs until outreach efforts have been

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<sup>1</sup> California Air Resources Board, 2023; Low Carbon Fuel Standard 2023 Amendment, Standardized Regulatory Impact Assessment, Pg. 59

<sup>2</sup> California Air Resources Board, Proposed FY 23-24 Funding Plan for Clean Transportation Incentives; Pg. 26

exhausted for these communities. Once this is complete, they can move to open the program to more applicants. In the alternative, CARB should develop set-asides or other objective approaches that prioritize those households and communities with limited participation and those most in need. Even though this does develop additional administration requirements, it will ensure that we are implementing equitable programs, where programs are targeted to those that need them most.

### **III. Light-duty investments**

#### **a. Clean Cars 4 All**

We appreciate CARB's further analysis on whether regionally administered programs are eligible for funding provided through the statewide program allocation. Given the current demand for air district programs, we recommend that the majority of the \$28 million allocation be for the existing programs - South Coast, ValleyCAN and Sacramento. Statewide CC4A is not projected to launch till 2024 and has already \$125 million available from the previous funding year.

We ask CARB to track the implementation of the statewide funds and if funds are not exhausted and they seek to reallocate such funds, to first prioritize the district programs before Finance Assistance as there is less funds available for district programs.

We also ask CARB to close the loop on the 1099 Federal Tax Form allocation from South Coast, Bay Area and potentially San Diego and Statewide CC4A. This has been an area we've been advocating for years to which there's been no resolution. We recommend staff and Board find a resolution to this ongoing issue, while preserving the integrity and intent of the program.

#### **b. Finance Assistance for Low-income Consumers**

We appreciate CARB's attempt to transition to a need-based program. We would like the program to not just prioritize applications from priority populations, but that it goes a step further and sets aside funding for these populations to ensure that funding will be available when they apply.

Additionally, we would like the program to not just provide vehicle buy-down incentives, but that it focuses on supporting households who require additional finance assistance to purchase an EV. According to the Beneficial State Foundation's Clean Vehicle Assistance Program dashboard, about 2% of those who participated in the program received program financing support<sup>3</sup> and 80% received a loan from another lender. The intent of this program when it was established under SB 1275 was to provide a financing option for those who had no to limited financing options. We must revisit the program guidelines to ensure a loan-loss reserve option is established and that the program provides the needed assistance to those with financial needs.

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<sup>3</sup> <https://cleanvehiclegrants.org/program-data/>

We ask CARB to track the implementation of these funds and if funds are to be reallocated, to first prioritize the CC4A district programs before statewide CC4A.

c. Zero Emission Assurance Program

We again ask CARB to provide an update on this program and the intended equity outcomes. The program is projected to receive \$10 million and we are eager to learn how the funding will be used.

The most recent update on this program was that it would be piloted through CHDC's Finance Assistance Program. We would like the update to include an overview of intended equity outcomes, fundings, lessons learned and how the program will fit into the new program administration.

d. Clean Mobility Options, Clean Mobility in Schools, and Sustainable Transportation Equity Project

We appreciate CARB allocating an equal amount of funding for each of the programs. We encourage CARB to develop a strategy, informed by a public process, on how you plan to prioritize investments to fill gaps in access for tribal governments, rural communities, Black communities, and other communities of color.

We also ask that these programs transition to a need-based approach that targets regions or communities that have limited to no alternative mobility options.

e. CVRP Transition Plan

As CVRP, a program which has received over \$1 billion in funding, is set to wind down by the end of this year, we would like CARB to help ensure the funding is not lost and secure the annual amount that CVRP used to receive for the equity programs. CVRP received \$100-200 million in funding per year. If the same amount of funding is committed to CARB to distribute through equity programs, we could see significant improvements in air quality and mobility for our communities.

We urge CARB to not just point to the new statewide CC4A and Finance Assistance program, but to develop a comprehensive proposal for how you plan to bolster equity programs that support community-led projects. We also continue to request a transition plan for the sunset of CVRP that maintains the funding that CVRP received as well as vehicle incentive equity programs. With a solid plan in place, CARB will provide us and other advocates with a helpful advocacy tool in conversations with the legislature.

f. E-Bike Voucher Project

We support the addition of \$18 million for funding for e-bike vouchers for low and moderate-income Californians. E-bikes can provide clean and convenient transportation for millions of our residents, so we expect demand to be high. We are disappointed that the program has still not launched, and urge CARB to expedite the launch of this

program so that it may begin delivering cost-savings and air quality benefits to the communities that need it most.

#### **IV. Medium and Heavy Duty Investments**

##### **a. Investment goals**

The \$483 million budget allocation for medium-heavy duty programs this year makes it extremely important that we intentionally target these limited funds on projects that provide direct and meaningful air quality, public health and economic benefits.

With about 58% of HVIP and CORE incentives<sup>4</sup> going to DAC projects and about 43%<sup>5</sup> of funding going to small and public fleets, we request that as CARB implements these programs, you increase the numbers to at least 70%, to align with your commitment of investments to priority populations.

##### **b. Prioritization of Small fleets**

Small fleets encounter greater challenges, including the capacity to put these types of proposals together. Even though we would prefer CARB not delay the shift to small fleets within HVIP, we understand and recommend that small fleets also be prioritized, as the funding within ISEF will not be enough. This should be the last year that the HVIP fleet-size limits are delayed.

We support the addition of buses used by small businesses to ISEF. We also support the establishment of the Cal Fleet Advisor to support small fleets and look forward to a briefing on their strategy and implementation efforts. We request that CARB continue to work closely and prioritize small fleets in the implementation of these funds, especially those that operate in priority populations and provide the support they need to help them transition to this technology.

##### **c. Coordination with CEC and other state agencies**

We applaud CARB's collaboration with CEC, which includes the joint solicitation for \$225 million in demonstration and public projects, as well as funding and implementation of the Truck Loan Assistance Program through CPCFA's California Capital Access Program. We look forward to a public briefing that shares lessons learned and what additional changes are needed - policy, funding, strategy - to help advance these programs forward. We look forward to hearing more about other coordination efforts with agencies like CPUC and CTC, which are also tasked with supporting the medium-heavy duty transition.

#### **V. Increased community outreach efforts and language access**

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<sup>4</sup> California Air Resources Board, Appendix D, Long Term Heavy-Duty Investment Strategy, D-18

<sup>5</sup> *Id.* D-18

We request that CARB conduct intentional outreach to the communities you are aiming to reach, including setting goals to connect with a diverse set of environmental justice (EJ) groups. CARB should improve on your community workgroup calls by going and speaking directly with community groups and members, rather than only having them join calls at set times in the evening. Meeting people face-to-face in their communities and at times that work for them demonstrates commitment and helps build trust.

Additionally, we ask CARB to improve language access for non-English speakers. If your goal is to engage more diverse communities, CARB must translate materials and make interpretation available for those who need additional support. Failure to do so is a violation of “California Government Code § 11135, which is the state equivalent of Title VI, prohibiting discrimination against protected classes (including language) by any program receiving state funds. The California Bilingual Services Act (Ca. Gov. Code §7290 et seq.) requires all local government agencies to have adequate language access services for “the furnishing of information or rendering of services,” though the scope of language access services is largely left up to the discretion of local authorities. The California Bilingual Services act states, “the furnishing of information or rendering of services includes, but is not limited to, providing public safety, protection, or prevention, administering state benefits, implementing public programs, managing public resources or facilities, holding public hearings, and engaging in any other state program or activity that involves public contact.”

#### **VI. Advanced pay**

The legislature recently passed and the Governor signed AB 590 (Hart, 2023), which allows all nonprofits the opportunity to receive up to 25 percent of contract or grant funding in advance, and prioritizes payments for nonprofits serving disadvantaged, low-income, and under-resourced communities. As CARB looks to partner with more CBOs, many of which have limited operational budgets, we request that CARB implement this bill as soon as possible in order to provide funding upfront.

We appreciate CARB staff’s continued engagement and consideration of our comments and feedback throughout this process. We further acknowledge and appreciate CARB staff reaching out to meet with Charge Ahead representatives. We look forward to continued work with CARB in the implementation of this Funding Plan, should it be adopted.

Sincerely,

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