

**IMPLEMENTATION MANUAL
FOR THE FY 2013-14
CLEAN VEHICLE REBATE PROJECT (CVRP)**

December 2013

California Environmental Protection Agency

 **Air Resources Board**

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- A. Clean Vehicle Rebate Project Standard Operating Procedures

A. INTRODUCTION AND OVERVIEW

In 2007, Governor Schwarzenegger signed into law the *California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007* (AB 118, Statutes of 2007, Chapter 750). AB 118 created the Air Quality Improvement Program (AQIP), a voluntary incentive program administered by the Air Resources Board (ARB), to fund clean vehicle and equipment projects, air quality research, and workforce training.

As required in Health and Safety Code (HSC) Section 44274(a), the Board adopted regulatory guidelines in 2009 for AQIP. The Guidelines for the AB 118 Air Quality Improvement Program (Guidelines) define the overall administrative requirements and policies and procedures for program implementation based on the framework established in statute. Central to the Guidelines is the requirement for a Board-approved annual funding plan developed with public input. The funding plan is each year's blueprint for expending AQIP funds appropriated to the ARB in the annual State Budget. The funding plan focuses AQIP on supporting development and deployment of the advanced technologies needed to meet California's longer-term, post 2020 air quality goals.

In July 2013, ARB approved the AQIP Funding Plan for Fiscal Year (FY) 2013-14 (Funding Plan), allocating \$10 million in funding for the Clean Vehicle Rebate Project (CVRP) with an additional \$5 million from the California Energy Commission (Energy Commission). Furthermore, the California Legislature passed Senate Bill (SB) 359 (Corbett, Chapter 415, Statutes of 2013), authorizing \$20 million for the Clean Vehicle Rebate Project and Assembly Bill (AB) 101 (Assembly Committee on Budget, Chapter 354, Statutes of 2013), authorizing \$24.55 million for AQIP. The combined total allocation for CVRP in FY 2013-14 is \$59.55 million. CVRP is intended to encourage and accelerate zero- and near-zero emission, on-road light-duty vehicle deployment and technology innovation. This project provides rebates to qualified individuals, businesses, public agencies and entities, and nonprofit organizations for the purchase or lease of eligible vehicles. CVRP benefits the citizens of California by providing immediate air pollution emission reductions while stimulating development and deployment of the next generation of zero-emission and plug-in hybrid electric vehicles. It is administered and implemented through a partnership between ARB and a Rebate Administrator (Administrator), selected via a competitive ARB grant solicitation. The majority of project funds (ninety-six percent) are for rebates for purchasers or lessees of new eligible on-road vehicles.

The Implementation Manual for the FY 2013-14 Clean Vehicle Rebate Project (Implementation Manual), in conjunction with the Guidelines, and the Funding Plan identify the minimum requirements for implementing CVRP. The Implementation Manual may be periodically updated as needed to clarify project requirements and improve project effectiveness. The Implementation Manual, including any updates, will

be posted on ARB’s website at <http://www.arb.ca.gov/msprog/aqip/cvrp.htm> and on the CVRP webpage at www.energycenter.org/CVRP.

This document constitutes the Implementation Manual for CVRP for FY 2013-14. Definitions of key program parameters are located in Section E of this manual.

1. Project Overview

CVRP enables the purchaser or lessee of an eligible vehicle to receive a rebate of up to \$2,500 contingent upon availability of funds. After the purchaser takes possession of and registers the eligible vehicle or, if leased, the lessee has obtained registration on the eligible vehicle, they are qualified to apply for the rebate. Applications are available online via the CVRP website or by contacting the Administrator directly by email at cvrp@energycenter.org or calling (866) 984-2532.

Information on CVRP is available to the public and other interested parties via the CVRP website. The CVRP website www.energycenter.org/CVRP, is operated and maintained by the Administrator, and includes an up-to-date list of eligible vehicles, rebate amounts for each vehicle, online rebate applications, and all supporting documentation and forms applicable to CVRP, a real-time running total of available funds remaining in the program, as well as amount of rebates by vehicle type. This website allows the program to be “user-friendly” while providing project transparency.

Vehicle purchaser and lessee requirements regarding operating and ownership are found in Section C of this Implementation Manual. ARB, in its sole discretion, reserves the right to change rebate amounts, vehicle purchaser or lessee requirements and vehicle eligibility types.

Key milestones for CVRP development and implementation for FY 2013-14 are identified in Table 1.

Table 1: CVRP Development and Implementation Timeline for FY 2013-14*

Action Item	Date or Time Period
Selection of Rebate Administrator	August - September 2013
Rebate Administrator develops project webpage, conducts outreach. Implementation Manual and online application finalized.	October 2013 and ongoing
FY 2013-14 vehicle funding becomes available. Online applications available at the CVRP webpage.	November 2013

*This timeline may be changed at ARB’s sole discretion.

B. VEHICLE ELIGIBILITY

1. Vehicle Categories

This section discusses the categories of vehicles eligible for grant funding under CVRP and the specific criteria that a vehicle model must meet to be considered eligible. Aftermarket plug-in hybrid electric and battery electric vehicle conversions are not eligible for CVRP funding. Vehicle models will be approved by ARB on a model year basis and placed on a List of Eligible Vehicle Models for rebates. A continuously updated list of eligible vehicles and rebate amounts will be maintained on the designated CVRP website. Vehicle manufacturers must submit a Vehicle Eligibility Application (Attachment A) to ARB to have their vehicles considered for rebate eligibility. The vehicle manufacturer is responsible for providing all the required documentation described on the application. ARB will coordinate with the vehicle manufacturers to request any additional documentation needed for eligibility determinations. ARB is responsible for providing the Administrator the current list of eligible vehicles and the corresponding rebate amounts.

There are four categories of vehicles eligible for grant funding under CVRP: (1) light-duty zero-emission vehicles, (2) light-duty plug-in hybrid electric vehicles, (3) neighborhood electric vehicles, and (4) zero-emission motorcycles.

a. Light-Duty Zero-Emission Vehicles (ZEVs)

Vehicles in the ZEV category include electric-drive, battery electric vehicles (BEVs) and hydrogen fuel cell vehicles up to 8,500 pounds gross vehicle weight rating (GVWR). For the purposes of CVRP, ZEVs are further categorized into six subcategories or Types (I, 1.5, II, III, IV, and V) based on vehicle range and refueling capability as defined in the California Zero-Emission Vehicle Regulation sections 1962 and 1962.1, Title 13, California Code of Regulations (CCR). The range extended battery electric vehicle (BEVx) is a new regulatory vehicle category approved by the Board in January 2012, and initially approved by the Board for inclusion as a zero-emission vehicle type in the CVRP in June 2012 as part of the FY 2012-13 AQIP Funding Plan approval. In the FY 2013-14 AQIP Funding Plan, the BEVx continues to be an approved eligible vehicle category. Funding provided by the Energy Commission will be used for Light-Duty Zero-Emission Vehicles capable of freeway operation and certified for four passengers or more

b. Light-Duty Plug-in Hybrid Electric Vehicles (PHEVs)

PHEVs are hybrid electric vehicles that have zero emission vehicle range capability, an on-board electrical energy storage device, an on-board charger, and are rechargeable from an external connection to an off-board electrical source. Rebate-eligible PHEVs include only those meeting Super Ultra Low Emission Vehicle (SULEV) tailpipe-emission standards, have a 15-year 150,000 mile warranty on emission-control components, and have zero evaporative

emissions from its fuel system. Funding provided by the Energy Commission will be used for Light-Duty Plug-In Hybrid Electric Vehicles capable of freeway operation and certified for four passengers or more.

c. **Neighborhood Electric Vehicles (NEVs)**

Vehicles in the NEV category are low speed zero-emission vehicles. California Vehicle Code (CVC) section 385 defines a low speed vehicle as a motor vehicle with four wheels on the ground, having an unladen weight of 3,000 pounds or less, and is capable of propelling itself at a minimum speed of 20 miles per hour with a maximum speed of 25 miles per hour on a paved level surface. NEVs may be legally operated on public streets with posted maximum speed limits of 35 mile per hour or lower. Low speed vehicles are subject to the Department of Transportation (DOT) safety standard (49 CFR 571.500) that requires ten specific items of safety equipment.

d. **Zero-Emission Motorcycles (ZEMs)**

Vehicles in the ZEM category include fully-enclosed zero emission vehicles designed to travel on three wheels and two-wheel electric motorcycles meeting the provisions of CVC section 400 and the ZEM evaluation procedures in Attachment C.

2. **Vehicle Eligibility Criteria**

Vehicles must meet the following criteria to be eligible for a rebate:

a. **Be new-**

With the exception of vehicles described in section 2(a)(i), the vehicle must be a new vehicle as defined in CVC section 430.¹ The Original Equipment Manufacturer (OEM) or its authorized licensee must manufacture the vehicle. Vehicles considered new vehicles solely for determination of compliance with state emissions standards pursuant to Health and Safety Code, Article 1.5, Prohibited Transactions, (sections 43150-43156) and CVC section 4000.2, Registration of Out-of-State Vehicles, are not eligible vehicles. If the vehicle is not new, is pre-owned, has been re-leased, is the subject of a lease assumption or has been transferred into California after previously having been registered out-of-state, the vehicle is not eligible for a rebate through CVRP. If the required supporting documentation does not satisfactorily prove that the vehicle is new, other documentation may be requested at the Administrator's discretion.

Vehicles previously used as dealership floor models and test drive vehicles are eligible for the rebate if the vehicles have not been previously registered with the

¹ Per section 430 of the California Vehicle Code, a "new vehicle" is a vehicle constructed entirely from new parts that have never been the subject of a retail sale, or registered with the California Department of Motor Vehicles, or registered with the appropriate agency or authority of any other state, District of Columbia, territory or possession of the United States, or foreign State, province, or country.

California Department of Motor Vehicles (DMV). The Administrator will use the procedures outlined in Attachment D when processing rebate applications for floor model, test drive, unwind and rollback vehicles.

i. Rollback and Unwind Vehicle Provision

A “rollback” occurs when a buyer purchases or leases a vehicle then returns it shortly after purchase, or when a buyer’s financing is disapproved. An “unwind” occurs when an Application for Registration of New Vehicle is completed, but the sale was not consummated and the buyer never took delivery. Vehicles determined by the Administrator to be unrebated rollback or unwind vehicles will be eligible to receive a rebate. Additional documentation from the dealership may be required. Please see Attachment D for more details.

b. Be ARB approved/certified-

With the exception of ZEMs, the vehicle model must be certified by ARB as a new, zero-emission or plug-in hybrid electric vehicle as defined in the California ZEV Regulation, section 1962.1(d)(5)(A), Title 13, CCR for 2009 and subsequent model years. The manufacturer must also certify that the vehicle model complies with all applicable federal safety standards for new motor vehicles and new motor vehicle equipment issued by the National Highway Traffic Safety Administration (NHTSA). A table summarizing the Federal Motor Vehicle Safety Standards (FMVSS) for a number of vehicle categories is provided in Attachment B. FMVSS are found in Title 49 of the Code of Federal Regulations (CFR) Part 571. If a written statement and documentation have been previously provided to ARB in the course of applying for the ARB certification of the vehicle model, no additional written statement is required.

c. Meet prescribed performance, emissions, and service thresholds:

- i. ZEVs** must be certified as Type I, I.5, II, III, IV, or V ZEVs as defined in the in the California Zero-Emission Vehicle Regulation sections 1962 and 1962.1, Title 13, CCR.
- ii. PHEVs** must meet the Transitional Zero Emission Vehicle definition in the California ZEV Regulation section 1962.2(c) Title 13, CCR, including SULEV, evaporative emissions, onboard diagnostics, extended warranty, zero-emission Vehicle Miles Traveled (VMT), and advanced componentry PZEV allowance standards as defined in section 1962.1(c).
- iii. NEVs** must meet the “Neighborhood Electric Vehicle” definition in Section E of this Implementation Manual, have been evaluated for baseline performance in accordance with United States Department of Energy (U.S. DOE) NEV America guidelines (successful completion of the NEV America assessment), be equipped with maintenance free batteries (and sealed if

lead-acid), and be covered by a minimum level of after sales service as described below.

a) Successful completion of the NEV America assessment means NEV meets: (1) all of the minimum vehicle requirements specified in the NEV America Technical Specifications (Revision 3, effective September 21, 2007), and (2) the acceleration, top speed, and constant speed range performance specification in sections 5.1 through 5.3 of the same document. NEVs that successfully completed the NEV America assessment prior to Revision 3 of the Technical Specifications are still eligible for a rebate provided that the vehicle model applying for incentives is sufficiently similar to the vehicle model that completed the assessment. The Specifications are available at:
<http://avt.inl.gov/pdf/nev/nevtechspec.pdf> .

b) Each manufacturer must demonstrate to ARB that they have a program to offer convenient and time-sensitive warranty and maintenance service to the vehicle owner. An acceptable service program will have readily available parts, trained service technicians, and the ability to either send a technician to an owner's home or pick up and transport the vehicle to an authorized repair facility.

iv. **ZEMs** must meet the "Zero-Emission Motorcycle" definition in Section E of this Implementation Manual, successfully complete the Zero-Emission Motorcycle Evaluation Procedure (Attachment C), have sealed batteries (if lead-acid), and be covered by a minimum level of after sales service as described below.

a) Successful completion of the Zero-Emission Motorcycle Evaluation Procedure means that a recognized third-party vehicle standards organization has evaluated ZEM using the procedures contained in Attachment C and ARB has verified that ZEM meets the specified range and acceleration requirements.

b) Each manufacturer must demonstrate to ARB that they have a program to offer convenient and time-sensitive warranty and maintenance service to the vehicle owner. An acceptable service program will have readily available parts, trained service technicians, and the ability to either send a technician to an owner's home, or pick up and transport the vehicle to an authorized repair facility.

d. **Warranty Provisions**

The vehicle drive train, including applicable energy storage system or a battery pack, must be covered by a manufacturer warranty. Prior to approving a vehicle model for addition to the List of Eligible Vehicles, ARB may request that the manufacturer provide copies of representative vehicle and battery warranties and

a description of the manufacturer's plans to provide warranty and routine vehicle service. Warranty provisions must meet the following requirements:

- i. **ZEVs** must have, at a minimum, a warranty of 36 months; the first 12 months of the coverage period shall be a full warranty. If the warranty for the remaining 24 months is prorated, the percentage of the battery pack's original value to be covered or refunded must be at least as high as the percentage of the prorated coverage period still remaining. For the purpose of this computation, the age of the battery pack must be expressed in increments no larger than three months.
- ii. **PHEVs** must meet the extended warranty requirements applicable to partial ZEV allowance vehicles (PZEVs) as described in section 1962.1(c)(2)(D), Title 13, CCR.
- iii. **NEVs and ZEMs** must require, at a minimum, a warranty of 24 months. At least four months of the first 12 months of the NEV/ZEM coverage period shall be a full warranty; the remainder of the first 12 months and all of the second 12 months of the coverage period may be covered under optional (available for purchase) extended warranties and may be prorated. If the extended warranty is prorated, the percentage of the battery pack's original value to be covered or refunded must be at least as high as the percentage of the prorated coverage period still remaining. For the purpose of this computation, the age of the battery pack must be expressed in intervals no larger than three months. Alternatively, a manufacturer may cover 50 percent of the original value of the battery pack for the full period of the extended warranty.

3. Development of List of Eligible Vehicle Models

The CVRP List of Eligible Vehicle Models will be periodically updated as manufacturers submit applications and vehicle models are approved. In order for a vehicle to be eligible for a rebate, the vehicle manufacturer must submit to ARB the Vehicle Eligibility Application in Attachment A and all supporting documentation. ARB will work with the vehicle manufacturer to ensure that all the required documentation is received and request any additional information needed to make an eligibility determination. If the vehicle meets the eligibility requirements set forth in Section B(2) of this Implementation Manual, then ARB will add the vehicle to the List of Eligible Vehicle Models, calculate the rebate amount, and provide the updated list to the Administrator. New model years of vehicles already approved for CVRP eligibility can be rebated prior to the new model year being added to the List of Eligible Vehicle Models. All other new vehicle models purchased before being on the List of Eligible Vehicle Models are not rebate eligible.

4. Vehicle Rebate Amounts for Individuals, Businesses, and Public Entities

ARB establishes a rebate amount for each eligible vehicle model up to the maximum rebate amount for that vehicle type listed in Table 2. Specific rebate amounts for each eligible vehicle model will be included in the List of Eligible Vehicle Models and available on the project webpage. ARB reserves the right to reduce or eliminate the rebate if the vehicle's actual sale price is significantly below the Manufacturer's Suggested Retail Price (MSRP) reported to ARB on the vehicle eligibility application.

Table 2 summarizes the maximum per vehicle rebate amount.

Table 2: CVRP Maximum Rebate Amounts

Vehicle Type	Maximum Rebate Amount
Light-Duty Zero-Emission Vehicle	
Type I, 1.5, II, III, IV, V, or BEVx	\$2,500
Light-Duty Plug-in Hybrid Electric Vehicle	\$1,500
Neighborhood Electric Vehicle	\$900
Zero-Emission Motorcycle	\$900

Combining Vehicle Rebates with Other Incentives

Participation in CVRP does not preclude a vehicle purchaser or lessee from combining CVRP rebates with other incentive opportunities. Rebates could be combined with federal, state, or local agency incentives as well as Administrator match funding, if available, to help further buy-down an eligible vehicle's cost. The total of all incentives and tax credits may not be more than the vehicle purchase price.

5. Reduced Ownership Period Provisions Specific to Rental and Car Share Fleets

Rental and car share fleets provide a unique opportunity for introducing eligible vehicles to a large consumer base. Because vehicles are typically circulated out of the fleets in less than the three year ownership/lease period required under the CVRP, provisions are warranted to allow these vehicles to be rebated. Rental and car share vehicles are rebate-eligible if retained in California for a minimum of one year (twelve consecutive months) but less than three years. Vehicles must be available for rent from a California rental location for the minimum twelve consecutive month term. Rental fleets and Car share fleets are subject to a limit of 20 rebated vehicles per calendar year. See Section B(6) for a more detailed information regarding the maximum number of rebates per entity.

Vehicles rebated under the reduced-ownership provision for rental and car share fleets are eligible for the rebate amounts identified in Table 3. Rental or car share fleets that own and operate vehicles in California for a minimum of three years are eligible for the vehicle's maximum rebate amount identified in Table 2.

Table 3: Rebate Amounts for Rental and Car Share Fleets Under the Reduced Ownership Provision

Vehicle Type	Maximum Rebate Amount Under Reduced Ownership
Light-Duty Zero-Emission Vehicle	
Type I, 1.5, II, III, IV, V, or BEVx	\$750
Light-Duty Plug-in Hybrid Electric Vehicle	\$450
Neighborhood Electric Vehicle	\$270
Zero-Emission Motorcycle	\$270

6. Maximum Rebates per Entity

Except for rental, public, and car share fleets, no single entity is eligible to receive more than two CVRP rebates either via direct purchase and/or lease in each calendar year. Traditional rental car fleets and car share fleets are capped at 20 rebates per calendar year. Public fleets are limited to 30 rebates per year. Table 4 summarizes the maximum number of rebates per entity.

Table 4: Maximum Number of Rebates per Entity per Calendar Year

Consumer Type	Maximum Number of Rebates
Individual or Businesses	2
Public Fleet	30
Rental Fleet	20
Car Share Fleet	20

a. Public Fleet Set-Aside

To support public fleet participation in the Clean Vehicle Rebate Project, a \$200,000 set-aside was approved in the Funding Plan specifically for public agencies (federal, state, county, regional and municipal). ARB and the Administrator shall monitor the draw down throughout the fiscal year and remaining funds would be reallocated back into the rebate account if unused. As noted earlier, a public fleet is limited to a maximum of 30 rebates per calendar year.

b. Taxpayer Identification Number (TIN) Requirements

For the purposes of CVRP, vehicles under common ownership or fiduciary control of a fleet – including, but not limited to, entities sharing a common Taxpayer Identification Number (TIN) – are considered part of a single fleet even if they are part of different subsidiaries, divisions, or other organizational structure of a company, government agency, or other entity. All entities, other than individuals, are required to disclose their TIN at the time of rebate application. ARB or its designee may seek financial reimbursement and/or civil and criminal penalties from a vehicle purchaser/lessee for non-disclosure or inaccurate disclosure of its TIN or other information relating to common ownership or fiduciary control of the purchasing entity.

7. Distribution of Rebates

For vehicles purchased or leased on or after July 15, 2013, the purchaser or lessee must submit a rebate application within six months after the transaction to be eligible for a rebate. For the purposes of CVRP, the date of purchase is the day of sale. A sale is deemed completed when the purchaser of the vehicle has executed and signed a purchase contract or security agreement, and taken physical possession or delivery of the vehicle. For the purposes of CVRP, a vehicle is deemed to be leased on the date upon which the lease of the vehicle commences, as specified in a signed lease agreement. Ownership of the vehicle will be demonstrated by providing documentation as approved by the Administrator. With the exception of vehicles purchased under the special provisions of Section B(5), owned and leased vehicles must be operated and registered in California for a minimum of 36 consecutive months. Applications can be submitted online at the CVRP website. Applicants without internet access can contact the Administrator in order to receive a rebate application by mail.

Rebates will be distributed on a first-come, first-served basis contingent upon funding availability. Available rebate funds will be reserved by the Administrator following submission of an online application or upon receipt of a mailed application. After an application is accepted by the Administrator, the required supporting documentation (outlined in Section C(2)) must be submitted by the purchaser or lessee to the Administrator within 14 calendar days (if mailed, submittal date will be determined by U.S. mail postmark). The signed application and supporting documents may be scanned and sent electronically through e-mail to cvrp@energycenter.org.

The rebate for an eligible vehicle will be issued to the qualified recipient in a single allotment. The distribution of this rebate will be made within 90 calendar days, contingent upon availability of funds. Rebate checks must be cashed within six months of the postmark date the check was mailed. Checks not cashed within this timeframe will be cancelled, and the rebate amount returned to the project.

8. Waiting List

ARB will review the progress of CVRP as well as development of the Funding Plan to determine if a waiting list is necessary and appropriate. If necessary, ARB will coordinate the development of a waiting list with the Administrator.

C. VEHICLE PURCHASER OR LESSEE DUTIES AND REQUIREMENTS

1. Vehicle Purchaser or Lessee

The vehicle purchaser or lessee is responsible for submitting the rebate application and providing all required documentation to the Administrator. Eligible vehicle purchasers or lessees must accept the rebate directly – CVRP does not provide an option to assign the rebate to a vehicle seller or lessor (i.e. vehicle dealer or manufacturer). To receive a CVRP rebate, a vehicle purchaser or lessee must:

- a. Be an individual, business, nonprofit or government entity that is based in California or has a California-based affiliate at the time the rebated vehicle is purchased or leased. Proof of California DMV registration will be required to complete a CVRP application.
- i. Eligible vehicles may be purchased out-of-state, but consumers must be California residents at the time of vehicle purchase. All businesses must be licensed to operate in California. Active duty military members stationed in California, but with permanent residency in another state are eligible to apply and may use military orders in lieu of other proof of residence documentation.
- b. Purchase or lease a new eligible vehicle as specified in Section B of this Implementation Manual.
- c. Be a purchaser or lessee of a new eligible vehicle and submit a CVRP application within 6 months of the vehicle purchase or lease date and prior to exhaustion of available rebate funds.
- d. Purchase or lease an eligible vehicle before applying for a rebate.
- e. Lease terms of at least 36 months are required for program eligibility.
- f. Retain ownership of the vehicle in California for a minimum of 36 consecutive months immediately after the vehicle purchase or lease date (only rental and car share vehicles are eligible for a reduced ownership provision if retained in California for a minimum of twelve consecutive months but less than 36 consecutive months).
- g. Rebate recipients who do not retain the eligible vehicle for the full 36-month ownership or lease period will be required to reimburse ARB all or part of the original rebate amount. See Section C(3)
- i. Vehicle purchasers or lessee are required to notify the Administrator, by calling (866) 984-2532 or email cvrp@energycenter.org, to seek approval for early termination of vehicle ownership in advance of intent to sell or terminate a lease prior to the required 36 month ownership period.
- h. Register the new vehicle with the California DMV for a minimum of 36 consecutive months for use in California. Any government owned vehicle not registered with the California DMV is still required to operate within California for 36 consecutive months immediately after the vehicle purchase or lease date. Rental and car share purchasers or lessees must register the vehicle with the California DMV and operate the vehicle for a minimum of 12 consecutive months after vehicle purchase or lease date.

- i. Submit the signed application form and all required supporting documentation within 14 calendar days of application submittal as specified in Section C(3) of this Implementation Manual.
- j. Not make or allow any modifications to the vehicle's emissions control systems, hardware, software calibrations, or hybrid system (Violation, CVC 27156).
- k. Commit that any emission reductions generated by the purchased vehicle will not be used as marketable emission reduction credits, to offset any emission reduction obligation of any person or entity, or to generate a compliance extension or extra credit for determining regulatory compliance.
- l. Be available for follow-up inspection if requested by the Administrator, ARB, or ARB's designee for the purposes of project oversight and accountability.
- m. Rebate checks must be cashed within six months of the postmark date the check was mailed. Checks not cashed within this timeframe will be cancelled, and the rebate amount returned to the project

The vehicle purchaser or lessee is responsible for ensuring the accuracy of the information on all rebate applications and required documentation submitted to the Administrator. Submission of false information on any required documents may be considered a criminal offense and is punishable under penalty of perjury under the laws of the State of California. ARB or its designee has the authority to recoup the CVRP funds which were received based upon misinformation or fraud, or for which the dealership, manufacturer, or vehicle purchaser or lessee is in significant or continual non-compliance with this Implementation Manual or State law. ARB also retains the authority to prohibit any entity from participating in CVRP due to non-compliance with project requirements.

2. Vehicle Ownership Reporting

ARB reserves the right to request voluntary participation from rebate recipients in ongoing research efforts that support the CVRP and AQIP goals as well as ARB Research Division efforts. The Administrator shall administer vehicle owner surveys to rebate recipients to collect vehicle usage data and other information pertaining to CVRP-eligible vehicle ownership. ARB will coordinate with the Administrator to identify survey parameters and determine the most effective mechanism for obtaining information.

3. Supporting Documentation

If the purchaser or lessee does not submit the required documentation within the specified 14 calendar days, the funds will be released back to the project and the purchaser or lessee will be required to submit a new rebate application. Required documentation will include, at a minimum, the following:

- a. For applicants who request applications by phone, a complete application with signature and date. For online applicants, a hard copy of the submitted application signed by the vehicle purchaser, lessee, or authorized representative. If mailed, submittal date will be determined by U.S. mail postmark. The signed application and supporting documents may be scanned and sent electronically through e-mail to cvrp@energycenter.org.
- b. Proof of temporary or permanent vehicle registration. A copy of the Application for New Vehicle Registration submitted by the dealer to the DMV is acceptable proof of temporary vehicle registration if submitted within one year of sale. Local, state, and federal agencies and entities may submit other documents with the prior approval of the Administrator.
- c. A copy of the final sales or lease contract with an itemization of credits, discounts, and incentives received, if applicable.
- d. For individuals, a copy of a California driver's license, utility or cable bill from within the last 3 months or other valid form of California residency as approved by the Administrator. Other forms of valid proof include a signed, dated, and notarized rental agreement or a copy of a current DMV registration.
- e. For a business or nonprofit, a copy of the formation document filed with the California Secretary of State or other documentation as approved by the Administrator. Sole proprietors may submit a copy of a utility or cable bill from within the last 3 months, a current vehicle DMV registration or a notarized rental agreement.
- f. For ZEMs and NEVs, evidence of maintenance free batteries (and sealed if lead-acid), and a 24-month warranty.

Once the Administrator has verified the documentation, a rebate check will be issued to the vehicle purchaser or lessee.

4. Vehicle Ownership Provision

With the exception of vehicles purchased under the special provisions in Section B(5), vehicle purchasers and lessees participating in CVRP are required to keep the vehicle and meet all applicable project requirements for a minimum 36 month period after the vehicle purchase or lease date.

If a manufacturer defect or other unforeseen circumstances require the replacement of a CVRP rebated vehicle with another vehicle of the same make and model, the Administrator has discretion to allow updated information to be provided with no return of CVRP rebate funds.

Resale of a vehicle or return of a leased vehicle to a dealer is allowed within this 36 month period if necessitated by unforeseen or unavoidable circumstances. To employ this provision, ARB must approve the circumstances and sale or return in advance. If the vehicle is resold, the vehicle purchaser or lessee must refund a prorated portion of their rebate, in an amount equivalent to the original rebate amount divided by 36 months and then multiplied by the number of months remaining in the original 36 month period (rounded to the nearest month), to the Administrator (see formula provided below):

(Original Rebate Amount ÷ 36 Months) x (36 – months since vehicle purchase or lease date)

The Administrator will follow procedures outlined in Attachment D of this Implementation Manual when managing vehicles that received a rebate at the time of original sale or lease and have since been sold or returned to the dealer.

ARB verifies vehicle ownership through periodic checks of VINs in the California DMV database. If a vehicle purchaser or lessee sells or returns the rebated vehicle to the dealer, ARB or its designee reserves the right to recoup CVRP funds from the original vehicle purchaser identified on the rebate form and may pursue other remedies available under the law for unauthorized early termination of vehicle ownership.

D. DEFINITIONS

“ARB-Certified” means a vehicle that has been certified as a ZEV or a Transitional Zero Emission Vehicle and issued an Executive Order by ARB in accordance with the provisions of the California ZEV Regulation (section 1962(e), Title 13, CCR).

“Battery Electric Vehicle (BEV)” means any vehicle that operates solely by use of a battery, or that is powered primarily through the use of an electric battery but uses a flywheel or capacitor that also stores energy to assist in vehicle operation.

“BEVx” is a regulatory vehicle category approved by the Board in January 2012 that includes battery-electric vehicles with small, gasoline powered, range extending auxiliary power units (APU). The APU provides only an emergency “limp home” range, unlike the long range or full power of a hybrid electric vehicle. The BEVx is considered a zero-emission vehicle subcategory under the CVRP, and rebate amounts are based on vehicles’ range certifications.

“Car share fleets” Car sharing is a model of car rental in which cars are rented for short periods of time, often by the hour. The organization renting the cars may be a commercial business or the users may be organized as a company, public agency, cooperative or ad hoc grouping.

“Fleet” means vehicles under common ownership or fiduciary control, including, but not limited to, entities sharing a common Taxpayer Identification Number (TIN). Vehicles are considered part of a single fleet even if they are part of different subsidiaries,

divisions, or other organizational structures of a company, government agency, or other entity. For the purposes of CVRP, franchises, divisions or subsidiaries doing business under a common name will be considered one entity even if they do not share a TIN.

“Gross vehicle weight rating (GVWR)” means the vehicle weight described on the original manufacturer Line Setting Ticket provided to the vehicle dealer.

“Neighborhood Electric Vehicle (NEV)” means a motor vehicle that meets the definition of “low-speed vehicle” either in section 385.5 of CVC or in 49 CFR 571.500 (as it existed on July 1, 2000) and is certified to zero-emission vehicle standards.

“Plug-in Hybrid Electric Vehicle (PHEV)” (sometimes referred to as an Extended Range Electric Vehicle or E-REV) means a hybrid electric vehicle which:

- has zero-emission vehicle range capability,
- has an on-board electrical energy storage device with useful capacity greater than or equal to ten miles of Urban Dynamometer Driving Schedule (UDDS) range on electricity alone,
- is equipped with an on-board charger, and
- is rechargeable from an external connection to an off-board electrical source.

“Public Fleet” means a vehicle under ownership by a public entity.

“Rental fleet” means a fleet categorized under the North American Industry Classification System (NAICS) as an establishment engaged in renting passenger cars without drivers, generally for short or long periods of time (2007 NAICS code 532111 and 532112).

“Type I ZEV” means a ZEV with a UDDS ZEV range of 50 to less than 75 miles.

“Type I.5 ZEV” means a ZEV with a UDDS ZEV range of 75 to less than 100 miles.

“Type II ZEV” means a ZEV with a UDDS ZEV range of 100 to less than 200 miles.

“Type III ZEV” means a ZEV with either (1) a UDDS range of 200 or more miles or (2) a UDDS ZEV range of 100 to less than 200 miles and is capable of replacing 95 miles of range in 10 minutes or less per CCR section 1962.1(d)(5)(B) of the California ZEV Regulation.

“Type IV ZEV” means a ZEV with a UDDS ZEV range of 200 miles or more and is capable of replacing 190 miles of range in 15 minutes or less per CCR section 1962.1(d)(5)(B) of the California ZEV Regulation.

“Type V ZEV” means a ZEV with a UDDS ZEV range of 300 miles or more and is capable of replacing 285 miles of range in 15 minutes or less per CCR section 1962.1(d)(5)(B) of the California ZEV Regulation.

“Zero-Emission Motorcycle (ZEM)” means either a fully-enclosed zero-emission vehicle designed to travel on three wheels or a two-wheeled electric motorcycle. ZEMs must meet the provisions of CVC section 400 and be freeway capable.

“Zero-Emission Vehicle (ZEV)” means any vehicle certified to zero-emission standards.

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Attachment A

Clean Vehicle Rebate Project Standard Operating Procedures

Procedures for Authorizing Early Lease/Ownership Termination of Rebated Vehicles

This document provides the necessary steps involved for the Administrator and the California Air Resources Board (ARB) to follow if notified of the resale of a Clean Vehicle Rebate Project (CVRP) rebated vehicle.

Step One: Notify the Administrator of Vehicle Resale Request

If ARB is notified of vehicle resale request, ARB will contact the Administrator with the applicant's email and contact information and a brief description of the request.

Step Two: The Administrator Document Vehicle Resale Request

Once notified by ARB or by a rebate recipient of interest in reselling a CVRP funded vehicle, the Administrator will document the case on a resale request form, which will then be provided to ARB:

1. Applicant contact information
2. Date when the individual applied for CVRP
3. Original rebate amount received
4. Vehicle Identification Number
5. Reason for vehicle resale
6. Status of vehicle resale
7. Prorated rebate amount using the formula below:

(Original Rebate Amount ÷ 36 Months) x (36 – months since vehicle purchase or lease date)

Step Three: ARB Review and Rule on Vehicle Resale Request

ARB program staff will review the resale request and any supporting documentation, and inform the Administrator of staff's decision within 10 working days.

Step Four: The Administrator Notifies Applicant of ARB Ruling

The Administrator will communicate ARB's decision to the individual requesting resale, including instructions for refunding the prorated amount of the rebate to the Administrator if the resale request is granted. Refunded rebates will be added back into the rebate funding pool.

Step Five: The Administrator Notifies ARB of Applicant Refund

Once the prorated rebate amount is refunded back to CVRP, the Administrator will inform ARB. Additionally, the Administrator will provide regular status reports until the refund is received.

Step Six: Coordination with Enforcement of CVRP Ownership Terms

ARB program staff is responsible for coordination with staff conducting periodic VIN

checks of the DMV database for ownership compliance. Individuals that received resale approval from ARB will not be in violation of the CVRP ownership terms.

Procedures for Floor Model/Test Drive and Rollback/Unwind Vehicle Eligibility

This document provides the steps necessary for the Administrator and the California Air Resources Board (ARB) to manage Clean Vehicle Rebate Project (CVRP) rebate applications for floor model, test drive, rollback and unwind vehicles.

Step One: Definitions

Floor Model/Test Drive Vehicles

Floor model or test drive vehicles are provided by original equipment manufacturers to car dealerships for the purpose of test drives and other customer interactions. California dealerships may temporarily operate a floor model or test drive vehicle on public roads with “dealer” license plates for the purpose of test drives. Use of floor model or test drive vehicles on public roads with “dealer” license plates does not require vehicle registration with the California Department of Motor Vehicles (DMV).

Rollback/Unwind Vehicles

A rollback is a vehicle returned to a dealership shortly after being purchased and operated by a buyer. Rollbacks can occur if a buyer’s financing is rejected. An unwind occurs when an Application for Registration of New Vehicle is completed, but the sale of the vehicle was not consummated and the buyer never took delivery.

Step Two: Review of Vehicle Supporting Documents

The Administrator will review the supporting documents within the rebate application to ensure the application meets all program requirements. A California vehicle sales or lease contract will indicate if a vehicle is new or used.

2.1 Floor Model/Test Drive Documentation: Per the California DMV’s Vehicle Registration Procedures Manual, a new vehicle operated as a floor model or test drive vehicle (referred to as “demonstrator” vehicles by the California DMV) is classified to be a used vehicle when subsequently sold to a retail buyer. However, when sold to the retail buyer, floor model or test drive vehicles must be registered with the California DMV as a new vehicle through the use of the *Application for Registration of a New Vehicle* (California DMV Form 397). The sale or lease contract and the proof of temporary or permanent vehicle registration should reflect these DMV requirements.

2.2 Rollback/Unwind Documentation: Per the California’s DMV’s Vehicle Registration Procedures Manual, rollback and unwind vehicles occur when they have been registered by the original purchaser through the use of the Application

for Registration of New Vehicle (California DMV Form 397). The Administrator requires documentation showing that the dealership is attesting to the fact that the car is either a rollback or unwind vehicle.

Step Three: Determining Vehicle Eligibility

Based on the supporting documents provided with the rebate application, the Administrator will determine whether the applicant is eligible for the CVRP rebate.

3.1 Floor Model/Test Drive Eligibility: A floor model or test drive vehicle which was not previously registered with the California DMV, and meets all other CVRP vehicle eligibility criteria, is eligible for the CVRP rebate. Per section 2(a) of the CVRP Implementation Manual, a floor model or test drive vehicle which has previously been registered with the California DMV does not meet the CVRP vehicle eligibility criteria, thus is not eligible for the CVRP rebate.

3.2 Rollback/Unwind Eligibility: A rollback or unwind vehicle has previously been registered with the California DMV; however, the sale was never completed. The vehicle was either returned or never delivered due to financing issues. These vehicles' eligibility will be determined on a case by case basis after reviewing the supporting documentation.