

## **Appendix D**

# **Public Fleet Pilot Project Terms and Conditions and Implementation Manual**

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## California's Public Fleet Pilot Project Rebate Application Form Terms and Conditions

### Rebate Process

Rebates are distributed on a first-come, first-served basis and issued to qualified recipients in a single allotment within 90 days of approval. Delays beyond normal processing times may occur. To apply for a rebate:

1. Submit an online application and a vehicle information spreadsheet. The Project Administrator (Center for Sustainable Energy) will contact you regarding the next steps.
2. Email requested supporting documentation to [publicfleets@energycenter.org](mailto:publicfleets@energycenter.org) within 14 calendar days of Administrator request. Required supporting documentation includes the following:
  - a. Signed rebate application form
  - b. Proof of temporary or permanent vehicle registration.
  - c. A copy of the final sales contract with an itemization of credits, discounts and incentives received, if applicable.
3. Eligible public entities may also submit an application for vehicles that have not yet been acquired. After submitting an application, applicants must provide the additional documentation listed below within 14 calendar days of Administrator request in order to reserve rebate funds. Final post-delivery documentation as listed above must then be submitted within six months of original application date for final application approval and rebate disbursement.
  - a. Signed rebate application form
  - b. If the vehicle has been ordered, a copy of the purchase order, invoice or other documentation confirming the vendor has received the order and/or payment.

**Or**

If the vehicle has not been ordered, an official agency vehicle acquisition plan and/or a resolution from the applicant's governing body (i.e. City Council or County Board of Supervisors), or other documentation signed by a duly authorized official with authority to make financial decisions, authorizing the submittal of the application and confirmation to purchase an eligible vehicle(s) within 6 months of applying.

- i. Documentation must either: a) indicate the planned vehicle domicile location to confirm that the disadvantaged community eligibility criteria will be met; or b) provide justification that meets other criteria as defined by ARB's Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies as approved by ARB. For more information, see ARB's Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies , Appendix A, Table A-1 (<http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/535investments.htm>).

**Important:** If you do not submit your required supporting documentation within 14 calendar days of request, the Administrator will release the reserved rebate funds. Rebate checks must be cashed within six months of the date on the check. Checks not cashed within this timeframe will be cancelled, and the rebate amount will be returned to the Public Fleet Pilot Project.

### Applicant and Vehicle Requirements

As a condition for receiving State of California, Air Resources Board (ARB) rebate funds, you must comply with the requirements below. You are responsible for reviewing the Public Fleet Pilot Project program requirements prior to applying for a rebate. Eligible applicants must meet requirements that include, but are not limited to, the following:

1. Public fleets are limited to 30 Public Fleet Pilot Project rebates per calendar year.
2. Be a California public entity. A public entity is defined in California Government Code section 811.2 includes the state, the Regents of the University of California, the Trustees of the California State University and the California State University, a county, city, district, public authority, public agency, and any other political subdivision or public corporation in the State. Non-California public entities (e.g., federal, tribal, international) are not eligible to participate.
  - a. Eligible vehicles may be purchased out-of-state, but must be registered as new vehicles with the California DMV.
3. Purchase a new, eligible vehicle on or after July 1, 2014 and submit a Public Fleet Pilot Project application within six months of the vehicle purchase date and prior to exhaustion of available rebate funds. Leased vehicles are not eligible to participate.
4. Purchase an eligible vehicle before applying for a rebate, or certify documented intent to purchase an eligible vehicle within six months of application.
5. Retain ownership of the vehicle in California for a minimum of 30 consecutive months immediately after the vehicle purchase date.
  - a. Rebate recipients who do not retain the eligible vehicle for the full 30-month ownership period will be required to reimburse ARB all or part of the original rebate amount.
  - b. Vehicle purchasers are required to notify the Administrator, by calling (858) 634-4733 or emailing [publicfleets@energycenter.org](mailto:publicfleets@energycenter.org), to arrange for early termination of vehicle ownership in advance of intent to sell or terminate ownership prior to the required 30-month ownership period.
6. Own and operate an eligible vehicle for the required 30 month ownership term, in accordance with the following criteria for benefiting a disadvantaged community, a vehicle must: a) be domiciled at a facility within the boundaries of a ZIP code containing at least one disadvantaged community census tract; or b) meet other criteria as defined by ARB's Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies as approved by ARB. For more information, see ARB's Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies , Appendix A, Table A-1 (<http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/535investments.htm>).
  - a. Rebate recipients must notify the Administrator within six months of any change in vehicle domicile location occurring during the required 30 month ownership term. If vehicles are moved to ineligible locations, a partial return of rebate funds may be required.
7. Register the new vehicle with the California DMV for a minimum of 30 consecutive months for use in California.
8. Submit the signed application form and all required supporting documentation within 14 calendar days of the Administrator's request.
9. Not make or allow any modifications to the vehicle's emissions control systems, hardware, software calibrations, or hybrid system.



**SIGNATURE**

By signing this application, the purchaser agrees to the following:

1. I agree to pay back all or a portion of rebate funds if any of the above terms and conditions are not met.
2. I understand that ARB reserves all rights and remedies available under the law to enforce the terms of this agreement.
3. I acknowledge that I have read and understand, and agree to be bound by, the terms and conditions as outlined within this Rebate Application Form.
4. I choose to voluntarily submit personally-identifying information for the purposes of processing my rebate and enforcing the Public Fleet Pilot Project Terms and Conditions.

I certify under penalty of perjury that the information provided in this application and supporting documentation is accurate.

NAME OF APPLICANT OR AUTHORIZED REPRESENTATIVE:	TOTAL REBATE AMOUNT REQUESTED:
SIGNATURE:	DATE:

**Return Instructions**

Please scan and email signed copy with other requested supporting documentation to CSE staff at:

[PublicFleets@energycenter.org](mailto:PublicFleets@energycenter.org)

Or mail to CSE offices at:

Attn: Public Fleet Pilot Project  
Center for Sustainable Energy  
9325 Sky Park Court, Suite #100  
San Diego, CA 92123

FOR CSE USE ONLY	
CSE ADMINISTRATOR:	TOTAL REBATE AMOUNT REQUESTED:
SIGNATURE:	RECEIVED DATE:

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**IMPLEMENTATION MANUAL FOR INCREASED  
INCENTIVES FOR PUBLIC FLEETS IN  
DISADVANTAGED COMMUNITIES PILOT PROJECT  
FOR FY 2014-15  
(PUBLIC FLEET PILOT PROJECT)**

**December 2014**

California Environmental Protection Agency

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 **Air Resources Board**

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## 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* (Assembly Bill (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 or Board), 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 2012, Governor Brown signed into law three bills – AB 1532 (Pérez, Chapter 807, Statutes of 2012), Senate Bill (SB) 535 (De León, Chapter 830, Statutes of 2012), and SB 1018 (Budget and Fiscal Review Committee, Chapter 39, Statutes of 2012) – that establish the Low Carbon Transportation Greenhouse Gas Reduction Fund (GGRF) to receive proceeds from the distribution of allowances via auction and to provide the framework for how those auction proceeds will be appropriated and expended.

These statutes require that the State portion of the proceeds from the auction of allowances under the Cap-and-Trade program be deposited in the GGRF and used to facilitate the achievement of greenhouse gas emission reductions and, where applicable and to the extent feasible, to further additional goals of AB 32 and the Legislature. In addition, expenditures must comply with the requirements contained in SB 862 (Chapter 836, Statutes of 2014), the trailer bill which establishes requirements for agencies receiving FY 2014-15 appropriations of GGRF monies.

In June 2014, ARB approved the Fiscal Year 2014-15 Funding Plan for the Air Quality Improvement Program and Low Carbon Transportation Greenhouse Gas Reduction Fund Investments (FY 2014-15 Funding Plan)<sup>1</sup>, providing up to \$117.36 million in funding for the Clean Vehicle Rebate Project (CVRP) and Increased Incentives for Public Fleets in Disadvantaged Communities Pilot Project (Public Fleet Pilot Project). In order to meet the SB 535 obligations on GGRF funding, the FY 2014-15 Funding Plan included several pilot projects to directly benefit California's most vulnerable and pollution-burdened communities. The Public Fleet Pilot Project is one of these projects

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<sup>1</sup> The approved FY 2014-15 Funding Plan is available at:  
<http://www.arb.ca.gov/msprog/aqip/fundplan/fundplan.htm>

and will be implemented as a set-aside within CVRP.

Up to \$2.877 million in funding from GGRF is available for California public entities located in or serving disadvantaged communities. The Public Fleet Pilot Project benefits the citizens of California residing in disadvantaged communities by providing immediate air pollution emission reductions while stimulating local deployment of the next generation of zero-emission and plug-in hybrid electric light-duty vehicles. It is administered and implemented through a partnership between ARB and a Rebate Administrator (Administrator), selected via a competitive ARB grant solicitation.

This Implementation Manual for the Public Fleet Pilot Project, in conjunction with the Guidelines, and the Funding Plan identify the minimum requirements for implementing the Public Fleet Pilot Project. 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 Public Fleet Pilot Project webpage housed at [www.energycenter.org/PFP](http://www.energycenter.org/PFP).

Definitions of key program parameters are located in Section D of this manual.

## **1. Project Overview**

The purpose of investing in disadvantaged communities is to reduce emissions in neighborhoods that are already disproportionately impacted by pollution. In addition, public fleets located in or serving disadvantaged communities are not eligible for additional incentives, such as the federal tax credit, to bring down the higher prices associated with advanced clean cars. As a result, combined with other barriers, local and state government fleets make up a very small number of the total rebates reserved.

The intent of the Public Fleet Pilot Project is to provide rebates for the purchase of eligible vehicles by public fleets that are unable to take advantage of the federal tax credit. Vehicles must service disadvantaged communities as described in Section C (1)(f) and rebate recipients must report vehicle usage data as described in Section C (1)(l). Neighborhood Electric Vehicles and Zero-Emission Motorcycles are not eligible for increased incentives under the Public Fleet Pilot Project. However, these vehicle types are still eligible under CVRP. Leased vehicles are also not eligible for the Public Fleet Pilot Project rebates.

After the purchaser takes possession of and registers the eligible vehicle, they are qualified to receive the rebate. The Public Fleet Pilot Project offers a new application process for qualifying fleets which allows agencies to reserve Public Fleet Pilot Project funds in advance of taking possession of an eligible vehicle. Applicants must certify intent to acquire an eligible vehicle and provide proof of acquisition in order to receive reserved rebate funds. Applications are available online via the Public Fleet Pilot Project webpage, [www.energycenter.org/PFP](http://www.energycenter.org/PFP), housed on the CVRP website or by contacting the Administrator directly by email at [publicfleets@energycenter.org](mailto:publicfleets@energycenter.org) or

calling (858) 634-4733.

Information about the Public Fleet Pilot Project is available to the public and other interested parties via the Public Fleet Pilot Project webpage. The Public Fleet Pilot Project webpage at [www.energycenter.org/PFP](http://www.energycenter.org/PFP) 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 a real-time running total of available funds remaining in the program. This webpage allows the program to be “user-friendly” while providing project transparency.

Key milestones for the Public Fleet Pilot Project development and implementation for FY 2014-15 are identified in Table 1.

**Table 1: Public Fleet Pilot Project Development and Implementation Timeline for FY 2014-15\***

<b>Action Item</b>	<b>Date or Time Period</b>
Selection of Rebate Administrator	August 2014
Rebate Administrator develops project website and conducts outreach. Implementation Manual and online application finalized.	October 2014 and ongoing
FY 2014-15 vehicle funding becomes available. Online applications available at the Public Fleet Pilot Project webpage.	December 2014

\*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 the Public Fleet Pilot Project and the specific criteria that a vehicle model must meet to be considered eligible. Aftermarket Plug-In Hybrid Electric Vehicle (PHEV) and Battery Electric Vehicle (BEV) conversions are not eligible for the Public Fleet Pilot Project 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 Public Fleet Pilot Project webpage. Vehicle manufacturers must submit a Vehicle Eligibility Application 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 two major categories of vehicles eligible for grant funding under the Public Fleet Pilot Project:

(a) light-duty zero-emission vehicles and (b) light-duty plug-in hybrid electric vehicles.

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

Vehicles in the ZEV category include electric-drive, all-battery electric vehicles (BEVs) and fuel-cell electric vehicles (FCEVs) up to 8,500 pounds gross vehicle weight rating (GVWR). For the purposes of the Public Fleet Pilot Project, ZEVs are categorized 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 regulatory vehicle category that was approved by the Board in January 2012 and was included as a zero-emission vehicle type in June 2012 as part of the FY 2012-13 AQIP Funding Plan approval. In the FY 2014-15 Funding Plan, the BEVx continues to be an approved zero-emission vehicle type for Public Fleet Pilot Project.

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, and 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.

## 2. **Vehicle Eligibility Criteria**

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

a. **New Vehicle Purchase:**

With the exception of vehicles described in section 2 (a)(i), the vehicle must be a new vehicle as defined in California Vehicle Code (CVR) section 430.<sup>2</sup> 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, or has been transferred into California after previously having been registered out-of-state, the vehicle is not eligible for a rebate through the Public Fleet Pilot Project. If the required supporting documentation does not satisfactorily prove that the vehicle is new,

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<sup>2</sup> 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.

other documentation may be requested to satisfy this requirement, at the Administrator's discretion.

Vehicles previously used as dealership floor models and test drive vehicles are eligible for the rebate only if the vehicles have not been previously registered with the California Department of Motor Vehicles (DMV). The Administrator will use specific procedures 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 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. However, additional documentation from the dealership may be required.

**b. ARB Approved/Certified**

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). Federal Motor Vehicle Safety Standards 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. ARB Prescribed Performance, Emissions, and Service Thresholds**

- i. 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 Partial Zero-Emission Electric Vehicle (PZEV) allowance standards as defined in section 1962.1(c).

**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 PZEVs as described in section 1962.1(c)(2)(D), Title 13, CCR.

### **3. Development of List of Eligible Vehicle Models**

The Public Fleet Pilot Project 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 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 the Public Fleet Pilot Project 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**

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 website.

Table 2 summarizes the maximum per vehicle rebate amount.

**Table 2: Public Fleet Pilot Project Maximum Rebate Amounts**

<b>Vehicle Type</b>	<b>Maximum Rebate Amount</b>
<b>ZEV</b>	
• Fuel-Cell Electric Vehicle	\$15,000
• All-Battery or Range-Extended Electric Vehicle	\$10,000
<b>PHEV</b>	
• Plug-in Hybrid Electric Vehicle	\$5,250

a. **Combining Vehicle Rebates with Other Incentives**

The Public Fleet Pilot Project rebate replaces the CVRP rebate. A single vehicle cannot receive both rebates. However, participation in the Public Fleet Pilot Project does not preclude a vehicle purchaser from combining rebates with other incentive opportunities. Rebates could be combined with federal, state, or local agency incentives to help further buy-down an eligible vehicle’s cost.

**5. Maximum Rebates per Entity**

Public fleets are limited to 30 Public Fleet Pilot Project rebates per calendar year. ARB reserves the right to adjust rebate limits throughout the fiscal year to account for variable funding demand.

a. **Taxpayer Identification Number Requirements**

For the purposes of the Public Fleet Pilot Project, vehicles under common ownership or fiduciary control of a fleet – including, but not limited to, entities sharing a common Taxpayer Identification Number (TIN) – may be considered part of a single fleet even if they are part of different subsidiaries, divisions, or other organizational structure of an entity. All entities 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 for non-disclosure or inaccurate disclosure of its TIN or other information relating to common ownership or fiduciary control of the purchasing entity. ARB and the Administrator reserve the right to make determinations on a case-by-case basis.

**6. Distribution of Rebates**

Vehicles must be purchased on or after July 1, 2014 in order to be eligible for Public Fleet Pilot Project rebates. The purchaser must submit a rebate application within six months after the transaction to be eligible for a rebate. For the purposes of the Public Fleet Pilot Project, 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. Ownership of the vehicle will be demonstrated by providing documentation as approved by the Administrator.

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 at the Public Fleet Pilot Project webpage or upon receipt of a mailed application. (Applicants without internet access can contact the Administrator in order to receive a rebate application by mail.) After an application is accepted by the Administrator, supporting documentation (outlined in Section C (4)) will be requested and must be submitted by the purchaser to the Administrator within 14 calendar days. The supporting documentation may be scanned and e-mailed to [publicfleets@energycenter.org](mailto:publicfleets@energycenter.org). Applicants without internet access may mail the supporting documentation to the Administrator.

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

## **C. VEHICLE PURCHASER DUTIES AND REQUIREMENTS**

### **1. Vehicle Purchaser**

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

- a. Be a California public entity. A public entity is defined in California Government Code section 811.2 includes the State, the Regents of the University of California, the Trustees of the California State University and the California State University, a county, city, district, public authority, public agency, and any other political subdivision or public corporation in the State. Non-California public entities (e.g., federal, tribal, international) are not eligible to participate.
- i. Eligible vehicles may be purchased out-of-state, but must be registered as new vehicles with the California DMV. Any government owned vehicle not registered with the California DMV is still required to operate within California for 30 consecutive months immediately after the vehicle purchase date.
- b. Purchase a new eligible vehicle as specified in Section B of this Implementation Manual on or after July 1, 2014. Leased vehicles are not eligible to participate.
- c. Submit a Public Fleet Pilot Project application within six months of the vehicle purchase date and prior to exhaustion of available rebate funds.
- d. Purchase an eligible vehicle before applying for a rebate, or certify documented

intent to purchase an eligible vehicle within 6 months of application. See Section C (3) for more details on pre-acquisition funding reservations.

- e. Retain ownership of the vehicle in California for a minimum of 30 consecutive months immediately after the vehicle purchase date.
  - i. Rebate recipients who do not retain the eligible vehicle for the full 30-month ownership period will be required to reimburse ARB all or part of the original rebate amount. See Section C (5).
  - ii. Vehicle purchasers are required to notify the Administrator, by calling (858) 634-4733 or emailing [publicfleets@energycenter.org](mailto:publicfleets@energycenter.org), to arrange for early termination of vehicle ownership in advance of intent to sell or terminate ownership prior to the required 30-month ownership period.
- f. Own and operate an eligible vehicle for the required 30 month ownership term, in accordance with the following criteria for benefiting a disadvantaged community,<sup>3</sup> a vehicle must: a) be domiciled at a facility within the boundaries of a ZIP code containing at least one disadvantaged community<sup>3</sup> census tract; or b) meet other criteria as defined by ARB's Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies (<http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/535investments.htm>).
  - i. Rebate recipients must notify the Administrator within 6 months of any change in vehicle domicile location occurring during the required 30 month ownership term. If vehicles are moved to ineligible locations, a partial return of rebate funds may be required.
  - ii. An eligibility screening tool and a list of qualifying ZIP codes will be provided through the Public Fleet Pilot Project webpage.
- g. Register the new vehicle with the California DMV for a minimum of 30 consecutive months for use in California. Any government owned vehicle not registered with the California DMV is still required to operate within California for 30 consecutive months immediately after the vehicle purchase date.
- h. Submit the signed application form and all required supporting documentation within 14 calendar days of the Administrator's request as specified in Section C (4) of this Implementation Manual.

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<sup>3</sup> Disadvantaged community census tracts are identified by CalEPA and maps are available at: <http://oehha.ca.gov/ej/ces2.html> . For maps of ZIP codes containing disadvantaged community census tracts, please refer to: <http://arb.ca.gov/auctionproceeds> .

- i. Not make or allow any modifications to the vehicle's emissions control systems, hardware, software calibrations, or hybrid system (Violation, CVC 27156).
- j. Be available for follow-up inspection if requested by the Administrator, ARB, or ARB's designee for the purposes of project oversight and accountability.
- k. Rebate checks must be cashed within six months of the date on the check. Checks not cashed within this timeframe will be cancelled.
- l. Submit annual vehicle usage reports to the Administrator for all rebated vehicles for a period of at least 30 months. Required data may include but is not limited to mileage reporting, annual fuel use by fuel type and percentage of operation within disadvantaged communities.

The vehicle purchaser is responsible for ensuring the accuracy of the information on all rebate applications and required documentation submitted to the Administrator. ARB or its designee may recoup Public Fleet Pilot Project funds which were received based upon misinformation or fraud, or for which the dealership, manufacturer, or vehicle purchaser 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 the Public Fleet Pilot Project due to non-compliance with project requirements.

## **2. Research Participation**

In addition to required annual usage data, ARB reserves the right to request participation from rebate recipients in ongoing research efforts that support the Public Fleet Pilot Project and AQIP goals as well as ARB Research Division efforts. The Administrator may administer vehicle owner surveys to rebate recipients to collect data and other information pertaining to Public Fleet Pilot Project-eligible vehicle ownership. ARB will coordinate with the Administrator to identify survey parameters and determine the most effective mechanism for obtaining information. In receiving a rebate, recipients agree to participate in research.

## **3. Pre-Acquisition Application**

The Public Fleet Pilot Project encourages qualifying public fleets planning to acquire an eligible vehicle to reserve project funds prior to purchasing a vehicle. In order to reserve funds prior to taking possession of a vehicle, applicants must show documented intent to purchase specified eligible vehicles for deployment in qualifying areas. Pre-acquisition applications will be available on the Public Fleet Pilot Project webpage at [www.energycenter.org/PFP](http://www.energycenter.org/PFP). Required documentation for pre-acquisition reservations will include the following:

- a. If the vehicle has not been ordered, an official agency vehicle acquisition plan including specified eligible vehicles and/or a resolution from the applicant's governing body (i.e. City Council or County Board of Supervisors), or other

documentation signed by a duly authorized official with authority to make financial decisions, authorizing the submittal of the application. Documentation must either: a) indicate the planned vehicle domicile location to confirm that the disadvantaged community eligibility criteria will be met; or b) provide justification that meets other criteria as defined by ARB's Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies (see Section C (1)(f)).

If the vehicle has been ordered and/or paid for by the acquiring agency, a copy of the purchase order, invoice or other documentation confirming the vendor has received the order and/or payment. Documentation must either: a) indicate the planned vehicle domicile location to which the vehicle will be delivered; or b) provide justification that meets other criteria as defined by ARB's Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies (see Section C (1)(f)) to confirm that the disadvantaged community eligibility criteria will be met.

- b. In either case, a Public Fleet Pilot Project pre-acquisition application form signed by an authorized representative of applicant agency will also be required.

Applicants who successfully pre-reserve funding must take physical possession of the vehicle(s) within six months of original application in order to receive reserved funds. Applicants must notify the Administrator and supply supporting documentation, as discussed in Section C (4), within 14 calendar days of vehicle delivery in order to receive a rebate disbursement. All funding reservations are provisional pending complete documentation proving the purchase of an eligible vehicle. Reserving funds does not obligate ARB or the Administrator to award a Public Fleet Pilot Project rebate if applicants are unable to meet all the requirements of the Public Fleet Pilot Project. If a vehicle does not meet the specific Public Fleet Pilot Project eligibility criteria, applicants have the option to transfer their application(s) to CVRP for standard CVRP rebate amounts. Public agencies not eligible for the Public Fleet Pilot Project may apply for CVRP (please note that CVRP does not allow pre-acquisition applications).

If vehicles are not acquired within six months of pre-acquisition application, the Administrator may choose to extend the acquisition deadline for up to three additional months or release reserved funds back into the funding pool. Applicants who have reserved funds and failed to acquire vehicles may be prohibited from further pre-acquisition applications at the discretion of ARB.

#### **4. Supporting Documentation**

After submitting a rebate application, the applicant will be contacted by the Administrator with an eligibility determination and appropriate supporting documents will be requested. If the applicant does not submit the required supporting documentation within 14 calendar days of the request, any reserved funds will be released back to the project and the purchaser will be required to submit a new rebate application. The supporting documentation may be scanned and e-mailed to

[publicfleets@energycenter.org](mailto:publicfleets@energycenter.org) . Applicants without internet access may mail the supporting documentation to the Administrator. If mailed, submittal date will be determined by U.S. mail postmark. Initial requested documentation will depend on whether the vehicle has been acquired, ordered, or planned. Once vehicles have been acquired, applicants must supply, at a minimum, the following to qualify for final rebate disbursement:

- a. A scanned copy of the submitted application signed by an authorized representative.
- b. Proof of temporary or permanent vehicle registration with the DMV for the vehicle listed in the application. 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. A copy of a temporary operating permit is acceptable proof of temporary registration if accompanied by a receipt of payment for DMV registration fees. A copy of the DMV file copy is not acceptable proof of registration.
- c. A copy of the executed and signed sales contract with an itemization of credits, discounts, and incentives received, if applicable.

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

## **5. Vehicle Ownership Provisions**

- a. Vehicle purchasers participating in the Public Fleet Pilot Project are required to keep the vehicle and meet all applicable project requirements for a minimum 30-month period after the vehicle purchase date.
- b. If a manufacturer defect or other unforeseen circumstances require the replacement of a Public Fleet Pilot Project rebated vehicle with another vehicle of the same technology type (FCEV, BEV, PHEV) or upgrade (e.g., replace PHEV with BEV), the Administrator, in conjunction with ARB, has discretion to allow updated information to be provided with no return of Public Fleet Pilot Project rebate funds.
- c. Resale or return of a vehicle may be allowed within this 30-month period if necessitated by unforeseen or unavoidable circumstances. To employ this provision, contact the Administrator to initiate this process. If the vehicle is resold or returned, the vehicle purchaser must refund promptly to the Administrator a prorated portion of their rebate, in an amount equivalent to the original rebate amount divided by 30 months and then multiplied by the number of months remaining in the original 30-month period (rounded to the nearest month):

**$(\text{Original Rebate Amount} \div 30 \text{ Months}) \times (30 - \text{months since vehicle purchase or date})$**

- d. The Administrator will follow specific procedures when managing vehicles that received a rebate at the time of original sale and have since been sold or returned to the dealer (see Attachment A).

ARB verifies vehicle ownership through periodic checks of Vehicle Identification Numbers (VINs) in the California DMV database. If a vehicle purchaser sells or returns the rebated vehicle to the dealer and does not receive prior approval ARB, ARB or its designee reserves the right to recoup Public Fleet Pilot Project 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”** means a vehicle powered predominantly by a zero emission energy storage device, able to drive the vehicle for more than 75 all-electric miles, and also equipped with a backup APU, which does not operate until the energy storage device is fully depleted, and meeting requirements in subdivision 1962.1(d)(5)(G), Title 13, CCR section 1962.1(i)(12).

**“Fleet”** means vehicles under common ownership or fiduciary control, including, but not limited to, entities sharing a common Taxpayer Identification Number (TIN). Vehicles may be considered part of a single fleet even if they are part of different subsidiaries, divisions, or other organizational structures of a government agency, or other entity. ARB and the Administrator reserve the right to make determinations on a case-by-case basis.

**“Floor Model/Test Drive Vehicle”** is 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).

**“Fuel-Cell Electric Vehicle (FCEV)”** means a vehicle that is powered by a group of individual fuel cells, known as a fuel-cell stack. The stack is designed to contain enough cells to provide the necessary power for the automotive application. A fuel-cell stack produces power as long as fuel is available, similar to a conventional engine, but

does so electrochemically rather than with combustion. The electricity generated by the fuel-cell stack powers the electric motor that propels the vehicle.

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

**“Plug-in Hybrid Electric Vehicle (PHEV)”** (in some cases referred to as an Extended Range Electric Vehicle, Transitional Zero-Emission 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 entity”** as defined in California Government Code section 811.2 includes the State, the Regents of the University of California, the Trustees of the California State University and the California State University, a county, city, district, public authority, public agency, and any other political subdivision or public corporation in the State.

**“Public fleet”** means a fleet under ownership of a public entity.

**“Rollback/Unwind Vehicle”** 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.

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

## Attachment A

### **Procedures for Authorizing Early Ownership Termination of a Rebated Vehicle**

This document provides the necessary steps involved for the Rebate Administrator (Administrator) and the California Air Resources Board (ARB) to follow if notified of the resale or ownership termination of a Public Fleet Pilot Project rebated vehicle.

#### **Step One: Notify the Administrator of Vehicle Resale/Ownership Termination Request**

Public entity shall contact ARB for the vehicle resale or ownership termination request, ARB will contact the Administrator with the applicant's email and contact information and a brief description of the request for processing.

#### **Step Two: The Administrator Documents Vehicle Resale/Ownership Termination Request**

Once notified by a rebate recipient of interest in reselling/terminating ownership on a Public Fleet Pilot Project funded vehicle prior to the 30 month ownership requirement being met, the Administrator will gather the following information:

1. Applicant contact information
2. Date when the public entity applied for the Public Fleet Pilot Project
3. Original rebate amount received
4. Vehicle Identification Number
5. Reason for vehicle resale/ownership termination
6. Status of vehicle resale/ownership termination
7. Odometer reading on date of resale/ownership termination
8. Prorated rebate amount using the formula below:

**(Original Rebate Amount ÷ 30 Months) x (30 – months since vehicle purchase date)**

#### **Step Three: Administrator Review and Rule on Vehicle Resale/Ownership Termination Request**

The Administrator will review the resale/ownership termination request and any supporting documentation, and inform the public entity of their decision within 10 working days.

#### **Step Four: The Administrator Notifies Applicant Ruling**

The Administrator will communicate their decision to the public entity requesting resale/ownership termination, including instructions for refunding the prorated amount of the rebate to the Administrator if the resale/ownership termination request is granted. Refunded rebates will be added back into the rebate funding pool.

**Step Five: The Administrator Notifies ARB of Applicant Refund or a Non-Responsive Rebate Recipient**

Once the prorated rebate amount is refunded back to the Public Fleet Pilot Project, the Administrator will inform ARB, through program reporting. Additionally, the Administrator will provide monthly status reports until the refund is received. If a public entity requesting resale/ownership termination is unresponsive and fails to return the prorated rebate amount within 30 calendar days of initial ruling notification, the Administrator shall notify ARB and provide the public entity's information outlined in Step Two.

**Step Six: Coordination with Enforcement of Public Fleet Pilot Project Ownership Terms**

ARB program staff is responsible for coordination with staff conducting periodic VIN checks of the DMV database for ownership compliance. Public entities that received resale/ownership termination approval from ARB will not be in violation of the Public Fleet Pilot Project ownership terms.

## **Attachment B**

### **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 the Public Fleet Pilot Project 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 contract will indicate if a vehicle is new or used.

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 sales contract and the proof of temporary or permanent vehicle registration should reflect these DMV requirements.
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, with input from ARB, will determine whether the applicant is eligible for the Public Fleet Pilot Project rebate.

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 Public Fleet Pilot Project vehicle eligibility criteria, is eligible for the Public Fleet Pilot Project rebate.

Per section 2(a) of the Public Fleet Pilot Project Implementation Manual, a floor model or test drive vehicle which has previously been registered with the California DMV does not meet the Public Fleet Pilot Project vehicle eligibility criteria, thus is not eligible for the Public Fleet Pilot Project rebate.

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.

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