

**DRAFT FY 2012-13 AQIP FUNDING PLAN:
HYBRID AND ZERO-EMISSION TRUCK AND BUS
VOUCHER INCENTIVE PROJECT (HVIP)**

This document provides an opportunity to discuss in more detail possible FY 2012-13 (Year 4) HVIP updates reviewed at the April 10, 2012 public workshop, as well as an initial discussion regarding possible inclusion of plug-in hybrid vehicles between 6,001 and 8,500 lbs Gross Vehicle Weight Rating (GVWR) in the HVIP.

Possible FY 2012-13 HVIP Funding Level

\$5M - \$15M depending upon voucher demand and revenues.

Staff Proposal for FY 2012-13

ARB has delayed launching the Year 3 HVIP since approximately \$10 million in Year 2 HVIP funds remain available. Staff proposes combining the remaining Year 2 and 3 funds and launching the new Year 3 HVIP in July 2012 with the higher voucher amounts and other program enhancements described in this section.

Increase Zero-Emission Vehicle Voucher Amounts

Table 1: Proposed Zero-Emission Truck and Bus Voucher Amounts

Gross Vehicle Weight	Base Vehicle Incentive	
	1 to 100 vehicles	101 to 200 vehicles
5,001 – 8,500 lbs	\$12,000	\$10,000
8,501 – 10,000 lbs	\$18,000	\$12,000
10,001 – 14,000 lbs	\$30,000	\$20,000
14,001 – 19,500 lbs	\$35,000	\$25,000
19,501 – 26,000 lbs	\$40,000	\$30,000
> 26,000 lbs	\$45,000	\$35,000

The first three HVIP-eligible vehicles purchased by a fleet are eligible for the following additional voucher amount: \$2,000/vehicle if below 8,500 lbs; \$5,000/vehicle if 8,501 to 10,000 lbs; and \$10,000/vehicle if over 10,000 lbs.

A zero-emission school bus is eligible for the same additional funding as a hybrid school bus as identified in Table 3.

Staff’s proposed FY 2012-13 HVIP zero-emission vehicle voucher amounts are similar to those offered when additional Energy Commission funding was available. Staff proposes that unredeemed HVIP vouchers – with the exception of those already receiving the additional Energy Commission funds – be eligible for the higher voucher amounts described in Table 1, if redeemed after Board consideration and approval of staff’s proposal.

Simplify Funding Tiers. Staff proposes increasing the maximum number of allowable vouchers per fleet from 100 to 200 (Table 1 for zero-emission vehicles and Table 2 for hybrid vehicles).

Table 2: Eligible Hybrid Truck and Bus Proposed Voucher Amounts

Gross Vehicle Weight in Pounds (lbs)	Base Vehicle Incentive	
	1 to 100 vehicles	101 to 200 vehicles
6,001 – 8,500 lbs (plug-in hybrids only) ¹	\$6,000	\$4,000
8,501 – 10,000 lbs (plug-in hybrids only) ¹	\$10,000	\$8,000
10,001 – 19,500 lbs	\$15,000	\$10,000
19,501 – 33,000 lbs	\$20,000	\$12,000
33,001 – 38,000 lbs	\$25,000	\$15,000
> 38,000 lbs	\$30,000	\$20,000

The first three vouchers redeemed by a fleet are eligible for the following additional voucher amount: \$2,000/vehicle if below 8,500 lbs; \$5,000/vehicle if 8,501 to 10,000 lbs and \$10,000/vehicle if over 10,000 lbs. Additional voucher funding opportunities are identified in Table 3: Additional Hybrid Vehicle Voucher Enhancements (below).

1 – Vehicle must be ARB-certified as a ULEV. Voucher amount is increased by \$2,000 for each of the following: ARB-certification as a SULEV and ARB-certification for zero-evaporative emissions.

Existing unredeemed vouchers for a fleet’s first three hybrid or zero-emission vehicles would be eligible for this additional \$10,000 if the vouchers are redeemed after Year 3 HVIP launch in July.

Include Commercial Plug-in Hybrid Pick-Up Trucks in HVIP. Staff is considering lowering the lightest work vehicles eligible for HVIP funding from 8,501 lbs GVW to 6,001 lbs GVW at the voucher amounts identified in Table 2. *Funding of this weight category would be dependent upon the ability to implement this proposal (as well as other proposed updates) at existing Year 3 administrative costs.*

- Only plug-in hybrid vehicles purchased by public, non-profit or commercial entities for work purposes are HVIP-eligible (i.e. no personal vehicles).
- Staff will also evaluate, in consultation with the HVIP Work Group, whether to provide partial incremental cost of an ‘exportable power’ option on these and other HVIP eligible vehicles.

This category would be HVIP-eligible through FY 2012-13 only. Staff will re-evaluate HVIP-eligibility for these vehicles during development of the FY 2013-14 AQIP Funding Plan.

Table 3: Opportunities for Additional Hybrid Vehicle Voucher Funding¹

Gross Vehicle Weight	Plug-in or Hydraulic Hybrid ²	School Bus ³	ARB Certification	Early Heavy-Duty Vehicle On-Board Diagnostics Compliance ⁴
8,501 – 10,000 lbs (plug-in hybrids only)	NA	\$5,000	NA (required)	NA (full OBD required)
10,001 – 14,000 lbs	\$10,000	\$10,000	Up to \$20,000	Up to \$20,000
14,001 – 19,500 lbs				
19,501 – 33,000 lbs				
33,001 – 38,000 lbs				
> 38,000 lbs				

1 – The total of all public incentives for a vehicle, including the HVIP Base Vehicle Incentive and all voucher enhancements may not exceed the assumed vehicle incremental cost identified in Table 8.

2 – Vehicle must demonstrate at least a forty percent fuel economy benefit relative to its non-hybrid counterpart as part of its HVIP eligibility application.

3 – Zero-emission school buses also eligible for this voucher bump-up.

4 - Specific criteria for determining early OBD compliance will be determined by ARB staff and interested stakeholders during public HVIP Work Group meetings.

Table 4: Assumed Vehicle Incremental Cost

Gross Vehicle Weight	Hybrid	Zero-Emission
5,001 – 6,000 lbs	N/A	\$30,000
6,001 – 8,500 lbs	\$20,000	\$40,000
8,501 – 10,000 lbs	\$25,000	\$50,000
10,001 – 14,000 lbs	\$30,000	\$65,000
14,001 – 19,500 lbs	\$40,000	\$75,000
19,501 – 26,000 lbs	\$50,000	\$100,000
26,001 – 33,000 lbs	\$60,000	\$120,000
33,000 – 38,000 lbs	\$70,000	case-by-case
>38,000 lbs	\$80,000	

Transit/shuttle bus, plug-in hybrid vehicle and hydraulic hybrid vehicle incremental costs, as well as incremental cost fuel cell or other vehicles not typically funded by the HVIP, will be determined on a case-by-case basis.

Neither the total of all HVIP voucher funding, nor the total of all public incentive funding, may exceed the Assumed Vehicle Incremental Cost identified above. (For school buses, total public incentive funding may not exceed total vehicle cost)

Include Aerial Boom Vehicles with ePTO in HVIP. Aerial boom vehicles with ePTO would be eligible for the same voucher amounts as hybrid vehicles between 19,501 to 33,000 lbs GVWR (See Table 2, above).

Flexibility to Fund Hybrid Off-Road Equipment. ARB would have flexibility to direct up to \$2 million of FY 2012-13 HVIP funding towards additional deployment of hybrid off-road equipment.