



***** IMPORTANT CHANGES TO HVIP *****

Going Forward- What Dealers Need to Know

Dear Valued Partner and Dealer Participant,

Thank you for being an important partner to the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) and Low NOx Natural Gas Vehicle Incentives. The following information provides important updates to HVIP and what you need to know going forward to successfully participate in the program. Please make sure to read the information and contact the HVIP Team if you have any questions.

Summary of changes to HVIP in CARB Proposed FY 18-19 Funding Plan

- The California Air Resources Board (CARB) released the Proposed Fiscal Year 18-19 Funding Plan on September 21, 2018.
- The CARB Board will consider approval of the funding plan at the October 25, 2018 board meeting in Sacramento.
- Following Board approval, the proposed changes to HVIP described below would take effect the next day, October 26, 2018.

1) Revised funding structure for hydrogen fuel cell trucks and buses:

Current

HVIP provides funding for hydrogen FC trucks > 33,000 Gross Vehicle Weight Rating (GVWR), and for hydrogen FC buses >= 40' in length.

New Change

The proposed changes would create a tiered allocation for hydrogen FC trucks and buses based on length and GVWR, with an interim system for case-by-case approval of voucher amounts until price data is available for commercial vehicles using hydrogen FC technologies. Voucher amounts would be lower for vehicles that supplement FC power with either combustion or plug-in range extenders.

2) Revise funding for ePTOs:

Current

Funding for ePTOs is based on GVWR.

New Change

The proposed changes would change the basis for determining voucher amounts for ePTOs from GVWR to the size of the battery systems and work site performance. Voucher amounts would cover up to half of the incremental cost of the ePTO system.

3) Revised Incentive Amounts for New Hybrid Vehicles:

Current

Voucher amounts are set by GVWR.

New Change

The proposed changes would limit voucher amounts to half of incremental cost, capped at the current GVWR voucher table.

Hybrid vehicles that achieve a 35-mile all-electric range would have a higher voucher cap.

4) Removal of “first three” voucher enhancements:

Current

A fleet that has not applied for 3 or more HVIP vouchers from project inception receives a “First Three” voucher enhancement.

New Change

The proposed changes would eliminate this plus up.

5) Removal of reduced voucher amount for fleets with more than 100 vouchers in a year:

Current

Voucher amounts are reduced when a fleet requests more than 100 vouchers in a year.

New Change

The proposed change would eliminate this voucher reduction.

6) Optional and Extended Warranties:

New Change

The definitions used to determine optional and extended warranty voucher amounts would change. Manufacturers would be able to offer different warranties for the same vehicle.

7) 8.9-liter low NOx Engine Incentives:

Current

The voucher amount for the Cummins Westport 8.9-liter low NOx natural gas engine is \$10,000 for a new vehicle or repower.

New Change

The proposed changes would discontinue vouchers for new refuse trucks and transit buses using the 8.9-liter low NOx natural gas engine.

Vouchers amounts for the 8.9-liter Low NOx for other applications (excluding refuse and transit) would increase to \$45,000.

Voucher amounts for repowers using the 8.9-liter Low NOx engine would increase to \$45,000 for all applications, including refuse and transit.

8) 11.9-liter low NOx Engine Incentives:

Current

HVIP provides for \$40,000 vouchers for the 11.9-liter Cummins Westport low NOx engine in a new vehicle or repower.

New Change

The proposed changes would increase the voucher amount to \$45,000 for both new purchases and repowers for the 11.9-liter low NOx engine.

9) Small Fleet Waiver of RNG Requirement:

Current

HVIP allows purchasers with a total of three or fewer vehicles in their fleet to waive the RNG requirement when requesting Low NOx vouchers.

New Change

The proposed changes would increase the waivable fleet size from three vehicles to ten vehicles.

Questions? Contact Joey Vollmer (JVollmer@CALSTART.org)

