

The Innovative Small E-Fleet (ISEF) Set-Aside: Informational Session for Dealers and Providers

July 2022



Voucher Incentive Project



About ISEF

The California Air Resources Board (CARB), in partnership with CALSTART, are launching ISEF to lower the entry barriers that smaller fleets often face in their transition away from diesel-fueled engines and to explore the integration of flexible financing options.

\$25M

Funding
Available

≤20 trucks

Designed exclusively for small fleets

Class 3-8

Eligible MHD
vehicles



A Small Fleet-Focused Approach to Incentives

First-come, first served vouchers for Class 3-8 zero-emission trucks in the HVIP catalog.
Purchasers can receive vouchers for a maximum of five vehicles.

Providers, in addition to dealers, learn the voucher system.
This allows fewer complications for small fleets.

Voucher Applications will open on August 31.
Eligible costs include and vehicle, fueling, insurance and chargers.

Innovative financing options for the end user.
Vehicle as a service, charging stations, insurance, fuel costs and more.



ISEF Definitions

- Eligible Small Fleets:

- California companies with 20 or fewer trucks operating in California and less than \$15 million in annual revenue

- Privately owned trucking companies and non-profits

- Independent owner-operators

ISEF Definitions

- **ISEF Provider:** ISEF providers may include companies involved in the sale, rental, financing, and fueling of zero-emission commercial trucks and are hereafter referred to as "Providers." Providers develop an offering proposal designed to offer small fleets monthly or per mile costs for zero-emission trucks that are equivalent to comparable combustion vehicle operating costs. The proposal may take the form of a purchase, lease, rental, financing, or other service agreement.

ISEF Definitions

- **HVIP Approved Dealer:** An HVIP approved dealer includes dealers and manufacturers that sell new and conversion medium- or heavy-duty vehicles. In ISEF, HVIP approved dealers coordinate with a Provider to submit a voucher request on behalf of an eligible small fleet participant. An HVIP approved dealer may also be a Provider.

What's different about ISEF?

HVIP

- Only allows purchasers and leases of more than three years
- Funding is applied to vehicles only.
- Open to ALL on a first-come, first-served basis
- Fleets request Voucher Requests directly through Dealers
- Voucher Order Cap per Fleet: 30 vehicles

VS

ISEF

- Allows for short-term rentals, flexible leases, truck as a service and is open to other proposals
- Funding for ISEF can include chargers, fueling, insurance, maintenance, and other costs.
- Only open to private trucking fleets and nonprofits with 20 trucks or less; and annual revenue cap of \$15M
- Fleets work with Providers to request Vouchers through Dealers
- Voucher Order Cap per Fleet: five vehicles



FY21-22 Voucher Funding Amounts

- Voucher modifiers for drayage and disadvantaged communities (DACs) are also available
- Modifiers are applied using the same methodology as in HVIP

Truck Size	Funding Max
Class 3	\$90,000
Class 4-5	\$120,000
Class 6-7	\$170,000
Class 8	\$240,000

Check out www.californiahvip.org/ for the latest information and updates!

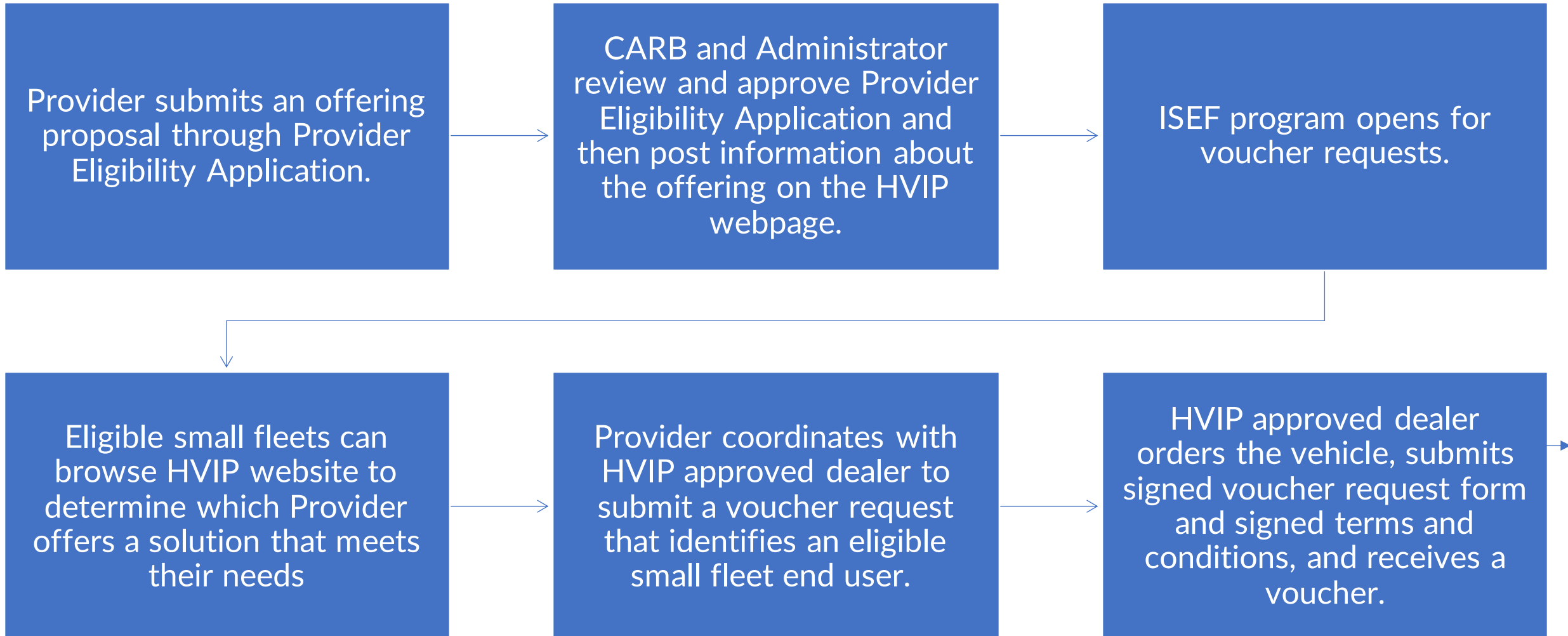


Voucher Modifiers for DACs

- **An Example:** Class 8 truck in ISEF (Class 8, \$120,000 x 2), performing drayage operations (25% x \$120,000), and domiciled in a qualifying DAC (15% x \$120,000) is eligible to receive the maximum voucher amount of \$240,000 plus the sum of its modifiers (\$30,000 + \$18,000), or \$288,000.
- Using the CCI Priority Populations tool: <https://webmaps.arb.ca.gov/PriorityPopulations/>
 - **The DAC voucher enhancements will be applied for any ISEF eligible small fleet with a domicile address using the mapping tool that fall within:**
 - Disadvantaged Communities
 - Disadvantaged and Low-Income Communities
 - Low-income Communities within ½ mile of Disadvantaged Communities
 - Potential Low-income Households within ½ mile of Disadvantaged Communities



ISEF Process to Participate





Vehicle is built/delivered to HVIP approved dealer.

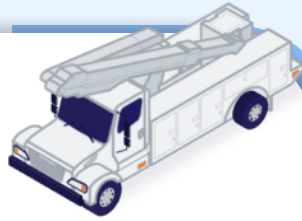
HVIP approved dealer completes the voucher redemption form with the Provider and eligible small fleet.

HVIP approved dealer submits voucher redemption form and is reimbursed. Funds in excess of the dealer invoice will be disbursed as indicated on the voucher request form.

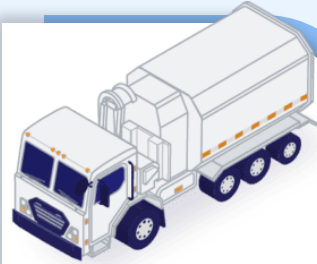
Provider is responsible for ensuring any additional fleets not identified on the original purchase agreement meet all eligibility requirements and sign terms and conditions, and that telematics and reporting are completed.

Small fleet is responsible for adhering to the terms and conditions and completing user surveys.

ISEF Eligible Vehicles



ePTO



Refuse



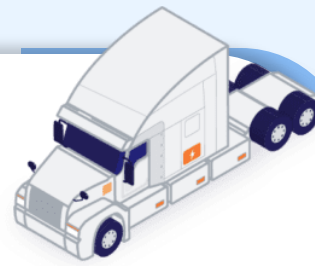
Medium-Duty Bus



Step and Panel Van



Straight Truck



Tractor

Search at
CaliforniaHVIP.org

Provider Eligibility Application

1. Providers will submit a Provider Eligibility Application directly via an online portal found at: californiahvip.org/purchasers starting **July 20**
 - a) An exact small fleet customer does not need to be identified in this stage of the process.
 - b) Provider eligibility applications will be accepted on an ongoing basis, but submit by August 15 to ensure application is reviewed prior to the August 31 opening for voucher requests

2. Information to be listed in the Provider Eligibility Application
 - a) Contact information, project price by class/type of vehicle, comparable combustion vehicle pricing, total projected zero-emission cost on a per month or per mile basis, assurances of fueling provisions and supportive warranty and service agreements.



Provider Eligibility Application

3. Provider applications will be evaluated based on:
 - a) Fuel Provisions
 - b) Final Price Comparison to that of a Diesel Equivalent
 - c) Cost Effectiveness
 - d) Comprehensive Service Offering
 - e) Easy Start

4. As ISEF Providers are approved, their offerings and contact information will be added to <https://californiahvip.org/purchasers> so that fleets can find a provider that best aligns with their operational needs.



Prioritization in the Case of Oversubscription

1. No Provider may receive more than 15 percent of total ISEF set-aside voucher funding within the first six months after program launch August 31
 - a) CARB will continue to evaluate needs in the funding categories after the first six months and may continue limits if warranted.
2. Once the funding for a particular Provider has reached its cap, new voucher requests for that Provider will be placed on a contingency list until the cap is lifted.
3. CARB reserves the right to set additional criteria for, modify, or eliminate any contingency lists.

Provider Responsibilities

1. Providers are responsible for ensuring:

- a) The voucher amount and voucher terms are disclosed with the vehicle renter or lessee
- b) The vehicle operates in California as required in the HVIP IM
- c) Annual Activity Reports are submitted to CARB
- d) Small Fleets complete an annual user survey
- e) EVITP requirements if the purchase order includes charging infrastructure

Learn more at:

californiahvip.org

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