



Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project Dealer Training Guide

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CaliforniaHVIP.org

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The information in this manual covers the basis of Standard HVIP. The Drayage Set-Aside and the Public Transit Set-Aside have the same basic processes as Standard HVIP.

The Innovative Small e-Fleets (ISEF) Set-Aside and the Public School Bus Set-Aside have different requirements, which are listed in the forthcoming FY22-23 Implementation Manual. When the Implementation Manual is available, it will be published at www.californiahvip.org/im and distributed to all participants. For more information on the differing set-aside rules, please contact isef@californiaHVIP.org and SchoolBusTeam@CALSTART.org respectively.

This document is intended to guide new dealers through the process of becoming an HVIP Approved Dealer. It provides high-level takeaways from the [FY22-23 Implementation Manual](#) (IM) and does NOT act in place of the IM.

ALL HVIP participants are responsible for understanding and adhering to the rules and requirements in the FY22-23 Implementation Manual. The IM will be distributed to all participants and published to www.californiaHVIP.org/im when made available by the California Air Resources Board.

California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)

The Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) accelerates the deployment of zero-emission and near-zero-emission vehicles in California. HVIP benefits the residents of California by stimulating deployment of advanced clean commercial vehicles, reducing greenhouse gas emissions to help meet longer term climate goals, and improving community health with immediate air pollution emission reductions.

HVIP responds to a key market challenge by making clean trucks and buses more affordable for fleets. Fleets receive the voucher discount at the point of sale and HVIP Approved Dealers process the required documentation.

HVIP Approved Dealers are defined as the salespersons (grant manager, financial controller, or similar role) of dealerships or Original Equipment Manufacturers (OEMs) which sell HVIP-eligible vehicles. Dealers are responsible for requesting a voucher on behalf of a customer at the point of purchase when, HVIP funds are available.

HVIP streamlines the voucher acquisition process by requiring dealers to go through HVIP Dealer Training to become HVIP Approved Dealers. Only HVIP Approved Dealers can request vouchers on behalf of their customers. In doing so, dealers become familiar with the process and the project by virtue of repetition, narrowing the margin for error experienced with direct requests from purchasers for funding.

Vouchers are issued on a first-come, first-served basis, and all participants must adhere to the [Implementation Manual](#) (IM) that is in effect at the time of their voucher request.

How to Participate as a New Dealer

1. To begin the process of becoming an HVIP Approved Dealer, [pre-register](#) on the HVIP website. The dealership must sell an HVIP-eligible vehicle on the HVIP [Vehicle Catalog](#). Original Equipment Manufacturers (OEMs) seeking vehicle eligibility must submit the vehicle eligibility application to Patrick Chen at CARB Patrick.Chen@arb.ca.gov. To learn more about the vehicle eligibility process, visit the [Manufacturer Resources section](#) on the HVIP website.
 - When pre-registering, dealers must use an email address and other contact information affiliated with the business they are participating in HVIP on behalf of. Use of personal contact information and general domains such as “@gmail” or “@yahoo” is not allowed unless the business-affiliation contact information matches the personal contact information. Once you have completed the pre-registration, you will automatically receive the relevant Dealer Training materials to study and prepare for the Dealer Training Quiz.
2. Review the HVIP Dealer Training materials provided in the previously mentioned automated email. The materials will also be available for review under Step 2 on the HVIP Sellers page.
3. After passing the quiz with 100 percent accuracy and within three attempts, the Dealer Registration Form will be available for you to fill out. This form will prompt you to upload your W-9, state-issued Dealer License, and a Manufacturer Authorization Letter from the manufacturer(s), authorizing you to sell each HVIP-eligible vehicle. If you do not pass the quiz within three attempts, you are required to participate in the additional training call in Step 4.
 - Manufacturer Authorization Letter: The letter from the OEM(s) does not require professional letterhead. A simple email correspondence with the manufacturer stating that the specific dealership is authorized to sell specific vehicles from the HVIP Vehicle Catalog will suffice.

Manufacturers who are also acting as dealers are exempt from submitting this letter.

4. The HVIP Dealer Training Call serves as an opportunity for dealers to confirm understanding of HVIP rules and requirements. Training calls will be set up between the HVIP Dealer Trainer and prospective dealers following the completion of Step 3. This step is optional but highly recommended for those who pass the quiz within three attempts and is required for those who do not pass in three attempts. After the training call, individualized VPC credentials will be provided to the HVIP Approved Dealer. The dealer will be deemed approved after electing out of the training call.

Who You Need to Know

The HVIP Team

The California Air Resources Board

In 2009, the California Air Resources Board (CARB) created HVIP. CARB has partnered with CALSTART to administer the project since its inception and CALSTART contracts with Tetra Tech to process vouchers.

CARB determines vehicle and technology eligibility. OEMs must send their eligibility applications to CARB to get their vehicles and technologies approved. Dealers can only submit voucher requests for CARB-approved technologies. In addition to eligibility, CARB determines the project's guidelines and special voucher cases (case-by-case review (CBC)) and holds ultimate authority over HVIP policy. More information is available at www.CaliforniaHVIP.org.

CALSTART

The CALSTART team administers HVIP which includes working with dealers to get them approved to request HVIP vouchers. Once a voucher is ready for redemption, checks are cut and mailed from the CALSTART Accounts Payable team. CALSTART issues periodic project updates, newsletters, additional training for Approved Dealers and general account administration for the dealers. When eligible vehicles need updating on the website or in the VPC, CALSTART staff manage those updates with the OEMs.

Tetra Tech

The team at Tetra Tech works closely with dealers, purchasers, and their vouchers to ensure alignment with HVIP policy and CARB requirements. Tetra Tech is also referred to as the Voucher Processing Center team.

Voucher Participants

Manufacturers

Participating HVIP manufacturers are responsible for securing a CARB Executive Order (E.O.) and applying for HVIP eligibility for their advanced clean vehicle. Per the [FY22-23 Funding Plan for Clean Transportation Incentives](#), manufacturers may hold up to 100 unredeemed vouchers at a time across all the manufacturer's HVIP-eligible product line and Approved Dealers. Requests from fleets size 10 and

smaller do not count toward the 100-voucher cap. As a manufacturer redeems vouchers, more vouchers become available for vehicles from that manufacturer. The cap applies across HVIP funding types, including set-aside funding for drayage, transit, and school bus. Manufacturers may be granted additional vouchers beyond the cap on a case-by-case basis; the cap does not prevent additional vouchers from being requested, but rather triggers a review process by CARB.

As of the FY22-23 funding year, OEMs that maintain an average voucher redemption rate of at least 50 over a 6-month period or 100 over a 12-month period starting January 1, 2023, are not subject to the cap.

Manufacturers or other affiliated parties who are not Approved Dealers cannot have access to the VPC. However, they can request voucher status information directly from the dealer who submitted the voucher request or by contacting voucherprocessing@tetrattech.com.

Approved Dealers

The HVIP Approved Dealer is the key to HVIP's success. As an HVIP Approved Dealer, you communicate the progress of the voucher to the manufacturer and purchaser, keeping the Voucher Processing Team apprised of important vehicle and purchaser updates. Dealers are also responsible for sharing manufacturer voucher availability with their customers.

According to the FY22-23 IM, HVIP Approved Dealers are defined as the following:

- The vendor of the completed vehicle or vendor that sells and installs engines in existing vehicles, and not the vendor of the vehicle chassis or zero-emission powertrain. An HVIP Approved Dealer must be the individual responsible for the final invoice to the purchasing fleet AND delivery of the completed vehicle.
- The following entities may be considered eligible vehicle dealer entities for the purposes of HVIP:
 - i. A dealership that has had a valid business license for the past two years, has an official dealer license, and has a written agreement with a medium- or heavy-duty vehicle manufacturer.
 - ii. A manufacturer that manufactures HVIP-eligible vehicles and sells those vehicles directly to fleets.

- iii. A manufacturer that has a written agreement with another medium- or heavy-duty vehicle manufacturer that has had a valid business license for the past two years and an official dealer license.
 - iv. A manufacturer that manufactures engines certified to the optional Low NOx standard of 0.01 g/bhp-hr, or dealer in possession of an official dealer license and selling such engines. There are currently no such engines in HVIP.
 - v. A manufacturer or dealer that converts an existing vehicle and has had a valid business license for the past two years and has an official dealer license OR automotive repair dealer license.
- Carries the responsibility of requesting/redeeming vouchers and following HVIP's rules and requirements of the project.

Each dealership location is limited to three Approved Dealers. If you are leaving your position and need to hand off vouchers to a colleague, please have your colleague alert the CALSTART team at dealertraining@californiaHVIP.org about the staff change. Your colleague will also need to become an HVIP Approved Dealer if they are not already. The Dealer Training Team may request an action/transition plan from the existing HVIP Approved Dealer to transfer the vouchers after that individual has become approved. The HVIP Approved Dealer will need to compile a list of the voucher and voucher request numbers to be transferred.

Purchasers

Purchasers are those who directly receive the benefits of HVIP vouchers and are responsible for communicating with an HVIP Approved Dealer, to secure a voucher. For the purposes of HVIP, a purchaser is the fleet or individual owner/operator who will operate the vehicle for a minimum of three years after voucher redemption, whether through lease or direct purchase. A purchaser is not a manufacturer, dealership, or leasing company that enters into any agreement with another party to operate the vehicle.

Responsibilities of HVIP Approved Dealers

Dealers are responsible for ensuring a voucher is successfully requested and redeemed by adhering to the rules, and guidelines found in the [HVIP Implementation Manual](#).

To remain in good standing, all HVIP Approved Dealers are responsible for the following:

- Becoming familiar with all HVIP requirements.
- Participation in mandatory dealer trainings.
- **Responding to all HVIP-related inquiries, including CALSTART, Tetra Tech, CARB, and prospective HVIP purchasers, within five business days.**
 - i. The Dealer Training team may send randomized “dealer responsiveness test emails” masquerading as a purchaser. Failure to respond to the test email within five business days may result in additional training requirements.
- Providing accurate information to the CALSTART, Tetra Tech, and CARB (if requested) teams as well as to their purchaser(s).
 - i. This includes informing the purchaser of voucher request submission and intent to cancel a voucher prior to doing so.
- Completing voucher request and voucher redemption forms, with the assistance of the purchaser, and supplying the necessary purchase documentation.
- Checking the purchaser’s TRUCRS ID prior to voucher request submission as well as voucher redemption to ensure the fleet is in compliance with the Truck and Bus Regulation.
- Notifying Tetra Tech of any special request BEFORE a voucher is approved (lease deals, special testing, unique financing deals, etc.). Special requests may be considered those which are non-typical sales and are reviewed on a case-by-case basis.

- Issuing the final invoice for the completed vehicle to the HVIP purchaser and delivering the completed vehicle to the HVIP purchaser at the designated domicile location.
 - i. Invoice must itemize all vehicle charges and show the HVIP voucher amount being provided to the purchaser to discount the purchase or lease of the vehicle.
- Frequently checking the HVIP webpage at www.CaliforniaHVIP.org for updates and announcements.
- Providing reasonable assistance to Tetra Tech/CALSTART/CARB to obtain updated information, inspect vehicles, and review HVIP-related records during the first three years after Redemption Approval.
- Ensuring purchasers are fully aware of EACH Term/Condition before signing the voucher request form.
- Ensuring access to the correct vehicles in the VPC and the HVIP Vehicle Catalog and notifying CALSTART if it appears inaccurate.
- Refusing to share VPC account credentials with anyone. You may request vouchers on behalf of other salespeople within your organization but may not share access to the VPC.
 - i. Once a voucher request is submitted, the dealer, vehicle, and fleet information, cannot change. Therefore, vouchers and/or voucher requests cannot be transferred from one HVIP Approved Dealer's VPC account to another. In the event where an Approved Dealer no longer works for the dealership and there is addition Approved Dealer(s) who has been an HVIP Approved Dealer(s) for less than one year, a 1-2-page Voucher Transition Plan summarizing voucher nuances, causes for delivery delays, case-by-case exceptions, etc. is required from the owner of the vouchers prior to their departure. If a voucher transfer from one Approved Dealer to another is necessitated, requests should be made no more than once per quarter, by contacting dealertraining@californiaHVIP.org If you need VPC technical assistance, you can contact them directly at vpctechsupport@CALSTART.org.

- Coordinating with purchasers so as not to exceed the 30-voucher fleet cap. For purchasers requesting drayage vouchers, the cap is set at 50 vouchers.
- Coordinating with their vehicle manufacturers so as not to exceed their OEM rolling soft cap.
 - i. Dealers are permitted to submit voucher requests regardless of an OEM's rolling soft cap.
- Adhering to all rules and requirements of the California Department of Motor Vehicles (DMV) at the point of applying to become an HVIP Approved Dealer.
- Updating the vehicle delivery date in the VPC every 3 months.
- Remaining active in the VPC. A dealer with no voucher activity for more than 365 days may be deactivated from the VPC. Reactivation may require additional dealer training.

Responsibilities of HVIP Purchasers

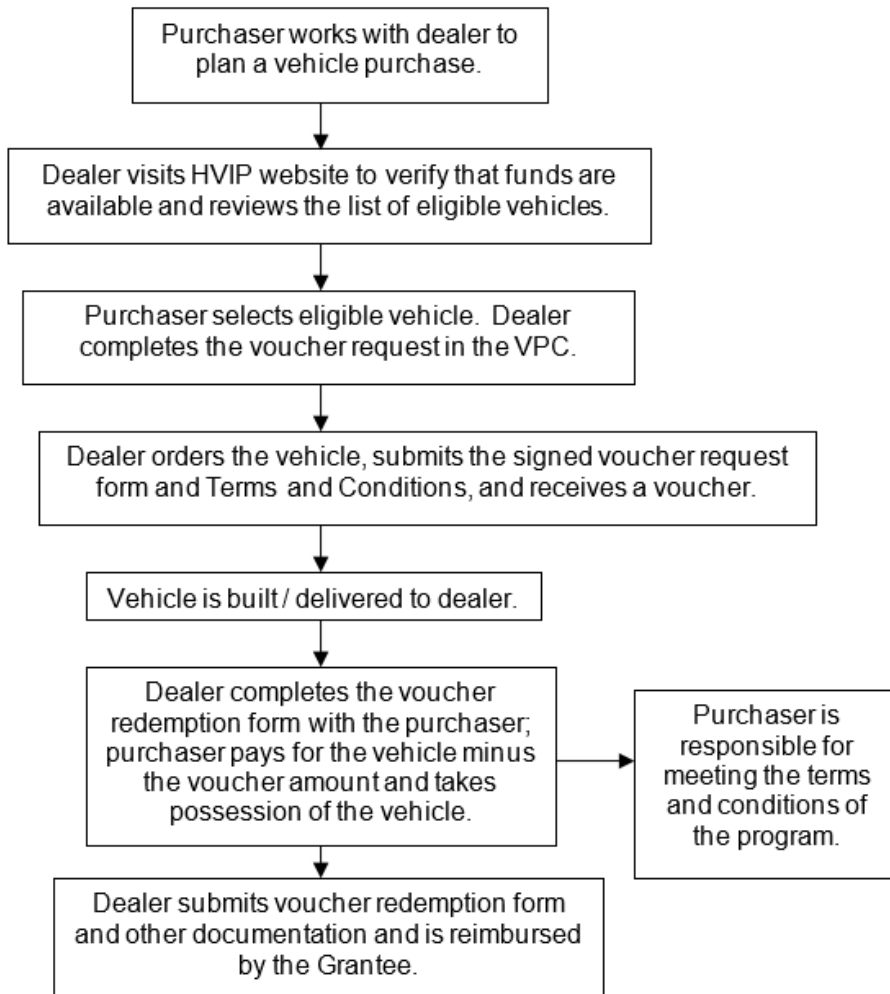
Purchasers are responsible for collaborating on the voucher request and redemption forms with the dealer, and for paying the non-voucher portion of the vehicle cost. A purchaser cannot be a manufacturer, dealership, or leasing company. The following is a list of purchaser responsibilities *at a glance*. The full explanation of purchaser responsibilities is provided in the Vehicle Purchaser Section of the HVIP FY22-23 Implementation Manual. HVIP-participating purchasers are required to -

- Be a business, non-profit, tribal entity, or government entity which is based in California or has a California-based affiliate.
 - I. Private entity purchasers must be registered with the California Secretary of State.
 - II. Non-profits must provide an IRS Determination Letter at the point of voucher request.
 - III. Purchaser must provide TIN, CA and DOT numbers, fleet size, annual revenue, and domicile address at the time of voucher request.
- Demonstrate reasonable access to charging/fueling equipment at the domicile address to support all vehicles in the voucher request.
- Comply with California Truck and Bus Regulation (TRUCRS).
- Complete a Labor Attestation ([AB794](#)) for select vehicle types: tractor, panel-step van, straight truck, refuse truck, or 2b vehicle.
- Maintain insurance as required by law.
- Commit to operate the vehicle in California for at least three years after the voucher Redemption Approval date.
- Understand “Common Ownership or Control” guidelines.
- For transit vehicles, a Letter of Intent (LOI) is permitted in lieu of a P.O. for vouchers.
- Be aware of OEM voucher caps, voucher stacking guidelines, and bulk purchase requirements.
- Operate the vehicle in California for at least three years after the voucher redemption date.
- Agree to telematics requirements.
- Allow CARB, CALSTART, or Tetra Tech to verify the vehicle registration with the DMV. The DMV registration must match the vehicle listed on the CARB Executive Order.

- Be available for follow-up inspection if requested.
- Disclose all sources of public funding used in combination with HVIP funds.
- Ensure accuracy of the vehicle, engine, and purchaser information on the voucher request and redemption forms.

The Voucher Process and Timelines

Figure 1: Example HVIP Truck or Bus Purchase Transaction



Using the Voucher Processing Center

Vouchers are submitted and managed via the online Voucher Processing Center (VPC), a Salesforce-enabled platform. **Dealers must complete the Mandatory VPC Training, which can be found under the 'Resources' tab in the VPC. The training includes watching training videos and reading the manuals to understand the updated VPC instructions.**

Before issuing a voucher request - Dealers are encouraged to check a fleet's compliance with the California Truck and Bus Regulation by searching the TRUCRS database at <https://ww3.arb.ca.gov/msprog/onrdiesel/tblookup.php>. The purchaser's TRUCRS ID is required within 10 calendar days of voucher request submission. If exempt, documentation of such is required within 30 calendar days.

General summary of the voucher request - A binding Purchase Order is required at the time of the request. After you have submitted a voucher request successfully, you and the purchaser will be notified of whether the voucher is funded or unfunded, based on-demand. The request must then be fully reviewed by the Voucher Processing Team and the Voucher Request Form (with Terms and Conditions) must be signed by all parties before the request can move on to have a voucher number assigned. Once these steps have been completed, the Voucher Processing Team will move your request to the status of "Vouchers Created" and an official voucher number will be assigned to your request.

- Purchase Order - A valid signed Purchase Order (or other binding Agreement, Contract, Buyer's Order, or action/resolution by a government entity's governing body) is required at the time a voucher request is made. Purchase orders must be dated no earlier than March 30, 2022. Purchase orders should include the following:
 - Dealer Name, Address,
 - Purchaser Name, Address,
 - Voucher Amount listed as HVIP funded,
 - Number of Units,
 - Model Year,
 - Issue Date,
 - Vehicle Description,
 - Purchaser's Signature, Date,
 - Domicile Location,
 - End-User Fleet or Operator Signature (if leasing),

- Domicile Location - Residential addresses may NOT be used as a vehicle domicile location unless specifically approved by CARB. If a purchaser intends on using a residential address as a vehicle domicile location, they must provide a letter of explanation along with documentation to support the residential address is needed to voucherprocessing@tetrattech.com at the time of voucher request or the request will be cancelled. Please reference the IM for more details.
- A Letter of Intent (LOI) is permitted for transit agencies in lieu of a purchase order at the point of voucher request submission. The date of signature on the LOI may be no earlier than 1/1/2023. A purchase order or other binding agreement will be required within 6 months of submission, otherwise the voucher requests will be cancelled. Case by case requests for accommodation of longer procurement timelines for public fleets can be submitted to voucherprocessing@tetrattech.com.

Between Voucher Request Submission and Approved Status – Once an initial review of the voucher request is complete, the request is either accepted or denied.

The following items will be required to progress to approved status:

- The signed voucher request and Terms and Conditions forms
- Anticipated delivery date
- Vehicle Identification Number
 - The Vehicle Identification Number (VIN) (plus serial number for repowers and ePTOs) and expected. Vehicle delivery date must be provided within 60 calendar days of voucher acceptance. Serial numbers, production numbers, factory build sheets, or other documentation may be accepted in lieu of a VIN. Dealers are required to notify the Voucher Processing Team if the VIN will not be used as documentation.
 - VIN model years must exactly match the executive order, model year for the vehicle. A letter of attestation may be provided by the manufacturer to resolve any misalignment in model year. Please contact Patrick.Chen@arb.ca.gov for more information on the letter of attestation.

Pending Delivery / Approved Status – The voucher request will be officially approved once all necessary information has been submitted and reviewed.

- The voucher is valid for three months (90 days) from the approval date. To renew the voucher for an additional three months, you must update the voucher’s anticipated delivery date. If the delivery date has not changed, simply re-enter the anticipated date of delivery to extend the validity of the voucher for an additional three months.
- A voucher must be redeemed within 18 months of the initial voucher request submission. If this cannot be completed, please contact the Voucher Processing Team for a voucher extension form and next steps.
- Once a vehicle has been delivered and you are ready to move the voucher to the next status you will need to enter the following information into the VPC.
 1. Actual GVWR of the vehicle
 2. Total delivered price with taxes and options prior to voucher discount
 3. Base price (do not include add-ons)
 4. Title transfer date
 5. Upload a photo of the VIN tag clearly showing the VIN and the GVWR

Redemption Processing – All redemption documents are due within 60 days of receipt of payment from the purchaser.

- Vouchers are only redeemed if the vehicle and purchaser/lessee match that on the original voucher request form. An HVIP voucher can only be redeemed upon vehicle delivery, final payment to the dealer, and registration of the vehicle in California.
- For a full list of redemption documents, please see the FY22-23 Implementation Manual.
- Dealers must provide all requested information related to redemption within 10 business days of CARB’s written request for such information.

Funding Plan for Clean Transportation Incentives (FY22-23)

Funding Category	Available FY22-23 Funding Amounts
Standard HVIP	\$250M*
Transit	\$65M
School Bus	\$126M: See Purchasers page for updates about the timeline for opening of this set-aside for FY22-23.
Drayage Truck	\$146M*
<u>Innovative Small e-Fleet</u>	\$33M: See the Purchasers page for updates about opening of this set-aside for FY22-23.
Local Education Agency School Bus Replacement Grants	Funds to be available in FY23-24

*Out of these funds, 70% of Standard HVIP and the Drayage set-aside will be reserved for private fleets with 100 vehicles or fewer and all public fleets, starting January 1, 2023. If more than \$100 million remains in the reserve on July 1, 2023, HVIP will release 30% of the remaining funding to private fleets with more than 100 vehicles. If funding remains in the reserve on November 1, 2023, HVIP will open all remaining HVIP standard funding and drayage set-aside funding to private fleets with more than 100 vehicles. The reserve only applies to the FY22-23 allocation – any remaining FY21-22 funds will be available for fleets of all sizes.

Once the funding in a particular set-aside is fully subscribed, the set-aside will instead be funded from Standard HVIP funds.

Voucher Modifiers

15% Disadvantaged Community/Tribal Government Voucher Enhancement:

Vehicles domiciled in a Disadvantaged Community (DAC), **or** any vehicle purchased or leased by a California Native American tribal government are eligible for an additional 15% of voucher funds. Dealers are responsible for indicating DAC

eligibility on the Voucher Request Form. The DAC incentive is only available to vehicles purchased and domiciled in a DAC by public or private small fleets with 10 or fewer trucks or buses, and less than \$50 million in annual revenue for private fleets (or for any purchase by a tribal entity).

HVIP defines DAC eligibility as vehicle domicile address in any of the following areas of the map at <https://webmaps.arb.ca.gov/PriorityPopulations/>.

- Disadvantaged Communities (orange area on map legend)
- Disadvantaged and Low Income Communities (pink area on map legend)
- Low Income Communities within ½ mile of a Disadvantaged Community (yellow area on map legend)
- Low Income Households within ½ mile of a Disadvantaged Community (green striped area on map legend)

25% Refuse Reimagined: A voucher enhancement of 25% is applied [HVIP-eligible refuse vehicles](#) used for solid waste collection starting November 18, 2022. This increased incentive amount is available until December 31, 2023.

25% Drayage Truck Early Adopter: This voucher enhancement is extended until December 31, 2023.

15% Public Transit Agencies: Applicable for transit buses purchased by a city or county government; a transportation district/transit district; or a public agency. Public transit includes paratransit services.

65% School Buses for Public School Districts: A voucher enhancement of 65% is automatically applied to yellow school buses. This voucher modifier is separate from the Public School Bus Set-Aside incentive amounts.

-50% Plug-in Hybrids and In-Use Converted/Remanufactured Vehicles: The Plug-in Hybrid and In-Use Converted/Remanufacturer voucher modifiers are applied before any other voucher adjustments or modifiers. The dealer is prohibited from requesting a voucher for a transaction involving only the powertrain/drivetrain without installation of the powertrain/drivetrain into a vehicle identified at the time of voucher request.

Set-Aside Funds

Drayage: \$146 million for zero-emission drayage truck incentives has been allocated for FY22-23.

- If 'Truck – Drayage' is selected as the Vehicle Type on a voucher request, the purchaser must verify via the voucher terms and conditions that they meet the drayage operations requirements in order to qualify for an increased voucher amount of \$150,000. Specifically, to qualify for the \$150,000 voucher amount, instead of the standard Class 8 voucher amount of \$120,000, purchasers must submit a copy of the fleet's permission to enter any California port or railyard, to voucherprocessing@tetrattech.com within 30 days of the voucher request. Acceptable documentation includes concession agreements, or other forms of drayage operations permissions.
- Purchaser/Fleet cap for drayage: Drayage fleet/purchasers are limited to placing 50 total voucher requests per calendar year, cumulatively in the set-asides and HVIP standard funds.
- For more information on Drayage Truck Regulation, please see: https://ww2.arb.ca.gov/sites/default/files/classic//msprog/onroad/porttruck/finalregdrayage.pdf?_g

Public Transit: \$65 million has been allocated for zero-emission transit bus incentives in FY22-23.

- If the \$65 million has been fully requested, HVIP will continue to allow Standard HVIP voucher requests for all public transit fleets pending funding availability.

Public School Bus Set-Aside: \$126 million has been allocated for California public school bus fleets purchasing zero-emission school buses in FY22-23.

- Public school bus set-aside voucher requests have a different process. School bus requests that are NOT part of the Public School Bus set-aside will be funded out of Standard HVIP. Details about eligible applicants, scrappage, and other project requirements will be made available in Appendix G, which will be published separately from the FY22-23 IM. The requirements for this funding differ from Standard HVIP.

Innovative Small e-Fleets (ISEF): \$33 million of pilot funding incentives has been allocated for small trucking fleets and independent owner operators in FY22-23.

- Adding Innovative Small e-Fleets to HVIP allows CARB to implement new and innovative mechanisms including, but not limited to flexible leases, peer to peer truck sharing, truck as a service, assistance with infrastructure, individual owner planning assistance, as well as other mechanisms.
- See more details in Appendix F, which will be published separately from this document. The requirements for this funding differ from Standard HVIP. Interested parties can contact isef@californiaHVIP.org for additional information. Dealers' participation in Standard HVIP is unrelated to participation in or training for ISEF. Projects cannot be co-funded between ISEF and Standard HVIP.

Local Education Agency School Bus Replacement Grants: \$1.125 billion, to be awarded in \$225 million increments between FY23-24 and FY27-28.

Policy Changes to Know

Flexibility for small fleets to stack incentives: Fleets with 10 vehicles or fewer can stack HVIP with other state incentive programs, if the other program allows stacking, each incentive program is not paying for the same incremental cost, and the non-HVIP incentive program is not required to generate greenhouse gas emission reductions.

Modifications to the manufacturer rolling soft cap: Requests from fleets with 10 vehicles or fewer are exempt from the existing manufacturer rolling soft cap limit. Also, manufacturers are exempt from the cap if they maintain an average voucher redemption rate of at least 50 vouchers over a 6-month period or 100 vouchers over a 12-month period starting January 1, 2023.

Compliance with labor standards: Fleets purchasing drayage and short-haul trucks will be required to directly attest that they are in compliance with state labor laws, that they will remain in compliance with labor laws for up to at least three years or the duration of the incentive agreement, and that they will retain direct control over the manner and means for performance of any individual using or driving the vehicle.

Reserve for medium and small private fleets and public fleets: Initially, 70% of FY22-23 HVIP standard and drayage set-aside funding will be reserved for private fleets with 100 vehicles or fewer and all public fleets. If more than \$100 million remains in the reserve on July 1, 2023, HVIP will release 30% of the remaining funding to private fleets with more than 100 vehicles. If funding remains in the reserve on November 1, 2023, HVIP will open all remaining HVIP standard funding and drayage set-aside funding to private fleets with more than 100 vehicles. The reserve only applies to the FY22-23 allocation– any remaining FY21-22 funds will be available for fleets of all sizes.

Bulk vehicle purchase requirement for fleets with more than 500 vehicles: Private fleets with more than 500 medium- and heavy-duty vehicles will only be allowed to access HVIP funding if they demonstrate that they are purchasing ZEVs in bulk. These fleets must present a purchase order for at least 30 HVIP eligible vehicles, and the HVIP incentive will be applied only for vehicles purchased above 30. The existing fleet voucher request limit of 30 vouchers per fleet per year (50 vouchers for drayage trucks) continues to apply, regardless of the size of the bulk order. HVIP funding for fleets with more than 500 vehicles may only be applied to vehicles

domiciled in disadvantaged communities. Bulk purchases are not required for fuel cell vehicles until they achieve greater market penetration. Also, 501(c)(3) nonprofit organizations are exempt from the bulk purchase requirement.

Voucher amount adjustments based on fleet size:

Voucher Adjustment Type	Voucher Adjustment Base Amount
Public and Private fleets with 10 or fewer medium- and heavy-duty vehicles	15%
Public fleets with between 11 to 100 medium- and heavy-duty vehicles	0%
Private fleets with between 101 and 500 medium- and heavy-duty vehicles	-20%
Private fleets with more than 500 medium- and heavy-duty vehicles	-50%

Common Ownership or Control Definition: For the purposes of HVIP fleet size, “common ownership or control” can be defined as being owned by the same person, corporation, partnership, limited liability company, or association. In addition, vehicles managed day-to-day by the same directors, officers, managers, or by corporations controlled by the same majority stockholders are considered to be under common control, even if their title is held by different business entities. Vehicles owned by different entities but operated by using common or shared resources to manage the day-to-day operations by using the same motor carrier number, displaying the same name or logo, or contractors who represent the same company are considered to be under common ownership or control. Common ownership or control includes relationships where the controlling party has the right to direct or control the vehicle as to the details of when, where, and how work is to be performed or where expenses for operating the vehicle, such as fuel or insurance, are shared. However, if the purchaser is hired as a contractor by a larger fleet the purchaser does not need to count trucks operated by the hiring fleet as part of the purchaser’s fleet size, though the contractor’s vehicles are counted as part of the hiring fleet. At CARB’s sole discretion the contractor may be required to provide additional documentation, including but not limited to, copies of their California Business License, CA # or DOT #, or a copy of their written contract agreement with the hiring fleet. Common ownership or control does not include agreements for individual loads that are competitively bid and issued to the lowest qualifying bid, and such agreements do not need to be counted towards a purchaser’s fleet size.

Commonly Forgotten Rules and Mistakes

We've curated a list of HVIP rules that are often forgotten to help reduce the chance of running into issues with your vouchers.

- Before submitting a voucher request, dealers are encouraged to check a fleet's compliance with the California Truck and Bus Regulation (TRUCRS) by searching the database at <https://ww3.arb.ca.gov/msprog/onrdiesel/tblookup.php>. Vouchers cannot be redeemed until compliance status is verified. Special cases may be exempt, please contact the Voucher Processing Team for more information.
- A voucher request should be submitted at the time of purchase order issuance.
- Neither the purchaser, dealer nor the vehicle model information may change from the information initially listed on the purchase order and voucher request. If the vehicle, dealer or the purchaser information change, the voucher will be cancelled and the dealer will be allowed to submit a new voucher request, funding availability permitting.
- When requesting a batch of vouchers, the vehicle model, purchaser, and dealer information must be identical for all vouchers in the batch.
- Special requests (lease deals, special testing, unique financing deals, etc.) must be disclosed with the initial voucher request (before voucher is approved).
- The vehicle price less than the voucher amount must be listed on the purchase order. The final signed invoice must show that the voucher amount has been fully discounted from the vehicle price.
- The VPC issues automated emails containing reminders or voucher milestones. Dealers are encouraged to check their junk mail to ensure they receive their voucher updates.
- Vouchers cannot be submitted for vehicles that have been paid for prior to submission or have been delivered prior to submittal date.

- Voucher requests for incomplete vehicles, including vehicles without the body installed, and zero-emission powertrains/drivetrains alone are prohibited and are subject to cancellation.