The Innovative Small E-Fleet (ISEF) Set-Aside: Dealer & Provider Training
Agenda

- Background
- Key Changes
- Definitions
- How to Participate
- Provider Eligibility
- Funding Levels
- Lease and Rental Fleets
The California Air Resources Board (CARB), in partnership with CALSTART, is 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.

$33M Funding Available  
≤20 trucks Designed exclusively for small fleets  
Class 2b-8 Eligible MHD vehicles
A Small Fleet-Focused Approach to Incentives

First-come, first-served vouchers for Class 2b-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 30. Eligible costs include an increase in individual voucher amounts per vehicle.

Innovative financing options for the end user. Vehicle-as-a-service, charging stations, insurance, fuel costs, and more.
Funding Year 2021-22 Recap

- $35 million requested
- 73 unique fleets applied
- Average fleet size: 5
- 69% domiciled in DAC

Projects Breakdown:

- 114 - Standard Purchase
- 45 – Leases
- 20 - Truck as a Service
- 0 - Rental
Summary of FY 2022-23 IM Updates

- ISEF funding is now available for small fleet purchases through all HVIP eligible dealers without the need for a Provider application. For these vouchers, the base voucher is funded from standard HVIP, and the ISEF voucher increase is funded from the ISEF set-aside.
  - Provider applications will continue to be required for third-party who are not approved HVIP dealers, such as rental companies, Truck-as-a-Service (TAAS), and other innovative financing solutions.
  - ISEF funding will be divided equally between Standard Purchase Vouchers and Innovative Solution Provider Vouchers.
FY 2022-23 IM Updates (continued)

- Class 2b vehicles in the HVIP eligible vehicle catalog are now eligible for ISEF funding.

- The maximum funding available per voucher is now capped at 90 percent of the vehicle purchase price; these funds may be applied to other allowable expenses.

- The voucher request limit for providers has been raised to 20 vouchers.

- No manufacturer may reserve more than 30 percent of ISEF available funds within 30 days of opening.

- A variety of HVIP policy changes will impact ISEF vouchers and can be found online at [https://californiahvip.org/funding/](https://californiahvip.org/funding/).

- The HVIP Fleet Size Voucher Adjustment will not be combined with ISEF.

- Fleets of fewer than 10 vehicles are allowed to stack ISEF with other state incentives.

- Requests from fleets with 10 vehicles or fewer are exempt from the existing manufacturer rolling cap limit.
ISEF Information Online: https://californiahvip.org/purchasers/

1. Purchaser Page
2. Dropdown Selection
3. Resources
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**: HVIP-approved dealers include 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.
Federal & State DOT, MC & CA #'s

DOT & fleet size check:
  • https://safer.fmcsa.dot.gov/CompanySnapshot.aspx

Apply for CA MC# here:
  • https://www.dmv.ca.gov/portal/dmv-virtual-office/motor-carrier-permit-online-renewal/mcp-application/

CARB Compliance

TRUCRS Check
  • https://ww2.arb.ca.gov/applications/truck-and-bus-regulation-check-compliance-status

Labor Compliance attestation:
  • https://www.cazevlaborlawcompliance.org/s/submit-your-attestation

Verify revenue is less than <$15M per year (non-profits excluded)
How Small Fleets Participate

1. **Review**
   - Review offerings from Dealers & Providers

2. **Choose**
   - Standard Purchase Voucher OR Innovative Solution Provider Voucher

3. **Submit**
   - Your Approved Provider will work with an Approved Dealer to submit a voucher request with you identified as the end user

4. **Complete**
   - Your Approved Dealer completes the voucher redemption form with you and your Approved Provider
Two Options

**Standard Purchase**
- Only allows purchases and leases of more than three years
- Funding is applied to vehicles only (up to 90%)
- All HVIP approved dealers can apply on a first-come, first-served basis
- Fleets request Voucher Requests directly through Dealers

**Innovative Solution Provider**
- Allows for short-term rentals, flexible leases, truck-as-a-service, and is open to other proposals
- Funding for ISEF can cover the vehicle and include chargers, fueling, insurance, maintenance, and other costs. (still capped at 90% of vehicle cost)
- Fleets work with Providers to request Vouchers through Dealers
- Providers must apply for approval and are capped at 20 vouchers per year.
New VPC Option for all HVIP Dealers

<table>
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<th>Field</th>
<th>Description</th>
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<tbody>
<tr>
<td>Vehicle Type</td>
<td>Pickup/Sedan</td>
</tr>
<tr>
<td>Is the Buyer a California Native American or Tribal Government?</td>
<td>Yes</td>
</tr>
<tr>
<td>Has your Fleet been Audited or Inspected in the Last Year?</td>
<td>Yes</td>
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<tr>
<td>Net Annual Revenue</td>
<td>$10-$15 Million</td>
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- Fleet size must include all OVRW greater than 8,500 lbs under common ownership or control and domiciled in California, including unregistered and inoperable vehicles. Do not include vehicles 8,500 lbs or smaller. Additional verification of fleet size may be required at CARB’s sole discretion, including site visits. Yard trucks and other off-road vehicles do not count toward the fleet size.

Effective Jan. 1, 2023, a Bulk Purchase requirement is in effect for private fleets with more than 50 vehicles. For the purposes of HVIP Fleet size definitions, “common ownership or control” means being controlled by the same majority stockholders are considered to be under common control even if they carry a different name or logo. Common ownership or control means that the controlling party has the right to direct or control the vehicle so that the purchase is made by a contractor using a larger fleet than the contractor’s normal fleet size, but it is not limited to, a copy of their California Business License, CA # or DOT #, or a copy of their lease and/or contract leased to the lowest qualifying bid.

This customer qualifies for Innovative Small-E-Fleet (ISEF) funding? Yes
Provider Eligibility Application

1. Providers will submit a Provider Eligibility Application directly via an online portal found at https://californiahvip.org/purchasers. Provider application is open year-round.

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.
   b) 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.

3. HVIP Dealers offering Standard Purchases DO NOT need to become a Provider.
FY21-22 Voucher Funding Amounts

- Voucher modifiers for drayage and disadvantaged communities (DACs) are also available
- HVIP's small fleet enhancement & Port of Long Beach/Los Angeles funds are not applied to ISEF vouchers
- Modifiers are applied using the same methodology as in HVIP

<table>
<thead>
<tr>
<th>Truck Size</th>
<th>Funding</th>
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<tr>
<td>Class 2b</td>
<td>$15,000</td>
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<tr>
<td>Class 3</td>
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<tr>
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<tr>
<td>Class 6-7</td>
<td>$170,000</td>
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<tr>
<td>Class 8</td>
<td>$240,000</td>
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Check out [www.californiahvip.org/](http://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/](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

Provider submits an offering proposal through Provider Eligibility Application.

CARB and Administrator review and approve Provider Eligibility Application and then post information about the offering on the HVIP webpage.

ISEF program opens for voucher requests.

Eligible small fleets can browse HVIP website to determine which solution that meets their needs.

Provider and/or dealer submit a voucher request that identifies an eligible small fleet end user.

HVIP approved dealer orders the vehicle, submits signed voucher request form and signed terms and conditions, and receives a voucher.
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
**Voucher Request Process**

1. An HVIP-approved dealer completes a voucher request on behalf of the Provider and eligible small fleet
   a) If the Provider is not an HVIP-approved dealer, they will be listed on the voucher request separately

2. A maximum of five vouchers may be requested per eligible small fleet end user

3. Short-term rental and TAAS providers may request a maximum of 20 vouchers

4. An eligible small fleet end user must be identified in the voucher request

5. Once the HVIP-approved dealer submits the voucher request with all required documentation, it is considered complete and ready for review
   a) HVIP administrators will work directly with the dealer to advance the voucher through redemption
Prioritization in the Case of Oversubscription

1. No OEM may receive more than 30 percent of total ISEF set-aside voucher funding within the first 30 days after program launch August 30
   a) CARB will continue to evaluate needs in the funding categories after 30 days and may continue limits if warranted.

2. Providers may request up to 20 voucher per year. 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.
Small Fleet Responsibilities

1. Small Fleets are responsible for:
   a) Providing accurate and timely information to their dealers & providers
   b) Signing and returning voucher process documents
   c) Adhering to the terms and conditions
Lease and Rental companies ARE allowed to order eligible vehicles for their fleet and request HIVP or ISEF vouchers after a customer is secured. However, there is no guarantee that funding will be available at that time. There is no way to "reserve" vouchers without a fleet customer under contract.

Order truck, pay in full, take delivery

Secure customer, sign lease/rental agreement

Submit voucher request in HVIP/ISEF VPC
Learn more at:
californiahvip.org

isef@californiahvip.org