

# The Innovative Small E-Fleet (ISEF) Set-Aside: Small Fleet Information Session

July 2023



# Agenda

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- Background
- Key Changes
- Definitions
- How to Participate
- Provider Eligibility
- Funding Levels
- Lease and Rental Fleets

# About ISEF

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**

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**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.

**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:

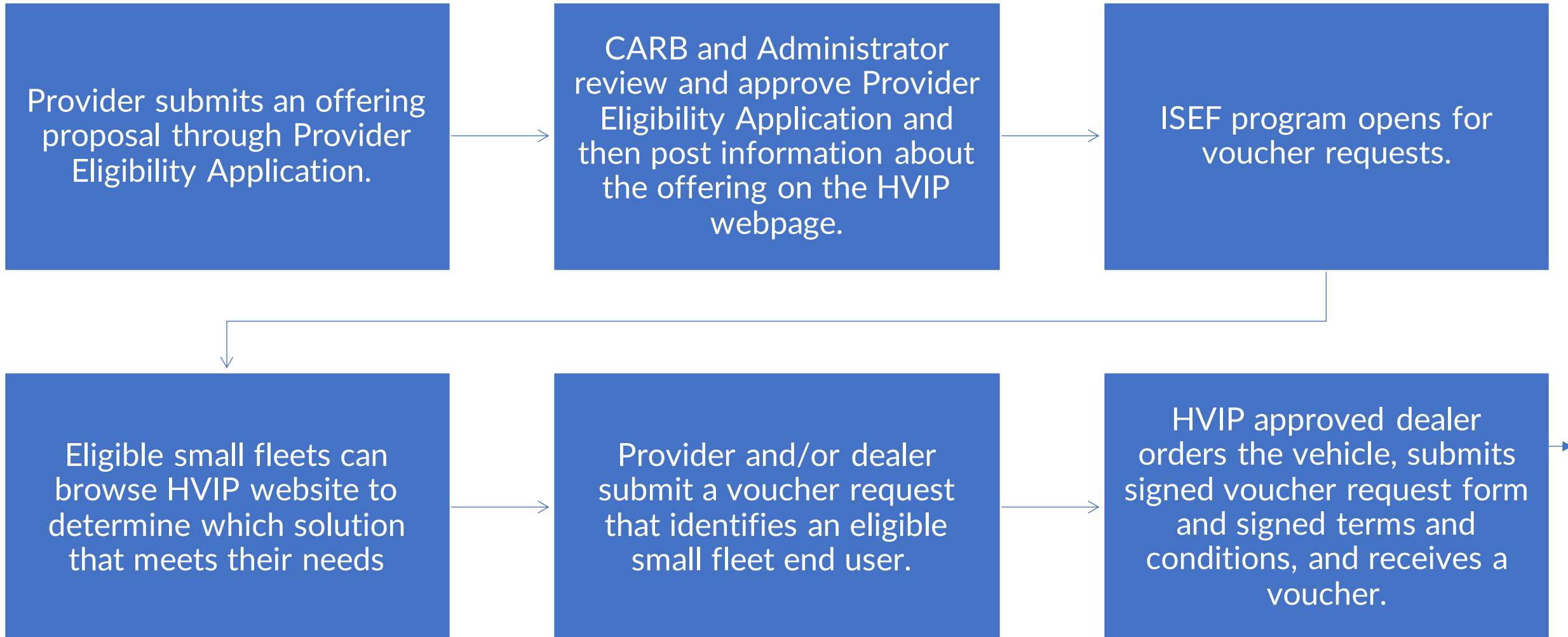
114 - Standard  
Purchase

45 – Leases

20 - Truck as a  
Service

0 - Rental

# 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.

# Summary of FY 2022-23 IM Updates

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- 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.

## WHAT DOES THIS MEAN FOR FLEETS?

You have many more options, everything in the HVIP catalog

If you have a company you would like to work with (rental, lease, TAAS etc.). Please share this program with them & connect them with our team. They will need to apply before opening day.



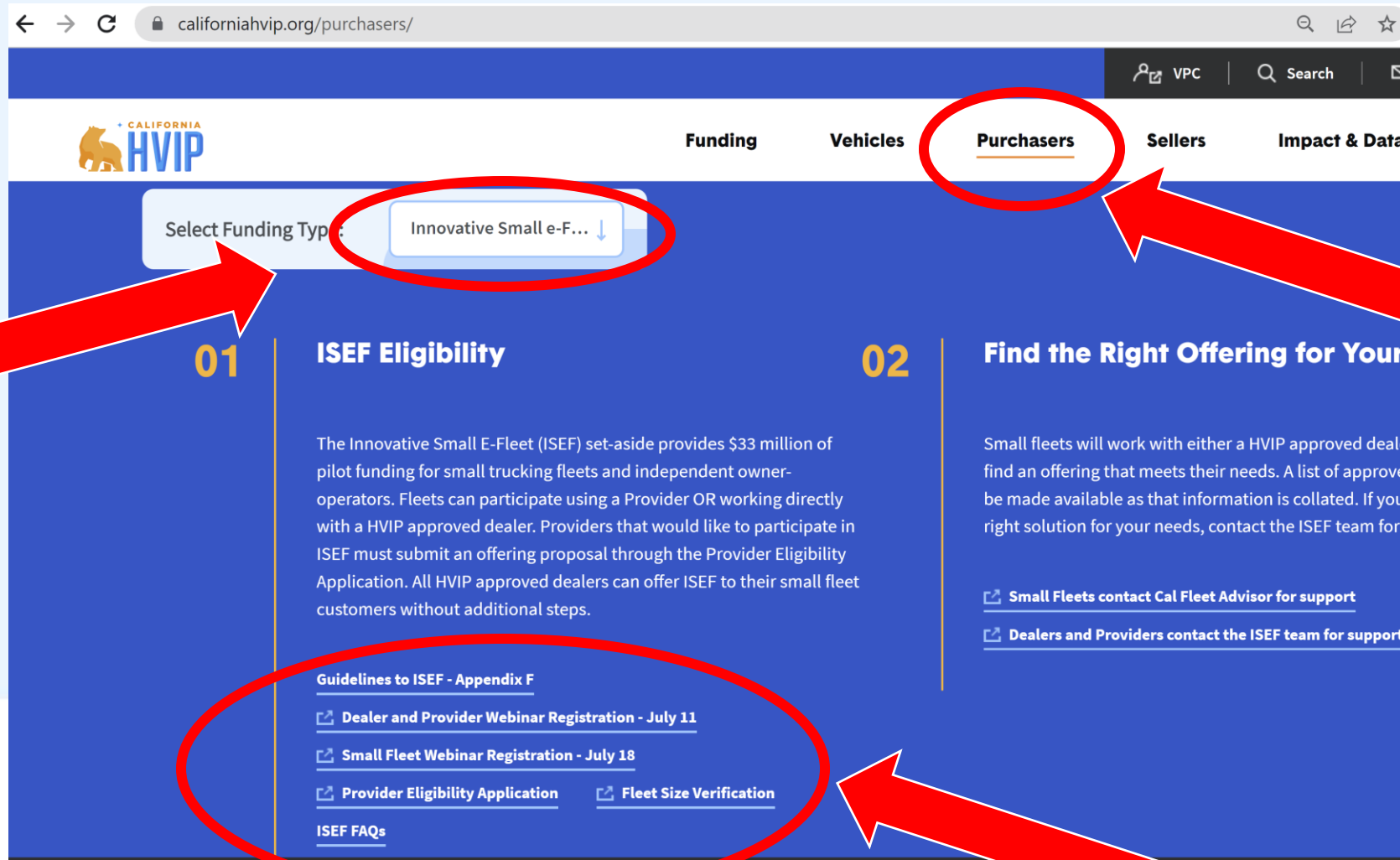
# FY 2022-23 IM Updates (continued)

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- 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/>.
- 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



# 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

VS

## 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.

# ISEF Information Online: <https://californiahvip.org/purchasers/>



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## Provider Directory

Fleets participating in ISEF have two options:

01

Standard purchases, all HVIP dealers (not just those listed below) can request ISEF funding for their small fleet customers of vehicles located in the [HVIP eligible vehicle catalog](#).

02

Innovative Solution Providers are listed below, these companies offer options which are not typically offered in HVIP like Truck-as-a-service, short term rentals & leases.

Fleets looking for guidance, please contact Cal Fleet Advisor [www.calfleetadvisor.org](http://www.calfleetadvisor.org).

Dealers and provider questions can be directed to [isef@californiahvip.org](mailto:isef@californiahvip.org).

[Provider eligibility application](#) is open year round, only required for Innovative Solution Providers, no longer required for HVIP dealers.

Provider	Dealer	Vehicles	Type and/or Term	Contact	Description
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# ISEF Definitions

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- 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

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- **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

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- **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.

# Verify Small Fleet Compliance

Many fleets falsely believe they are exempt from these items

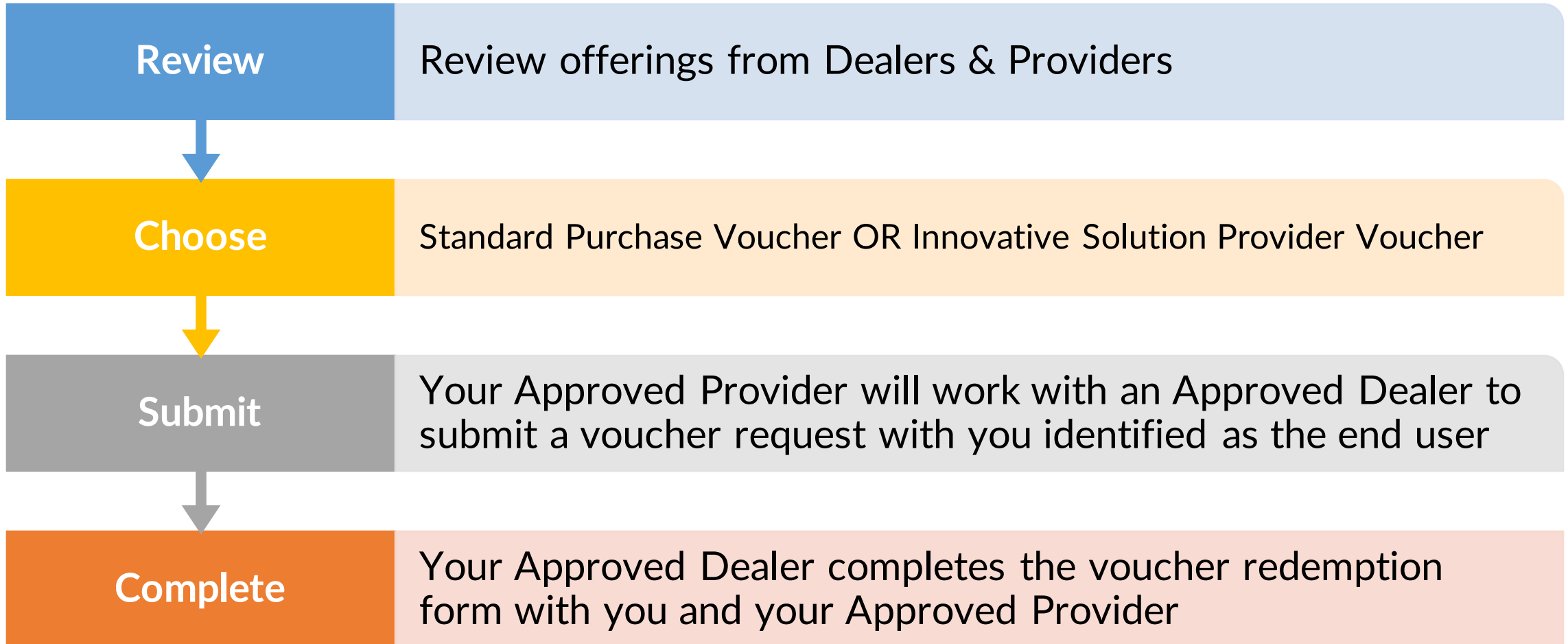
## Federal & State DOT, MC & CA #'s

- 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



# 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

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- 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

Truck Size	Funding
Class 2b	\$15,000
Class 3	\$90,000
Class 4-5	\$120,000
Class 6-7	\$170,000
Class 8	\$240,000

Check out [www.californiahvip.org/](http://www.californiahvip.org/) for the latest information and updates!



# Voucher Modifiers for DACs

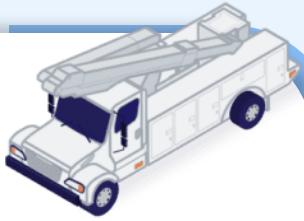
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- **An Example:** Class 8 truck in ISEF (Class 8, \$120,000 x 2), performing drayage operations (25% x \$120,000), and domiciled in a qualifying DAC (15% x \$120,000) is eligible to receive the maximum voucher amount of \$240,000 plus the sum of its 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

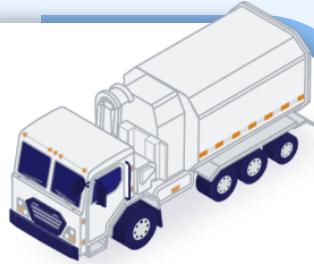


# ISEF Eligible Vehicles

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ePTO



Refuse



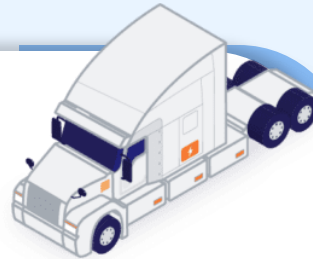
Medium-Duty Bus



Step and Panel Van



Straight Truck



Tractor

Search at  
[CaliforniaHVIP.org](https://CaliforniaHVIP.org)

# Voucher Request Process

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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

# **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**

# **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 vouchers 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.

# Support Available : Cal Fleet Advisor

- Need assistance choosing the right vehicle or ISEF provider for your operational needs? Our Cal Fleet Advisor team can help you get prepared for opening August 30
- Visit <https://calfleetadvisor.org/get-started-today/> and our team can answer any questions you may have on ISEF eligibility and help you better understand your options and benefits in transitioning to zero-emission vehicles.



# Contact Cal Fleet Advisor for Free Support

Website: <https://calfleetadvisor.org/>

Contact: [calfleetadvisor@californiahvip.org](mailto:calfleetadvisor@californiahvip.org)



Learn more at:

[californiahvip.org](https://californiahvip.org)

Email

[isef@californiahvip.org](mailto:isef@californiahvip.org)