



## HVIP Drayage and Truck Summary: 2023 Year in Review

January 24, 2024

Drayage remains a high priority for decarbonization and market acceleration. HVIP's [Drayage Truck Early Adopter Incentive](#), which provides a 25% voucher increase, has supported the purchase of 732 Class 8 tractors performing drayage operations since 2021. Of these, 58 vehicles are already on the road accruing air quality and climate benefits to California communities, while the remaining 674 are unredeemed vouchers representing vehicles in the manufacturing process.

Governor Newsom's 2020 Executive Order [N-79-20](#) calls for 100% of medium and heavy-duty vehicles in California to be zero-emission by 2045 where feasible – and drayage is a priority, with a 2035 goal for that market segment.

### A Strong Market:

Vouchers for 2,420 vehicles, including 463 Class 8 drayage tractors, were requested from January 1 to December 31, 2023. HVIP provides an ecosystem of funding options for drayage fleets of all sizes, with 11 eligible tractors in the [HVIP catalog](#). HVIP is designed to provide continuous access to incentives when funding is available, and the [Drayage Truck Set Aside](#) remains open in early 2024. Additional funding was [provided by the Ports of Los Angeles and Long Beach](#) starting in fall 2023, which combines with HVIP funds to provide even deeper discounts for fleet purchasers. The Innovative Small E-Fleets project, [ISEF](#), supports innovative drayage operations for small fleets and owner-operators, while companion infrastructure is provided by the CEC's [EnerGIIZE](#) project.

*Vouchers for 2,420 vehicles were requested in HVIP in 2023*

### Voucher Cancellations Remain Low:

*Only 3% of 2023 HVIP voucher requests were cancelled due to infrastructure issues*

For all vouchers requested during the year, 380 out of 2,420 were subsequently cancelled. That's a 16% cancellation rate. Drayage cancellations tracked similarly, with 14% of drayage vouchers requested in 2023 having been cancelled.

To gain more insight into cancellation data over time, HVIP staff, through the [Cal Fleet Advisor](#) program, spoke with 53 drayage fleets who requested vouchers from June 2021 to June 2023 and subsequently cancelled orders. Their cited reasons for voucher cancellations include:

- *48% of cancelled vouchers were for manufacturer-related reasons*, centered on issues under the control of manufacturers such as: delivery timelines, price increases, products meeting promised performance characteristics, recalls, repair availability, and the long-term availability of warranty service. As detailed in the table below, applying the 48% manufacturer-related cancellation to the overall 16% voucher cancellation rate results in 8% of all voucher requests cancelled due to manufacturer-related reasons, or 7% for all drayage voucher requests.
- *32% of cancelled vouchers were for financial-related reasons*, including cost of capital, rising interest rates, business slowdowns (i.e. decline in port traffic in Southern California), and unsatisfactory leasing terms. Applying the 32% financing-related cancellation to the overall 16% voucher cancellation rate results in 5% of all voucher requests cancelled due to financing-related reasons, or 4% for all drayage voucher requests.
- *18% of cancelled vouchers were for infrastructure-related reasons*, including real estate and electric grid capacity for charger installation, the availability of public charging, and the availability of hydrogen fueling infrastructure. Applying the 18% infrastructure-related cancellation to the overall 16% voucher cancellation rate results in a 3% overall cancellation rate due to infrastructure-related reasons.
- The remaining 2% of cancelled vouchers were due to issues with documentation on regulatory compliance status, or dealer satisfaction.

Applying the distribution of drayage cancellation reasons from 2021-23 to the 2023 voucher data, we see the following data:

Voucher Status	All Vouchers		Drayage Vouchers	
	Number	Percent	Number	Percent
Redeemed	31	1%	10	2%
Unredeemed	2,009	83%	389	84%
Canceled - Manufacturer	183	8%	31	7%
Canceled - Financial	121	5%	20	4%
Canceled - Infrastructure	69	3%	12	3%
Canceled - Other	7	0%	1	0%
<b>Total</b>	<b>2,420</b>	<b>100%</b>	<b>463</b>	<b>100%</b>

For ongoing HVIP data updates, see [www.californiahvip.org/voucherdata](http://www.californiahvip.org/voucherdata)