

SEBI



Application Information Session

ZERO-EMISSION SCHOOL BUS AND INFRASTRUCTURE

05/02/2024



Meet The Team

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AGENDA

- 1. ZESBI Background**
- 2. Eligibility & Requirements**
- 3. School Bus Overview**
- 4. Infrastructure Overview**
- 5. Application Process**
- 6. Questions**



01

ZESBI Background

ZESBI Background

The Zero-Emission School Bus and Infrastructure (ZESBI) project pairs zero-emission (ZE) school bus vehicle funding offered by the California Air Resources Board (CARB), with charging infrastructure funding offered by the California Energy Commission (CEC).

A total of \$500 million is appropriated by Senate Bill (SB) 114 for ZESBI for Fiscal Year 2023-24.

| ZESBI Project Type | Awards |
|-------------------------|--|
| ZE School Bus | <ul style="list-style-type: none">\$375 million is allocated to support the replacement of old school buses with ZE school buses |
| Charging Infrastructure | <ul style="list-style-type: none">\$125 million is allocated to support complementary infrastructure and associated costs |



02

Eligibility & Requirements

Eligibility & Requirements

Eligible applicants*:

- California Public School Districts
- California Public Charter Schools
- California Joint Power Authorities (JPAs)
- California County Offices of Education (COEs)

Ineligible applicants:

- Private schools are not eligible applicants
- Charter schools classified as non-classroom-based charter schools as of FY 2021-22 are not eligible.
- Third-party student transportation providers

* Eligible applicants must own their school buses to participate in ZESBI.

* Eligible applicants can contract with third-parties to operate the buses.

* All applicants must serve students within the K-12th grade level.



Eligibility & Requirements

- In order to receive incentives for an eligible new electric school bus, an applicant-owned school bus must be scrapped.
- The old school bus can be any internal combustion engine using any fuel type and does not need to be the same school bus type or vehicle weight class as the new school bus.
- Scrappage and submission of scrappage documentation of the old school bus can occur after the Grant Agreement has been fully executed and must occur within 24 months of new school bus delivery.



Eligibility & Requirements

Old School Bus Requirements:

- Chassis must be a 2010 model year or older per the DMV Registration Form.
- Must be applicant owned. The school bus cannot have a lienholder listed on the DMV Registration Form.
- Must have a Gross Vehicle Weight Rating (GVWR) greater than 10,000 pounds.
- Must have a current California Highway Patrol Safety Certification (CHP 292 or equivalent) at time of Application Part A submission. A non-certified school bus will not be able to continue within the application process.
- If the school bus is diesel-fueled and greater than 14,000 pounds GVWR, it must be compliant with the California Truck and Bus Regulation in order to receive a full voucher amount.



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ZESBI School Bus Overview

Application Prioritization

Applicant Prioritization:

- **Tier 1** - Applicants defined as a small or rural school district, or applicants whose total enrollment is comprised of at least 80% unduplicated pupils
- **Tier 2** - Applicants that serve Disadvantaged Communities (DACs) and/or Low-Income Communities (LICs)
- **Tier 3** - Eligible applicants with an eligible school bus for replacement

*Applicants within each tier will be ranked based on the timestamp of their complete Application Part A submission.



Application Prioritization

Application Terminology:

- **Small School District** - fewer than 2,501 units of average daily attendance, as classified in the most recently reported annual data in the California Longitudinal Pupil Attendance Data System.
- **Rural School District** - with a school locale code of 31, 32, 33, 41, 42, or 43, as classified by the National Center for Education Statistics.
- **Unduplicated Pupil Count (UPC):** students who
 1. are English learners, or;
 2. meet income or categorical eligibility requirements for free or reduced-price meals under the National School Lunch Program, or;
 3. are foster youth.

Disadvantaged Communities (DAC) and Low-Income Communities (LIC)



Priority Populations 2023 Update

Disadvantaged Communities Triballands



Disadvantaged Communities CES4



Low income Communities



DAC and LIC designations will be applied using the California Climate Investments Priority Populations map, located online at <https://webmaps.arb.ca.gov/PriorityPopulations/>.

DAC and LIC designations will apply to applicants if any overlap occurs between the California Climate Investments Priority Populations map and the applicant's boundaries.

Maximum Incentive Amounts

- **ZESBI incentive amounts intend to cover nearly, if not all of, the cost of a new ZE school bus.**
- **ZESBI incentives may cover taxes and other costs related to the purchase of the eligible zero-emission school bus, up to the maximum incentive amount.**
- **ZESBI Incentive amounts are not eligible for Standard HVIP plus-ups.**
- **School districts may apply for a maximum of 50 vehicles.**

Maximum Incentive Amounts

| School Bus Type | Without a Wheelchair Lift | With a Wheelchair Lift |
|-----------------|---------------------------|------------------------|
| Type A | \$280,000 | \$295,000 |
| Type C | \$340,000 | \$355,000 |
| Type D | \$360,000 | \$375,000 |



Combining ZESBI With Other Bus Funding Sources

- **ZESBI may be combined, or “stacked” with local funding and some state and federal funding**
- **The applicant must ensure that the other incentive program allows stacking with ZESBI and that all requirements of ZESBI and the other program are met**
- **ZESBI may not pay for the same costs as another incentive program and the total sum of incentives must not exceed the full cost of the new zero-emission school bus**



Stacking: State Funding Sources

- **ZESBI MAY be stacked with these state-funded incentives administered by local air districts, only if the applicant has a fleet size* of 20 vehicles or fewer**
 - Carl Moyer Memorial Air Quality Standards Attainment Program
 - Community Air Protection Incentives
- **ZESBI MAY NOT be stacked with the following state incentive programs**
 - Standard HVIP
 - HVIP Public School Bus Set-Aside & Energize joint application
 - California Climate Investments (CCI)**
 - Volkswagen Environmental Mitigation Trust for California

*Fleet size is defined as all vehicles with a GVWR greater than 8,500 pounds under common ownership or control, including unregistered and inoperable vehicles. Unredeemed HVIP vouchers count toward this total.

**Community Air Protection Incentives are the only CCI Program that may be stacked with ZESBI.



Stacking: State Funding Sources

- **ZESBI can be stacked with most local and federal sources with no restrictions on fleet size**
- **Sources that may be stacked with ZESBI include:**
 - Federal Diesel Emission Reduction Act State Grants or Rebates
 - Sacramento Metropolitan AQMD's Sacramento Emergency Clean Air & Transportation Grant Program (SECAT)
 - South Coast AQMD's Mobile Source Air Pollution Reduction Review Committee (MSRC)
 - Bay Area AQMD's Mobile Source Incentive Fund and Transportation Fund for Clean Air
- **Federal sources that may not be stacked with ZESBI include:**
 - US Environmental Protection Agency Clean School Bus Program



Qualified Commercial Clean Vehicle Credit

- The Inflation Reduction Act authorized tax credits of up to \$40,000 for clean commercial vehicles over 14,000 lbs.
 - Credit of up to \$7,500 for qualified vehicles with GVWR under 14,000 pounds
- The vehicle must:
 - Be made by a [qualified manufacturer](#)
 - Operate on public roads
 - Be acquired for “use or lease”, not for resale
- State and local government and certain other tax-exempt entities are eligible for elective pay
 - The credit is treated as a payment of a tax and the IRS would make a refund payment in the amount of the credit
- For more information, please visit [Commercial Clean Vehicle Credit | Internal Revenue Service \(irs.gov\)](#) and view the [EPA's informational webinar](#).



This slide provides an overview of certain Inflation Reduction Act tax provisions for general information purposes and is not itself tax guidance. For additional information or questions review IRS guidance or contact the IRS directly.

California Statewide Procurement Contract

ZE School Bus Base Prices Under Procurement Contract

| | BYD 1-23-23-18A | Phoenix 1-23-23-18B | Navistar 1-23-23-18C | Blue Bird 1-23-23-18D | Lion Electric Co 1-23-23-18E |
|-----------------------------|----------------------------|--------------------------------|---------------------------------|----------------------------------|---|
| Type A | \$306,030 | \$261,867 | - | - | - |
| Type A with Wheelchair Lift | \$316,130 | \$267,326 | - | - | - |
| Type C | - | - | \$328,274 | \$406,154 | \$344,798 |
| Type C with Wheelchair Lift | - | - | \$353,753 | \$428,879 | \$352,052 |
| Type D | \$417,130 | - | - | \$435,262 | \$360,626 |
| Type D with Wheelchair Lift | \$436,320 | - | - | \$454,503 | \$368,736 |

*Any California local educational agency or government can utilize the contract to purchase ZE school buses.

*More information available at:

<https://californiahvip.org/wp-content/uploads/2024/04/DGS-Statewide-Contract-Guide-Final.pdf>



04

ZESBI Infrastructure Overview

Infrastructure Incentive Amounts

Amount Per Charger

| Charger Type | Infrastructure Award Amount |
|------------------------------------|-----------------------------|
| Level 2 (L2) | \$20,000 |
| Direct Current Fast Charger (DCFC) | \$75,000 |
| DCFC Bi-directional | \$95,000 |

Incentive Criteria

- **1 ZESBI funded bus : 1 ZESBI funded charger**
- **Infrastructure incentive amount will be based on the type of charger with a maximum average infrastructure award of \$75,000 per bus for those receiving two or more busses**
 - Exception: If an applicant is awarded 1 bus and requests a bi - directional charger, applicant will be eligible for \$95,000
- **Equipment standards will be included in the Implementation Manual**



Infrastructure Incentive Amounts

Award Amount Per Charger

| Charger Type | Infrastructure Award Amount |
|------------------------------------|-----------------------------|
| Level 2 (L2) | \$20,000 |
| Direct Current Fast Charger (DCFC) | \$75,000 |
| Bi-directional DCFC | \$95,000 |

Example

If an eligible applicant is awarded 3 ZESBI buses, they will be eligible for at most a \$225,000 infrastructure award. The actual award amount will depend on the selection of chargers.

Some possible charger combinations include:

- 2 L2 chargers + 1 bi-directional charger = \$135,000 award
- 1 L2 charger + 1 DCFC + 1 bi-directional charger = \$190,000 award
- 1 L2 charger + 2 bi-directional chargers = \$210,000 award
- 3 bi-directional chargers = \$225,000 award*

*Applicant can use the 10% school transportation program funding to cover the remaining infrastructure costs.



Eligible Infrastructure Costs

| Eligible Cost Category | Examples (Including But Not Limited To) |
|------------------------|--|
| Procurement costs* | <ul style="list-style-type: none">• Electric vehicle supply equipment (EVSE) |
| Installation costs | <ul style="list-style-type: none">• Construction• Project management• Site design• Site upgrades (transformers, breakers, stub outs)• Technical assistance |
| Other costs** | <ul style="list-style-type: none">• Distributed energy resources• Extended warranties• ZE Mobile chargers• Network and software costs |

**Equipment standards will be included in the Implementation Manual Factsheet and future Implementation Manual.*

***Procurement and installation costs must be fully covered before these other costs become eligible. Eligible applicant can use the 10% school transportation program funding to cover these costs.*



School Transportation Programs

Up to 10% of the total grant award can be used to supplement an LEA's school transportation program.

Example: LEA awarded grant for 1 Type D school bus with wheelchair lift and 1 DCFC.

90%

\$360,000 base grant for school bus
\$ 15,000 for wheelchair "plus-up"
+ \$ 75,000 infrastructure award
\$ 450,000 combined school bus and infrastructure award

10%

+ \$ 50,000 school transportation funding

\$ 500,000 total ZESBI award



Eligible Costs for School Transportation Programs

Transportation Department

Including but not limited to...

Buildings

- Office Equipment
- Security Cameras and Systems

Electrical System

- Electrical System Upgrades to Transportation Yards

Infrastructure

- Charger Upgrades/Repairs
- Fuel Costs (Electric or Hydrogen Only)

Shop Equipment

- Auto Repair Tools for ZE Buses
- High Voltage Safety Equipment for ZE Buses

Transportation Yards

- New Pavement/Repavement
- New Fencing/Refencing

Vehicles (Owned & Operated by LEA)

- ZE Fleet Planning Services
- ZE School Bus Repairs (Outside Warranty)

ZE Workforce Training

- Mileage Reimbursement for In-Person Training
- Staff Training (Beyond Electric School Bus Training Program)



Costs must be able to be incurred within agreement term.

Infrastructure Stacking Eligibility

Infrastructure Awards:

- Stacking is generally allowable if combined funding sources do not exceed total project cost
- Utility programs that reimburse utility service upgrades and integration costs may be utilized, but cannot be reimbursed by ZESBI
- Multiple sources of CEC funding, such as solicitation or EnergIIZE funding, cannot be applied to one project



Infrastructure Tax Credits

- **IRS Section 30C**
 - Eligible entities can claim up to \$100,000 tax credit for infrastructure
 - Qualifying infrastructure must be placed in low-income communities or non-urban census tracts
- State and local governments can request elective pay reimbursement
 - For more information, visit: <https://www.irs.gov/pub/irs-pdf/p5817e.pdf>

05

ZESBI Application Process

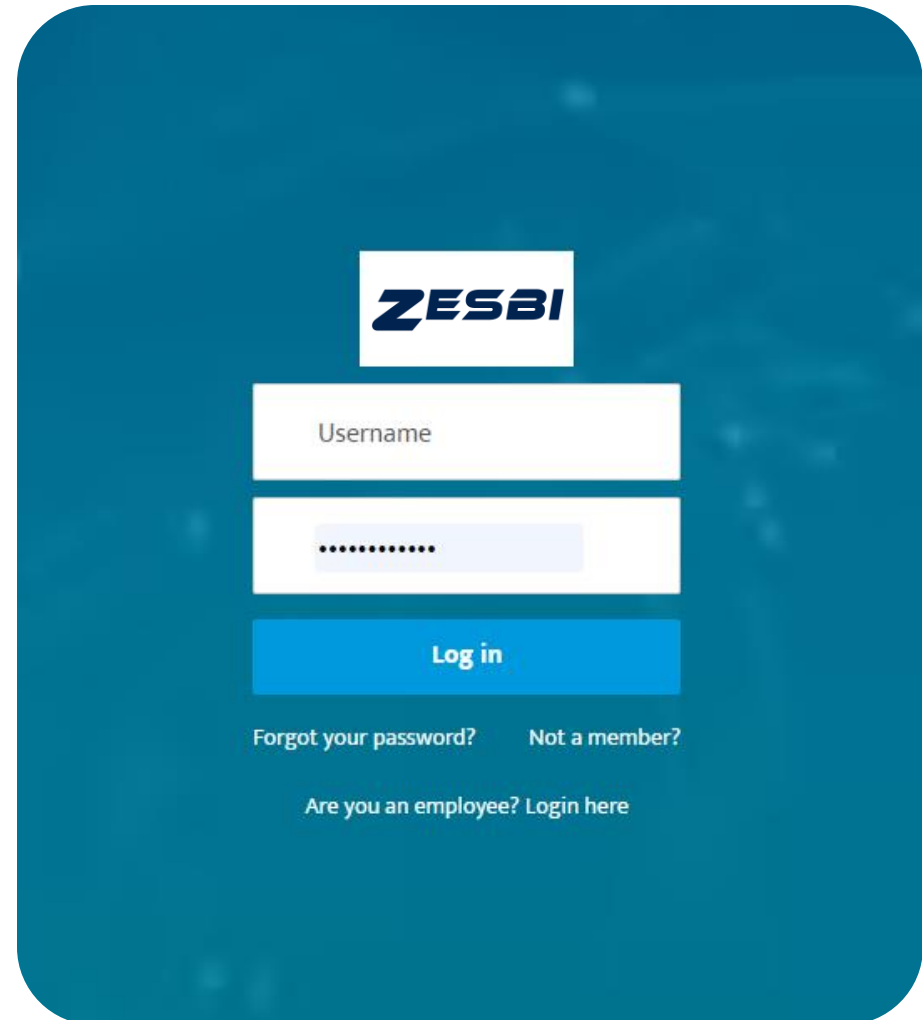
Application Part A

- ZESBI will open for applications on May 14, 2024, at 10:00 am Pacific Time and remain open until September 30, 2024, at 5:00 pm Pacific Time.
 - Application link will be at www.californiahvip.org/zesbi.
 - One submission per applicant, all buses (up to 50) on one application
- Applicant must submit the following:
 - A Letter of Intent signed by an authorized representative stating the applicant's intent to purchase ZE school bus(es).
 - A current copy of the DMV Registration for each old school bus included in Application Part A.
 - A current copy of the CHP Safety Certification (CHP 292) for each old school bus included in Application Part A. The old school buses must have a current, unexpired, (CHP 292 or equivalent) at time of application submittal.



ZESBI Applicant Portal

- Applicants will be required to create an account to access Application Part A.
 1. Select "Not a member?" to be directed to the registration screen.
 2. Enter your name and primary email and select "Sign Up", you will receive a link to your email to create a password and Log In.

A screenshot of the ZESBI Applicant Portal login interface. The background is a dark teal color. At the top center is the ZESBI logo in white. Below the logo are two white input fields: the first is labeled "Username" and the second contains a series of dots representing a password. Below these fields is a blue button with the text "Log in" in white. At the bottom of the form area, there are two links: "Forgot your password?" and "Not a member?". Below these links is a smaller link that says "Are you an employee? Login here".

ZESBI

Username

.....

Log in

[Forgot your password?](#) [Not a member?](#)

[Are you an employee? Login here](#)



Application Part A - Steps and Submittal

Application Part A

Application Number APP-000000

Submit Application

Instructions

Applicant

Letter of Intent

Project Locations

Questionnaire

School Buses

▼ Contact Information

Primary Contact

First Name

Last Name

Title

Phone

Secondary Contact

First Name

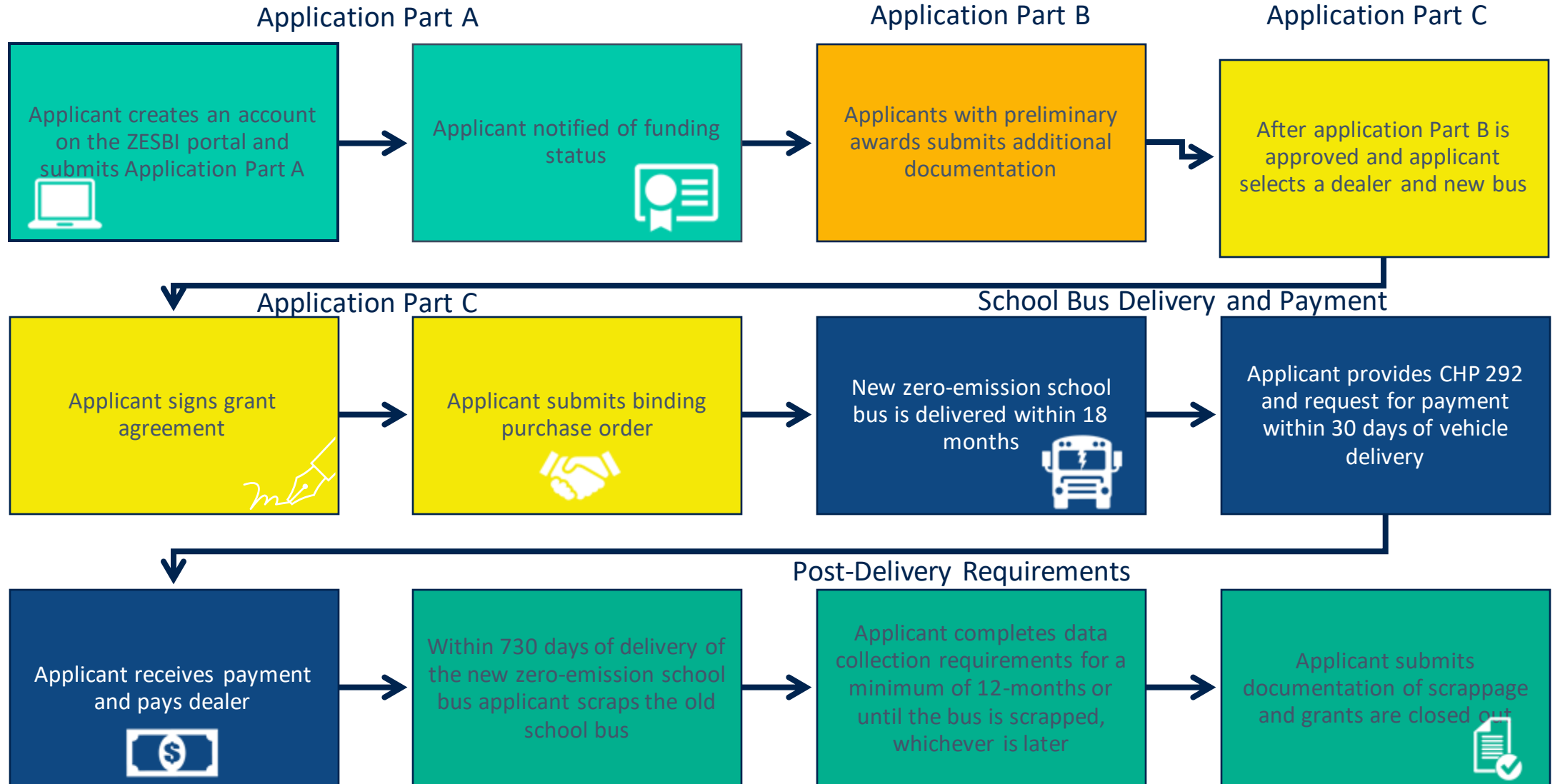
Last Name

Title

Phone



Three Step Application Process



Cal Fleet Advisor

- Technical assistance is available for school districts in California!
- Cal Fleet Advisor: A free assistance program to help owners and operators of medium- and heavy-duty vehicles and fleets make the transition to zero-emissions.
 - Access to CALSTART ESB advisors
 - Assistance with funding, procurement, technologies, utilities, etc.
- For more information, please visit www.calfleetadvisor.org/esb.



Thank You For Participating!



Follow-Up Email

Recording of session
Copy of slide deck



Questions?

Reach out to
SchoolBusTeam@calstart.org



Learn more at:

californiahvip.org/ZESBI

Questions?

SchoolBusTeam@CALSTART.org

