



Zero-Emission School Bus & Infrastructure (ZESBI) Infrastructure Incentives Fact Sheet

ZESBI Incentives Background

\$125 Million

Available Infrastructure Funding for FY 2023–2024

\$375 Million

Available Zero-Emission School Bus Funding for
FY 2023 – 2024

- At least 90% of a Local Educational Agency (LEA)'s grant award is to be spent on zero-emission (ZE) school buses and supporting charging infrastructure and associated costs.
- An LEA can spend at most 10% of its grant award on its school transportation program.
 - The 10% should supplement, not supplant, the existing services and funds provided by grantees to support transportation programs.
- Projects must be completed within three fiscal years of agreement execution.

Eligible Applicants

LEAs are eligible applicants for ZESBI-funded school buses.

LEAs are defined as:

- California Public School Districts
- California County Offices of Education (COE)
- California Joint Powers Authority (JPA)
- California Public Charter Schools (Not eligible if designated as a "nonclassroom-based charter school" as of FY 21–22)

See the [California Air Resources Board \(CARB\)'s ZESBI Implementation Manual](#) for information on the ZESBI applicant prioritization structure and how grantees are determined.

Infrastructure Award Amounts

Award Criteria

- One ZESBI-funded charger will be awarded per each ZESBI-funded school bus.
 - LEAs cannot receive infrastructure funding without a ZESBI-funded school bus.
- The infrastructure award amount will be determined by the type of charger(s) an LEA selects, with a maximum award of \$75,000 per ZESBI-funded school bus.
 - * Exception: If an LEA is awarded one school bus and requests a bi-directional charger, the LEA will be eligible for \$95,000.

Award Amount Per Charger

- Level 2 (L2) – \$20,000
- Direct Current Fast Charger (DCFC) – \$75,000
- DCFC Bi-directional – \$95,000

Example:

- If an LEA is awarded three ZESBI school buses, it will be eligible for a maximum infrastructure award of \$225,000. The actual award amount will depend on the type of chargers the LEA selects.
 - Some possible charger combinations and corresponding infrastructure award amounts in this example would include:
 - Two L2 chargers + one bi-directional charger = \$135,000 award
 - One L2 charger + one DCFC + one bi-directional charger = \$190,000 award
 - One L2 charger + two bi-directional chargers = \$210,000 award
 - Three bi-directional chargers = \$225,000 award*
- * When the charger selection exceeds the maximum infrastructure award per school bus, an LEA can use the School Transportation Program funding to cover the remaining infrastructure costs.



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Eligible Infrastructure Costs

Examples provided under the eligible cost categories (Procurement, Installation, and Other Costs) are “including but not limited to.”

Procurement Costs*

- Electric vehicle supply equipment

Installation Costs

- Construction
- Project management and consulting fees
- Site design
- Site upgrades (e.g., transformers, breakers, stub outs)
 - Note: Utility programs that reimburse service upgrades and integration costs may be utilized for ZESBI projects but cannot be reimbursed with ZESBI funds.
- Technical assistance

Other Costs**

- Distributed energy resources, such as but not limited to solar and battery storage
- Extended warranties
- Mobile ZE chargers
- Network and software costs

Taxes (up to the maximum grant award amount)

*Eligible equipment and requirements will be included in the California Energy Commission (CEC)'s ZESBI Implementation Manual.

**Procurement and installation costs must be fully covered before these other costs become eligible. LEA can use the School Transportation Program funding to cover these costs.

Equipment Specifications Requirements

- Standards and requirements for ZESBI-funded charging infrastructure and distributed energy resources are still being developed and will be provided in the CEC's ZESBI Implementation Manual.
- The Applicant will be responsible for coordinating with the HVIP-approved dealer and charging system providers to ensure that the selected new zero-emission school bus is compatible with planned and/or existing infrastructure.

Stacking Eligibility for Infrastructure Awards

- Stacking is generally allowable if combined funding sources do not exceed the 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 EnergIIIZE funding, cannot be applied to one project.
 - Multiple sources of CEC funding can occur at the same site as long as budgets and scopes of work (SOWs) clearly show that projects are distinct and funding does not overlap.

Internal Revenue Service (IRS) Tax Incentives

The following information is provided for informational purposes only and does not constitute tax advice. CEC and its implementer are not affiliated with the Internal Revenue Service (IRS) in administering the Alternative Fuel Vehicle Refueling Property Credit.

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.
- The sum of ZESBI funds, any other match incentive funds, and the tax credit may NOT exceed the total cost of the infrastructure project.
- For any additional information or questions, please contact the IRS directly and [visit their website](#).



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Applicant Duties and Responsibilities

Data Collection Responsibilities

- Data collection reporting will be required quarterly headquarters-commissioning for each ZESBI-funded charger for at least 12 months.
- Data points will include but are not limited to number of charging sessions, average uptime, and cost of charging.
- Data reporting templates and tools will be developed to assist with reporting.

Project Term

- Projects must be completed within three fiscal years of agreement execution.

Funding Disbursement

Infrastructure Award

- Milestone payments for eligible costs are incurred throughout the lifecycle of a project.
- Applicants propose and agree to a milestone payment schedule.
- No milestone payment on this schedule shall be 50% or more of the infrastructure award.

Retention

- 10% of the sum of the infrastructure award and the School Transportation Program funding will be held as retention until all grant requirements are satisfied at the end of the agreement term.

Eligible Costs for School Transportation Programs

- **An LEA can spend at most 10% of its grant award on its School Transportation Program.**
- Grant awards should supplement, not supplant, the existing services and funds provided by grantees to support transportation programs.
- School Transportation Program funding may be used to cover extra infrastructure costs instead of eligible School Transportation Program costs.
- Below is a list of eligible costs that could be covered by the School Transportation Program funding. This list is not comprehensive. If an LEA would like to cover a cost not listed below, they will need to seek individual approval from the grant implementer prior to incurring the cost.
- Proof of costs covered by the School Transportation Program funding will be required, and may include, but will not be limited to, a signed attestation, scope of work, contract, and invoice.
- The School Transportation Program funding can **ONLY** be used to supplement expenses from an awarded LEA's transportation department. It cannot be used to supplement any other area of an LEA.
- All costs must be incurred within the LEA's grant agreement term. Per Senate Bill 114, LEAs shall have three fiscal years after the fiscal year in which the funds are received to expend the funds.
- Including, but not limited to:

Transportation Infrastructure

- Charger Upgrades/Repairs
- Fuel Costs (electricity or hydrogen ONLY)
- ZE Short-Term/Temporary Charging



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Eligible Costs for School Transportation Programs (Continued)

Transportation Vehicles (Owned and Operated by the awarded LEA)

- ZE School Bus Repairs (outside warranty)
- Automotive Parts for ZE School Buses
- Automotive Tires for ZE School Buses
- Maintenance Contracts
- Charging Management/V2G Management Services

Transportation Department Electrical System

- Electrical System Upgrades to Transportation Yards (Transformers, Breakers, Stub outs)

Transportation Department Buildings

- Office Equipment (Computers, Printers, Software)
- Security Cameras and Systems
- Flood Lights

Transportation Yards

- New Pavement/Repavement
- New Fencing/Refencing

Transportation Department ZE Workforce Training

- Incentive Stipends for Completion of the [CEC's Electric School Bus Training Program](#)
- Maintenance Equipment Used for Training
- Mileage Reimbursement for In-Person Training
- Transportation Staff Training (Beyond the CEC's Electric School Bus Training Program)

Transportation Shop Equipment

- Auto Repair Tools for ZE School Buses
- Auto Repair Machinery for ZE School Buses
- High Voltage Safety Equipment/Supplies for ZE School Buses
- EVSE/Diagnostic Equipment