



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 an Incentive Recipient’s grant award is to be spent on zero-emission (ZE) school buses and supporting charging infrastructure and associated costs.
- An Incentive Recipient 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 Incentive Recipients to support transportation programs.
- Recipients shall have three fiscal years after the fiscal year in which the funds are received to expend the funds.

Eligible Applicants

Local Education Agencies (LEAs) are eligible Applicants for ZESBI. An LEA serving students within the K-12th grade levels 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 Incentive Recipients are determined.

Infrastructure Award Amounts

Award Criteria

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

Award Amount Per Charger

- Level 2 (L2) – \$20,000
- Direct Current Fast Charger (DCFC) or DCFC Bidirectional – \$75,000
 - * An Incentive Recipient will be eligible for up to \$95,000 for the first bidirectional DCFC requested. All remaining bidirectional DCFC requested after the first bidirectional DCFC will be eligible for \$75,000.

Example:

- If an Incentive Recipient is awarded three ZESBI-funded ZE school buses, it will be eligible for a maximum infrastructure award of \$245,000. The actual award amount will depend on the type of chargers selected. 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 = \$190,000 award
 - Three bi-directional chargers = \$245,000 award*
 - * When the charger selection exceeds the maximum infrastructure award per school bus, an Applicant can use the School Transportation Program funding to cover the remaining infrastructure costs.

See the [California Energy Commission \(CEC\)’s ZESBI Implementation Manual](#) for information on infrastructure award amounts.



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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,” and are up to the maximum infrastructure award amount.

Procurement Costs*

- Electric vehicle supply equipment
- ZE Mobile Chargers
- One-time network and software costs

Installation Costs

- Construction
- Project management and technical assistance
- 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.
- Sales tax

Other Costs**

- ZE distributed energy resources, such as but not limited to solar and battery storage
- Extended warranties
- ZE Mobile Chargers

*“Procurement Costs” and “Installation Costs” must be fully covered before “Other Costs” become eligible.

More details on eligible equipment and requirements may be found on [CEC’s ZESBI Implementation Manual](#).

Equipment Specifications Requirements

- Standards and requirements for ZESBI-funded charging infrastructure and distributed energy resources may be found in Section 7 Infrastructure Requirements of [CEC’s ZESBI Implementation Manual](#).
- The Incentive Recipient 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.

Combining Other Funds with ZESBI

- ZESBI Infrastructure funds may be used in conjunction, or combined with sources of outside funding such as local or air district funds, utility incentive programs, and/or private investments. However an Applicant may not receive multiple cost-share incentives for any single piece of equipment.
 - Utility programs that reimburse utility service upgrades and integration costs may be utilized but cannot also be reimbursed by ZESBI.
- Multiple sources of CEC funding, such as solicitation or EnergIIZE funding, cannot be combined concurrently with ZESBI funding for one project.
 - * Exception: 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 a minimum of 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 provided to assist Incentive Recipients with reporting.

Funding Disbursement

Infrastructure Award

- ZESBI provides reimbursable payments once per fiscal quarter for eligible costs incurred within the ZESBI Grant Agreement term.

Retention

- 10% of the sum of the infrastructure award and the School Transportation Program funding will be held as retention until all project requirements are satisfied at the end of the Incentive Recipient's Grant Agreement term.

Final Payment

- The final reimbursement payment request form (includes released retention) shall be available after Application Part C - Infrastructure Step 4, and when 12 months of EVSE data collection has been reported.

Eligible Costs for School Transportation Programs

- **An Applicant can spend at most 10% of its total ZESBI grant award on its School Transportation Program (STP) but is not required to spend any of its grant award on its STP; STP funding awards may be used to cover extra infrastructure costs instead of STP costs.**
- Grant awards should supplement, not supplant, the existing services and funds provided to Incentive Recipients to support transportation programs.
- 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 of an Incentive Recipient's transportation department. It cannot be used to supplement any other area/department of the Incentive Recipient.
- All costs must be incurred within the Incentive Recipient's ZESBI Grant Agreement term. Per Senate Bill 114, Incentive Recipients shall have three fiscal years after the fiscal year in which the funds are received to expend the funds.
- Below is a list of eligible costs that could be covered by the School Transportation Program funding. This list is not comprehensive. If an Applicant 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.
- Costs include, but are not limited to:

Transportation Infrastructure

- Charger Upgrades/Repairs
- Fuel Costs (electricity or hydrogen ONLY)



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Eligible Costs for School Transportation Programs (Continued)

Transportation Vehicles (Owned and Operated by the Incentive Recipient)

- ZE School Bus Repairs (outside warranty)
- Automotive Parts for ZE School Buses
- Automotive Tires for ZE School Buses
- ZE 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 Electric School Bus Training Program)

Transportation Shop Equipment

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