Appendix H to the Clean Truck and Bus Voucher Incentive Project (HVIP) Implementation Manual

Public Transit Bus Set-Aside

Effective December 15, 2026

Contents

Eligibility 3
Transit Set-Aside Voucher Amounts and Stacking 4
Flexibilities 6
Letter of Intent for Voucher Requests 6
Purchase Order Date 7
Redemption Timeline 7
Redemption Flexibility for Transit Dealers 7

The HVIP Public Transit Bus Set-Aside (Transit Set-Aside) is an allocation of funds through the Clean Truck and Bus Voucher Incentive Project (HVIP) which specifically funds Transit Agencies in California that are subject to the Innovative Clean Transit regulation to purchase zero-emission buses; as well as tribal transit agencies. Zero-emission transit buses have served as a beachhead, helping spur the initial market for zero-emission vehicles and their components.

CARB adopted the Innovative Clean Transit Regulation (ICT) in December 2018. To facilitate the transition to zero-emission bus fleets, the HVIP Transit Set-Aside holds funding for Transit Agencies subject to the ICT Regulation. **Any Transit Agency, as defined in title 13, California Code of Regulations, section 2023(b)(51), that is subject to the ICT Regulation (title 13, CCR, sections 2023 and 2023.1–2023.11) must be in compliance with all regulatory and reporting requirements in order to redeem an HVIP voucher.** HVIP will consider all ICT-compliant Transit Agencies eligible to request HVIP funding if the total number of zero-emission transit buses operating in the state exceeds Innovative Clean Transit requirements. Only eligible voucher requests will be considered for funding through the Transit Set-Aside.

Current Transit Set-Aside availability can be found at https://californiahvip.org/funding/. Funds are anticipated to remain available to voucher requests year-round if the set-aside is not over subscribed. When the Transit Set-Aside funds are fully requested, HVIP will continue to allow Standard HVIP voucher requests from all public transit bus fleets subject to funding availability. When transit vouchers are funded by Standard HVIP due to a lack of Transit Set-Aside funds, the transit vouchers will adhere to the rules and requirements of Appendix H.

Eligibility

Eligible Vehicles: HVIP-eligible rubber-tire buses designed to transport passengers by road with gross vehicle weight rating (GVWR) greater than 8,500 pounds are eligible for funding through the Transit Set-Aside. Electric trolley buses, school buses, and other fixed guideway vehicles such as rail, even operated by Transit Agencies are excluded from Transit Set-Aside eligibility because the ICT regulation does not apply to them (title 13, CCR, section 2023(a)(2)).

Purchaser Eligibility: Transit Agencies subject to the ICT Regulation are eligible for the Transit Set-Aside if they are purchasing in excess of regulatory targets.

Consistent with ICT Regulation, a Transit Agency has the same meaning as defined in title 13, California Code of Regulations, section 2020(b) and does not mean a correctional facility, airport, college or university, national park, tour bus service providers, or an entity that provides shuttle services solely for patrons of its organization (title 3, CCR, 2023(b)(51)). Further, the ICT regulation does not apply to Caltrans, Caltrain, Amtrak, or any local school district (2023(a)(2)(B). The Transit Set-Aside is reserved for Transit Agencies that are subject to the ICT regulation and own, operate, lease, rent, or contract with another entity to operate buses in California. California Native American tribal governments requesting transit bus vouchers are also eligible for the Transit Set-Aside.

HVIP will consider all Transit Agencies to be exceeding regulatory requirements and eligible to request HVIP funding if the total number of zero-emission transit buses purchased in the state exceeds the anticipated Innovative Clean Transit target as indicated in STAFF REPORT: INITIAL STATEMENT OF REASONS for the Innovative Clean Transit Regulation (Table VIII-10, pp VIII-24). However, Transit Agencies that are subject to the ICT Regulation but are NOT in compliance with all regulatory and reporting requirements are ineligible to redeem HVIP vouchers.

Third Party Operators: Transit Agencies that contract with third-party operators to operate their buses must have the buses registered to the Transit Agency. The contract between the Transit Agency and third-party operator must be submitted to the Voucher Processing Team upon Initial Review of the voucher request if the CA # or DOT # belong to the third-party operator. If a contract expires within the three-year reporting period following redemption of the HVIP voucher, the new contract must be sent to the Voucher Processing Team (hvip-processing@catalystmobility.org).

Transit Set-Aside Voucher Amounts and Stacking

Eligible Transit Set-Aside vehicles may receive an HVIP voucher for up to the funding amounts identified in the table below. The Class 8 Fuel Cell electric bus plus-up is for vehicles fueled exclusively with hydrogen and not capable of being recharged with electricity using a charger.

Zero-Emission Vehicle (ZEV) Bus Vouchers

Bus Class	Public Transit Voucher	Small Public Transit Agency Voucher
Class 2b (8,501-10,000 lbs.)	$9,750	$19,500
Class 3 (10,001-14,000 lbs.)	$ 58,500	$117,000
Class 4 (14,001-16,000 lbs.)	$78,000	$156,000
Class 5 (16,001-19,500 lbs.)	$78,000	$156,000
Class 6 (19,501-26,000 lbs.)	$110,500	$221,000
Class 7 (26,001-33,000 lbs.)	$110,500	$221,000
Class 8 (33,001+)	$156,000	$312,000
Class 8 Fuel Cell (33,001+)	$312,000	$552,000

Small Public Transit Agencies are defined as fleets with 20 or fewer on-road vehicles with a GVWR of 8,500+ pounds.

Stacking HVIP With Other Public Incentives: The sum of HVIP and all other eligible public incentive funding may not exceed the **out-the-door vehicle price**[1]. Revenue funds do not count towards the maximum allowable voucher amount. To stack eligible public incentives, the dealer and purchaser must ensure that all of HVIP's and respective public incentive program's requirements and policies regarding the stacking of public incentives are met. Various incentives may be combined with HVIP vouchers, so long as each incentive program is not paying for the same incremental costs and the total sum of incentives does not exceed the total cost of the vehicle. When stacking, the HVIP incentive will fund the remaining cost up to the maximum voucher amount after the other incentives have been applied at their maximum allowable amounts.

Non-State incentives may also be combined with the Transit Set-Aside.

Applying Additional Public Incentives to HVIP Vouchers:
Non-HVIP incentives may be added to the voucher(s) at any point during voucher progression and **must** be included on the signed final invoice to ensure the sum of HVIP and other eligible incentive funding do not exceed the out-the-door vehicle price. For each individual vehicle, the full name of the external incentive program, the source of the incentive funding, and the corresponding incentive amount must

[1] For publicly owned vehicles, including public transit buses, the HVIP voucher amount may not exceed 100% of the base vehicle cost. The base vehicle price does not include taxes and fees or any other expenses including, but not limited to, extended warranties or spare parts.

be identified and summed up anywhere on the invoice. The external incentives do not need to be a line item. Revenue funding does not count towards the maximum allowable voucher amount and should not be disclosed. HVIP Approved Dealers participating in the Transit Set-Aside are encouraged to include the incentives stacked with HVIP on the Purchase Order prior to signing the Terms and Conditions in order to avoid voucher amount recalculation at a later stage of voucher progression.

Flexibilities

Acknowledging the unique nature of Transit Agencies' operations, their role in the state's air protection and climate goals and helping spur the initial market for zero-emission vehicles and their components, CARB presents additional flexibilities for the Transit Set-Aside to ensure that Transit Agencies are supported in the most efficient way possible as regulatory requirements begin to take effect.

Letter of Intent for Voucher Requests

A Letter of Intent (LOI) is permitted for Transit Agencies in lieu of a purchase order (PO) at the point of a new voucher request submission. The date of signature on the LOI may be no older than 180 calendar days from voucher request submission date. A purchase order (or other binding agreement) will be required within 180 calendar days of submission, otherwise the voucher requests will be cancelled.

The voucher request submitted with a LOI in place of a PO must include the following items:

- Evidence of OEM's awareness of the LOI such as a copy of an email, OEM participating as the approved dealer and submitting the voucher request, etc.
- Date
- Addressed to OEM Point of Contact (POC)
- Transit Agency Letterhead
- Number of vehicles
- Vehicle make/model
- Contingencies (what is the PO/contract dependent upon? Award announcement from other incentive funding sources are a common contingency)
- Estimated date/quarter of contract (PO) signing
- Estimated date/quarter and year of vehicle delivery
- Anticipated HVIP incentive amount per bus

- Transit POC signature
- Transit POC contact info

The format found in the HVIP Sample LOI for Transit Voucher Requests should be used and can be found on the HVIP Resources Page.

A PO is required within 180 calendar days of voucher request submission. Extensions beyond 180 calendar days may be considered on a case-by-case basis.

Purchase Order Date

POs or other binding sales agreements can be no older than 365 calendar days.

Redemption Timeline

Voucher requests submitted through the Transit Set-Aside must be redeemed within 1,095 calendar days.

Redemption Flexibility for Transit Dealers

To enable a faster redemption process for HVIP approved dealers, a Delivery Document may be submitted in advance of final payment. The requirement of other documentation is at CARB's sole discretion.

A Sample Delivery Document for Early Redemption is available for download on the HVIP Resources Page. All fields from this document must be completed and signed in order for the voucher to be considered for early redemption. If the DMV registration is not available, and the voucher is being redeemed with the Appendix H flexibility, please enter "**1/1/1900**" in the Title Transfer Date field in Pending Delivery Status.

The customer (HVIP Purchaser) signer is NOT required to have legal signing authority to complete the Delivery Document. With the Delivery Document provided and all other redemption requirements met, the voucher can be redeemed without DMV Registration and the final payment / final acceptance-made by the purchaser. In this case, however, the dealer must subsequently provide a copy of the DMV Registration and remaining financial documentation, showing that the final payment amount includes the voucher amount and matches the signed final invoice(s), within **30 calendar days** of the Redemption Approval date.

The signed final invoice (including all milestone invoices when applicable) must be submitted for all vouchers, including Transit Set-Aside early redemption vouchers prior to redemption. Proof of payment for some invoices must be uploaded; the

‘Financial Documentation’ folder cannot be empty when utilizing the early redemption option.

HVIP vouchers associated with contracts in which there is retainage are ineligible for early redemption.

All other elements of the HVIP Redemption Checklist / Redemption Form must be followed as specified in the most current Implementation Manual at the time of redemption.