Implementation Manual for the Clean Truck and Bus Voucher Incentive Project (HVIP)

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I. Introduction and Background

The Clean Truck and Bus Voucher Incentive Project (HVIP), formerly the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, accelerates the deployment of zero-emission and plug-in hybrid trucks and buses and trucks equipped with electric power take off (ePTO) systems in California. HVIP benefits the residents of California by providing incentives to stimulate the deployment of advanced clean commercial vehicles, improving community health with immediate air pollution emission reductions, as well as reducing greenhouse gas emissions to help meet State climate goals, and yielding substantial economic benefits. It is implemented through a partnership between the California Air Resources Board (CARB) and a grantee, selected via competitive CARB grant solicitation. HVIP provides vouchers on a first-come, first-served basis in most cases.

There are several key pieces of legislation that provide the overall policy framework and funding to support HVIP. In 2007, Governor Schwarzenegger signed into law the *California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007*. Assembly Bill (AB) 118 (AB 118, Statutes of 2007, Chapter 750) created the Air Quality Improvement Program (AQIP), a voluntary incentive program implemented by CARB, to fund clean vehicle and equipment projects, air quality research, and workforce training.

As required in Health and Safety Code (HSC) Section 44274(a), the Board adopted implementation guidelines in 2009 for AQIP. The Guidelines for the AB 118 Air Quality Improvement Program (Guidelines) define the overall administrative requirements, policies, and procedures for program implementation based on the framework established in statute.

In 2012, the legislature passed, and Governor Brown signed into law, three bills—AB 1532 (Pérez, Statutes of 2012, Chapter 807), SB 535 (de León, Statutes of 2012, Chapter 830), and SB 1018 (Budget and Fiscal Review Committee, Statutes of 2012, Chapter 39)—that established the Greenhouse Gas Reduction Fund (GGRF) to receive Cap-and-Invest auction proceeds and to provide the framework for how the auction proceeds will be administered to further the purposes of AB 32 (Núñez, Statutes of 2006, Chapter 488). Cap-and-Invest auction proceeds have been appropriated to CARB for low carbon transportation projects that reduce greenhouse gas (GHG) emissions, with an emphasis on investments that benefit the State's disadvantaged communities. The low carbon transportation investments build upon and greatly expanded existing advanced technology and clean transportation programs that provide mobile source incentives to reduce criteria pollutant, air toxic, and GHG emissions. In 2016, AB 1550 (Gomez, Chapter 369, Statutes of 2016) established disadvantaged community, low-income community, and low-income household targets for the State's Cap-and-Invest auction proceeds investments.

Senate Bill (SB) 1204 (Lara, Statutes of 2014, Chapter 524) guides CARB's heavy-duty vehicle investments funded with Cap-and-Invest auction proceeds. SB 1204 creates the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program intended to help accelerate the introduction of the next generation of cleaner heavy-duty vehicles and engines with a priority on projects that benefit disadvantaged communities. Among other requirements, SB 1204 directs CARB to develop an annual framework and plan to guide these investments. The Three-Year Investment Strategy for Heavy-Duty Vehicles and Off-Road Equipment included in the annual Funding Plan is designed to help address this requirement.

Senate Bill (SB) 1213 (Reyes, Statues of 2026, Chapter 349) requires CARB to annually reevaluate voucher caps and periodically reevaluate whether taxes should be included in the total cost of ownership methodology used to determine the voucher amounts.

Additionally, the bill requires original equipment manufacturers (OEMs) to provide a manufacturer's suggested retail price (MSRP) to CARB on a quarterly basis for all vehicles they wish to participate in HVIP. The bill also requires final vehicle invoices to clearly itemize the base price not including incentives and itemizations for warranty, taxes, fees, service agreements or additional components not original to the vehicle in addition to vehicle specifics such as make, model, model year, gross vehicle weight rating, and battery capacity.

Beginning January 2027, CARB is required to aggregate and anonymize the data and make publicly available on the website. Lastly, this bill authorizes CARB to recover previously disbursed incentive funds that are found to have been disbursed based on data that was knowingly and intentionally misrepresented and requires CARB to remove vehicle models from the HVIP catalog for failure to comply with requirements in this bill.

In 2020, Governor Gavin Newsom issued Executive Order N-79-20[1], mandating that all new passenger vehicles sold in California be zero-emission by 2035, with medium- and heavy-duty vehicles to follow by 2045. In addition, all drayage trucks will be zero-emission by 2035. This directive is central to California's climate strategy, aiming to reduce emissions from the transportation sector—one of the state's largest sources of air pollution. Zero-emission vehicles (ZEVs), including battery-electric and hydrogen fuel cell vehicles, are key to this transition. State actions such as CARB's Advanced Clean Trucks regulation accelerate the shift to zero-emission trucks beginning in 2024. The order is expected to improve public health, create green jobs, and reduce healthcare and energy costs. California has already exceeded its interim goal of 1.5 million ZEVs, signaling strong progress toward the 2035 target.

In addition, Executive Order N-27-25[2], issued by Governor Gavin Newsom on June 12, 2025, reaffirms California's commitment to transitioning to zero-emission vehicles despite

[1] Available here: *Governor's Executive Order N-79-20*
[2] Available here: *Governor's Executive Order N-27-25*

federal rollbacks. The order directs the California Air Resources Board (CARB) to develop the Advanced Clean Cars III regulation to reduce emissions and ensure continued progress toward clean air and climate goals. It also instructs CARB to maintain public lists of manufacturers and fleets that remain compliant with California's clean vehicle standards, which will guide state procurement and incentive programs. Additionally, the order directs state agencies to prioritize funding for compliant manufacturers and fleets and continues efforts under the Clean Truck Partnership, ensuring California maintains its leadership in clean transportation regardless of federal challenges.

The Implementation Manual identifies the minimum requirements for implementing HVIP. The Implementation Manual may be periodically updated as needed to clarify project requirements and improve project effectiveness. The Implementation Manual, including any updates, will be posted on CaliforniaHVIP.org and sent via email to subscribers of the HVIP email notifications

Table 1 clarifies which fiscal year coincides with which HVIP project year.

Table 1: Fiscal Year/HVIP Project Year

Fiscal Year	HVIP Project Year
FY 2009-10	Year 1
FY 2010-11	Year 2
FY 2011-12	Year 3
FY 2012-13	No HVIP Funding
FY 2013-14	Year 4
FY 2014-15	Year 5
FY 2015-16	Year 6
FY 2016-17	Year 7
FY 2017-18	Year 8
FY 2018-19	Year 9
FY 2019-20	Year 10
FY 2020-21	Year 11
FY 2021-22	Year 12
FY 2022-23	Year 13
FY 2023-24	Year 14
FY 2024-25	Year 15
FY 2025-26	Year 16
FY 2026-27	Year 17

A. Summary of Updates included in this Iteration of the IM

- Clarified the definitions of public funding and public incentives. Public incentives must be disclosed on purchase orders and final invoices. Public funding, such as revenue generated by public entities should not be disclosed.
    - Definition describing public incentives has been added
    - All sources of incentives disclosed on the final invoice will count towards the maximum allowable grant amount, even if they are considered revenue.
    - The HVIP voucher amount must be a line item on the invoice.
        - External incentives do not need to be a line item but must be included on the final invoice.
    - The last 6 characters of the VIN are required within 60 calendar days of the voucher progressing to the accepted pending confirmation stage.
    - The complete VIN is required when the voucher progresses to the pending delivery stage.
- Expansion of acceptability of letters of intent (LOI). Any public entity purchasing any HVIP eligible vehicle may submit a LOI instead of a purchase order
- Increased the voucher cap for most purchaser types
- Vehicles cannot be approved for eligibility and added to the catalog unless the OEM has an HVIP approved dealer or the OEM themselves are an HVIP approved dealer.
    - If after inclusion in the catalog a situation arises where there is no longer an HVIP approved dealer for an eligible technology, new voucher requests will be paused. If after 90 calendar days there is still no dealer, the technology will be removed from the catalog.
- Update to Appendix I: Vouchers for Demonstration Vehicles
- Introduction of Appendix K: Bulk Purchase Provision

B. Innovative Clean Transit Regulation

In December 2018, CARB replaced the Fleet Rule for Transit Agencies with the Innovative Clean Transit (ICT) Regulation. The ICT Regulation, title 13, article 4.3, California Code of Regulations, applies to a transit agency that owns, operates, leases, rents, or contracts with another entity to operate buses in California. Vehicles that operate on rails, (electric) trolleybuses, or school buses, even if operated by a transit agency are excluded from the regulations, as well as Caltrans, Caltrain, Amtrak, or any local school district. In addition, a transit agency does not mean a correctional facility, airport, college or university, national park, tour bus service provider, or an entity that provides shuttle services solely for patrons of its organization.

Starting in 2022, any transit agency subject to the ICT Regulation (Title 13, California Code of Regulations, section 2020(b) must be in compliance with all regulatory requirements and reporting in order to receive HVIP funds. HVIP voucher requests for applicable transit agencies submitted during or after 2022 will not be redeemed if the purchaser is not in compliance with ICT. HVIP will remain available to fleets purchasing a zero-emission bus

prior to compliance deadlines or in excess of regulatory requirements and HVIP-funded vehicles purchased prior to or in excess of regulatory requirements can be used to count toward future requirements, where applicable. Additionally, HVIP will consider all transit agencies eligible to request HVIP funding if the total number of ZE transit buses operating in the state exceeds Innovative Clean Transit requirements.

C. Clean Truck Check

Senate Bill 210 (Leyva; Chapter 298, Statutes of 2019) directed CARB to develop and implement a comprehensive heavy-duty vehicle inspection and maintenance (HD I/M) regulation to ensure that heavy-duty vehicles' emissions control systems are properly functioning when traveling on California's roadways.

The Board approved the regulation on December 9, 2021, with implementation starting January 2023. Commonly referred to as Clean Truck Check, the program combines periodic vehicle testing requirements with other emissions monitoring techniques and expanded enforcement strategies to identify vehicles in need of emissions-related repairs, and ensures any needed repairs are performed. When fully implemented, the program will provide significant reductions in smog-forming and carcinogenic toxic air pollution necessary to achieve federal air quality mandates and healthy air in California's communities.

Clean Truck Check applies to most diesel and alternative fuel vehicles with a gross vehicle weight rating (GVWR) over 14,000 pounds including out-of-state and out-of-country vehicles, transit shuttle and school buses, agricultural vehicles and personal use motorhomes. The rule requires that the vehicle be tested regularly to ensure all emissions equipment is functioning properly, report the testing data to CARB and pay an annual compliance fee.

II. How to Participate

In order to receive an HVIP voucher, an eligible vehicle purchaser must work with an HVIP approved dealer to purchase or lease an HVIP eligible vehicle. The HVIP approved dealer will review purchaser eligibility and submit a voucher request on the purchasers' behalf. HVIP funds are intended to reduce the cost of purchasing or leasing a completed vehicle upon delivery to a purchaser by paying the dealer directly for the HVIP incentive amount. HVIP approved dealers and HVIP eligible vehicles are listed on CaliforniaHVIP.org.

There are three main parties involved in HVIP in addition to CARB and the administrator:

1) Manufacturers: Vehicle participate in HVIP by manufacturing and selling zero-emission trucks or buses and providing telematics reports. Vehicles can only be eligible if there is an HVIP approved dealer.

2) Dealers: Vehicle dealers participate in HVIP by submitting and processing a voucher request on behalf of the purchaser while also selling an HVIP eligible vehicle to eligible purchasers.

3) Purchasers: Vehicle purchasers participate in HVIP by purchasing or leasing an HVIP eligible vehicle through an HVIP dealer, meeting the HVIP Terms and Conditions and operating the vehicle in California for at least three years

A. Project Framework

The following section outlines the timeline and key steps involved in obtaining an HVIP voucher. Figure 1 presents a high-level overview of the process. It begins with an original equipment manufacturer (OEM) producing a truck or bus that meets HVIP eligibility criteria. For details on qualifying technologies and the application process, refer to Section II – Vehicle Technology Eligibility or visit CaliforniaHVIP.org for a current list of eligible vehicles. Only HVIP eligible vehicles with HVIP eligible dealers are included in the catalog.

Once a vehicle is approved, it can be sold by an HVIP-approved dealer to an eligible purchaser. At the point of sale, a voucher incentive, based on the values provided in Section III – Voucher Requirements, is applied as a discount to the vehicle's price. After the vehicle is delivered, the dealer redeems the voucher, and the purchaser must own and operate the vehicle in California for a minimum of three years. Additional information on dealer and purchaser obligations can be found in Section VII, HVIP Dealer Eligibility and Requirements, and Section VIII, HVIP Purchaser Responsibilities.

Figure 1: HVIP Overview[3]

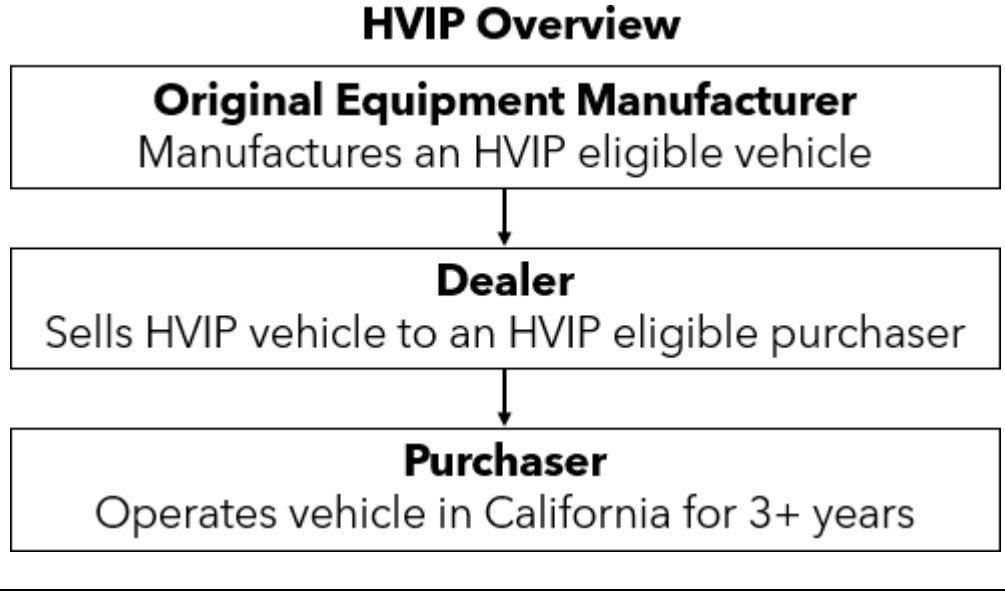


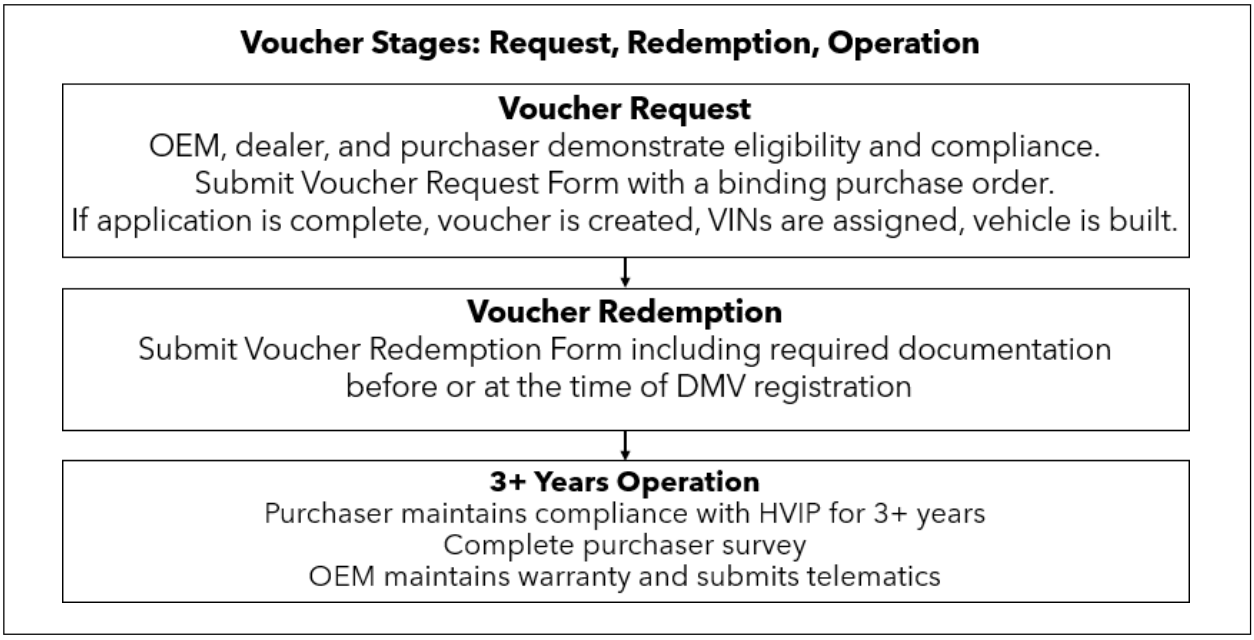
Figure 1. In HVIP, the original equipment manufacturer builds an HVIP eligible vehicle. This vehicle is then sold by an HVIP approved dealer to an HVIP eligible purchaser who ensures operation in California for at least three years.

Figure 2 is an overview of the voucher process in three stages: 1) Voucher request, 2) Voucher Redemption, and 3) Operation.

[3] In HVIP, the original equipment manufacturer builds an HVIP-eligible vehicle. This vehicle is then sold by an HVIP-approved dealer to an HVIP-eligible purchaser who ensures operation in California for at least three years.

A voucher will not be issued unless the OEM, dealer, and purchaser meet all eligibility and compliance requirements outlined in the HVIP Implementation Manual. Once the voucher request is reviewed and approved by CARB or its grantee, the voucher is created, the last 6 characters of the vehicle identification numbers (VINs) are uploaded to the Voucher Processing Center (VPC), and the vehicle is built. After the vehicle is completed and all necessary information is verified, the redemption process begins. When all redemption requirements are satisfied, the voucher is paid. The purchaser must then ensure the vehicle operates in California for at least three years. For more details on voucher processing stages, see **Appendix D**.

Figure 2: Overview of Voucher Process[4]



[4] During a voucher request the dealer demonstrates the purchaser's eligibility. Once the purchaser's eligibility is confirmed, a voucher is created and the dealer orders the vehicle. After the vehicle is ready to be delivered to the purchaser, redemption processing begins. When redemption is complete, the purchaser maintains ownership and ensures vehicle operation in California for three or more years.

Each voucher processing stage consists of actions summarized below; this list is not all-inclusive. These actions must be completed to progress through voucher processing. Actions that do not meet the requirements outlined throughout the HVIP Implementation Manual will delay voucher processing.

Voucher Request
☐ Submit a complete Voucher Request Form ☐ Upload signed, binding purchase order (PO) ☐ Demonstrate HVIP eligibility ☐ Provide Domicile Address ☐ Provide CA# ☐ Provide DOT# ☐ AB 794 attestation ☐ Proof of business in CA for 1+ years ☐ Proof of fleet size ☐ Provide purchase order with HVIP as line item ☐ Disclose all additional incentive funding sources (specific line item not required)
Voucher Created
☐ Provide last 6 digits of the VIN ☐ Provide anticipated delivery date
Voucher Redemption
☐ Provide complete 17-character VIN ☐ VIN and VECI match or attest ☐ Submit a complete Voucher Redemption Form ☐ Final payment from purchaser to dealer ☐ Signed final invoice ☐ Financial documentation ☐ Submit Vehicle Inspection Form ☐ Proof of mileage and delivery ☐ DMV registration after above documentation submitted

Operation

- ☐ Maintain compliance with AB 794, CARB regulations, and HVIP Terms & Conditions
- ☐ Register and operate vehicle in CA for 3+ years
- ☐ Submit annual surveys
- ☐ Submit telematics reports (OEM Requirement)
- ☐ OEM warranty
- ☐ Keep written records for 3+ years

B. General Voucher Requirements

1) HVIP incentives can only be provided for eligible vehicles as identified in the HVIP Vehicle Catalog.

2) The vehicle requested must be part of a commercial, non-profit, or public fleet. Personal use vehicles are not eligible for HVIP incentives.

3) The vehicle must be a new vehicle as defined in California Vehicle Code Section 430.[5]

4) Only public fleets and tribal governments are eligible to receive HVIP incentives for zero-emission pickup trucks.

5) Except for emergency response vehicles as defined by California Vehicle Code (CVC) section 165, vehicles with on board combustion technology used for the purposes of increasing vehicle range and/or providing auxiliary power are not eligible for HVIP.

6) The chassis of any vehicle receiving an HVIP voucher must be titled and licensed in California and the vehicle must be California-registered. The delivered chassis must match the chassis listed on the corresponding CARB Executive Order (EO). HVIP adheres to the California Department of Transportation's definition of a completed vehicle, which stipulates that the vehicle must have a VIN tag indicating its completion. Typically, if a vehicle is not fully completed at the OEM production facility, a body must be installed, resulting in a supplemental VIN tag from the body upfitter indicating the vehicle has been completed.

7) The vehicle model year indicated by the VIN is required to be identical to the EO model year for voucher processing. A letter of attestation may be provided by the manufacturer to resolve any misalignment between VIN model year and EO model year for the purpose of submitting an accurate voucher request and for voucher redemption. The letter of attestation must specify the VIN model year(s), vehicle family name, vehicle model name(s), and EOs associated with the vehicles. The letter must also include a declaration stating that the manufacturer understands they will be responsible for returning HVIP voucher funds and for any CARB penalties should there be any issues resulting from the VIN model year and EO model year misalignment. The letter of attestation should be submitted to *hvip@arb.ca.gov* .

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[5] Per section 430 of the California Vehicle Code, a "new vehicle" is a vehicle constructed entirely from new parts that have never been the subject of a retail sale, or registered with the California Department of Motor Vehicles, or registered with the appropriate agency or authority of any other state, District of Columbia, territory or possession of the United States, or foreign State, province, or country.

III. Vehicle Technology Eligibility and Manufacturer Responsibilities

This section describes the minimum criteria necessary for a vehicle to obtain HVIP eligibility. Once a vehicle becomes HVIP eligible, the vehicle must continually meet the minimum criteria as stated. Failure to maintain eligibility may result in the vehicle being removed from the HVIP eligible vehicle catalog. If a vehicle associated with a voucher request fails to meet the minimum eligibility criteria, the voucher request will be cancelled. If a vehicle has already been delivered and received HVIP funding, and is later found to be ineligible, the manufacturer will be responsible for returning the full amount of the HVIP voucher upon request by the grantee or CARB.

In order for an eligible technology to be included in the catalog the manufacturer must have at least one HVIP approved dealer. If after inclusion in the catalog a situation arises where there is no longer an HIVP approved dealer for an eligible technology, new voucher requests will be paused until a dealer is established. If after 90 calendar days there is still no dealer, the technology will be removed from the catalog.

It is the responsibility of the manufacturer to request vehicle eligibility, and to ensure the vehicle meets the minimum eligibility criteria at time of vehicle delivery and voucher redemption. The manufacturer is also responsible for informing CARB before voucher redemption if an HVIP-eligible vehicle does not meet the minimum eligibility criteria at the time of vehicle delivery.

CARB is responsible for evaluating and approving vehicle eligibility. CARB, at its sole discretion, may inspect vehicles to ensure the vehicles meet all applicable local, state, and federal laws, ordinances and requirements, including but not limited to CARB certification and all applicable safety and air quality regulations. CARB, may require vehicle manufacturers to temporarily provide an HVIP eligible vehicle to CARB at their own expense to undergo testing by CARB staff at the Riverside, California laboratory. The testing procedures and cycles will be determined by CARB with public input to help ensure eligible vehicles meet manufacturer specifications as well as reasonable performance, vocational, and safety expectations of applicable end-user fleets.

Any dealer or manufacturer that participates in HVIP must allow CARB to inspect HVIP-funded vehicles upon request or they may be deemed ineligible for HVIP and/or required to pay back voucher funds. Vehicles that do not comply with all applicable local, state, and federal laws can be deemed ineligible for funding. Vehicle eligibility applications and submittal instructions are found in Appendix B. An updated list of eligible vehicles can be found at CaliforniaHVIP.org.

HVIP approved vehicles and engines will remain eligible for two years following the year they are initially submitted. For example, in 2027 the model years 2025, 2026, and 2027 are eligible for HVIP, while previous model years are not. HVIP eligibility per Appendix A must be completed for each eligible model year. ePTO systems may be approved for HVIP eligibility for up to three years. Major changes to the ePTO equipment requires resubmission of an eligibility application.

All manufacturers of HVIP-eligible vehicles that are subject to recalls reported to the National Highway Traffic Safety Administration (NHTSA) must notify CARB within 30 calendar days of the NHTSA filing to hvip@arb.ca.gov.

A. General Requirements for HVIP Eligible Technology

The vehicle, including the propulsion system, powertrain/drivetrain, batteries/energy storage system(s) and engine (if applicable) must be covered by a manufacturer warranty. The engine warranty requirement in HVIP applies to vehicles receiving funding and is not intended to supplement or limit the certification requirements. With the exception of new or repowered vehicles using engines certified to the optional NOx standard of 0.01 g/bhp-hr and ePTOs, HVIP eligibility applies only to vehicles identified on CARB Executive Orders (EO).

1) Prior to CARB approving a vehicle model for HVIP eligibility, the manufacturer must provide copies of representative vehicle, engine and battery warranties and a description of the manufacturer's plans to provide warranty and routine vehicle service. HVIP vehicles must provide one of two warranty options described below. A manufacturer has the option to provide either warranty on any vehicle.

    a) Option 1: The warranty must provide protection for a minimum of three years or 50,000 miles, whichever comes first, and provide full warranty coverage of, at a minimum: motor, propulsion system, powertrain/drivetrain, battery, parts and labor; or

    b) Option 2: The warranty must provide protection for a minimum of two years or 100,000 miles, whichever comes first, and provide full warranty coverage of, at a minimum: motor, propulsion system, powertrain/drivetrain, battery, parts and labor.

2) Vehicles that are approved for light-duty or passenger vehicle incentive programs are not eligible to participate in HVIP.

3) Pickup trucks as defined under California Vehicle Code Section 471 (i.e., GVWR <11,500 lbs., unladen weight <8,001 lbs., and open box-type bed <9 feet) are generally excluded from HVIP eligibility, an exception is made for zero-emission pickup trucks operated by public fleets that meet the following criteria:

    a) Vehicle Classification: The vehicle must have a GVWR between 8,501 and 11,500 pounds.

    b) Zero-Emission Technology: The vehicle must be powered exclusively by battery-electric or hydrogen fuel cell systems.

    c) Fleet Type: The vehicle must be purchased and operated by a public agency or public fleet.
        i. A State or local government agency is a city, county, public utility, special district, local agency or district, or a public agency of the State

of California, and any department, division, public corporation, or public agency of the State of California.

ii. A tribal government is defined as all federally recognized tribes in California listed on the most recent notice of the Federal Register, and non-federally recognized tribes, including those listed on the California Tribal Consultation List maintained by the California Native American Heritage Commission.

d) OEM Certification: The vehicle must be listed in the HVIP Eligible Vehicle Catalog and certified by CARB as compliant with all applicable zero-emission standards.

e) Exclusion Clause: Vehicles equipped with a permanently attached camper (i.e., housecars) remain ineligible, consistent with Vehicle Code Sections 471 and 362.

4) HVIP-eligible vehicles must be purchased from an HVIP approved dealer. If an OEM is not an approved dealer and does not have an independent dealer that is HVIP approved, the OEM may be suspended from HVIP participation until a dealer is secured.

5) To be eligible, vehicles must have at least one California-based service facility affiliated with the manufacturer. This facility must be capable of providing dealer product training, as well as vehicle service, warranty service, and repairs. Additionally, both the vehicle manufacturer and any affiliated California-based service providers must be able to support vehicle service, warranty service, and repairs throughout the state.

6) No retrofits or other hardware or software modifications that significantly impact the vehicle's emissions characteristics are permitted. (California Vehicle Code Section 27156).

7) The vehicle must meet all applicable local, state, and federal laws, ordinances and requirements, including but not limited to all applicable safety and air quality regulations.

8) Vehicles with lead-acid batteries used for traction power or ePTO operation are not eligible for HVIP. Lead-acid batteries may be used to power accessories or other justified uses.

9) The chassis of any vehicle receiving an HVIP voucher must be titled and licensed in California and the vehicle must be California-registered. The delivered chassis must match the chassis listed on the corresponding CARB EO. HVIP adheres to the California Department of Transportation's definition of a completed vehicle, which stipulates that the vehicle must have a VIN tag indicating its completion. Typically, if a vehicle is not fully completed at the production facility, a body must be installed, resulting in a supplemental VIN tag from the body upfitter.

10) Telematics data: All vehicles, except military vehicles, shall be equipped with a data acquisition system capable of collecting vehicle Global Positioning System (GPS) data and vehicle mileage. Additional telematics requirements for ePTO vehicles are covered separately in section II(D)(6).

B. (Manufacturer Responsibilities) Telematics Requirements for Manufacturers of Technology receiving HVIP Incentives

Each quarter the administrator will provide all participating vehicle manufacturers a list of VINs corresponding to HVIP-funded vehicle they manufactured Within 45 calendar days the Manufacturer shall provide a report with both quarterly and cumulative data listing the following information for each specified vehicle:

1) Hours and percentage of total time when the vehicle is operating (operating would mean vehicle is "key on") within a disadvantaged community (DAC)[6].

2) Percentage of calendar days when workday is ended in a DAC.

3) Total miles driven and the percentage of those miles traveled within a DAC.

4) Each report shall be broken into two groups:

   a) Vehicles domiciled in a DAC

   b) Vehicles not domiciled in a DAC.

5) Vehicle manufacturers shall provide a minimum of three years of data for vehicles from the date of voucher payment.

6) HVIP defines DAC eligibility as a vehicle domicile address in any of the following areas of the Priority Populations Mapping Tool.

   a) Disadvantaged communities

   b) Disadvantaged and low-income communities

   c) Low-income communities within ½ mile of a disadvantaged community

   d) Low-income households within ½ mile of a disadvantaged community

7) All vehicles will need to report DAC data to be used by CARB to analyze funding allocations.

8) OEMs reporting zero miles for any HVIP-funded vehicles for two consecutive quarters will be required to provide additional documentation as to the reasons for the downtime.

9) CARB, at its sole discretion, may request additional information such as average energy consumption and/or battery state of charge.

C. New Zero-Emission Vehicles

Hydrogen fuel cell and battery electric vehicles produce zero tailpipe emissions and are eligible for HVIP. Other technologies that produce zero tailpipe emissions when in operation, may be considered for HVIP eligibility on a case-by-case basis. Hydrogen fuel cell vehicles must not have plug-in capacity. Internal combustion hybrid technology is not eligible for HVIP.

1) For the purposes of HVIP, a new chassis that has been converted with aftermarket parts or equipment to create a zero-emission vehicle is not considered a new vehicle, unless the completed zero-emission vehicle has obtained CARB new vehicle certification. An HVIP-eligible vehicle (and vehicle chassis) must be new and not yet have been registered in any state or paid for by the purchaser (other than a vehicle down payment) in order to receive a voucher. Used vehicles (including vehicles used by dealers, manufacturers, or other entities or for demonstration purposes) are not eligible for HVIP.

    a) Any delivered chassis must match the chassis listed on the corresponding CARB EO.

    b) A Vehicle Emissions Control Information (VECI) label must be provided on the chassis and the information must match the CARB EO.

    c) A complete vehicle tag must be displayed on the vehicle.

2) Zero-emission vehicle makes/models must fall into one of the following categories to apply to CARB for HVIP eligibility:

    a) Zero-emission vehicles with a GVWR from 8,501 to 14,000 lbs. that are CARB-certified as Type I, I.5, II or III zero-emission vehicles as defined in the California ZEV Regulation (Section 1962(d)(5)(A), Title 13, California Code of Regulations (CCR) for 2003-2008 model year vehicles and Section 1962.1(d)(5)(A), Title 13, CCR for 2009 and subsequent model years). Those vehicles from 8,501 to 10,000 lbs. GVWR may apply for HVIP eligibility; however, eligibility for this lightest vehicle class is provided on a case-by-case basis only if the vehicle is exclusively for commercial (not personal) use, and meets the intent of HVIP.

    b) Zero-emission vehicles above 14,000 lbs. GVWR that are CARB-certified. The manufacturer must also certify that the vehicle model complies with all applicable federal safety standards for new motor vehicles and new motor vehicle equipment

issued by the National Highway Traffic Safety Administration. The Federal Motor Vehicle Safety Standards are found in Title 49 of the Code of Federal Regulations (CFR) Part 571.

c) If a written statement and documentation have been previously provided to CARB in the course of applying for CARB approval/certification of the vehicle model, no additional written statement is required.

3) The vehicle must demonstrate a minimum 35-mile all-electric range (AER). CARB retains sole authority to determine the appropriate procedure to perform AER demonstration.

4) The vehicle must be demonstrably designed exclusively for commercial use (i.e. not intended for private or non-commercial use).

5) Zero-Emission Powertrain Certification (ZEPCert) is required for all zero-emission powertrains installed in zero-emission vehicles.

D. Zero-Emission Vehicle Conversions

This section applies to new or in-use vehicles with conventional fuel type that convert to zero-emission, including battery electric and hydrogen fuel cell technologies. Hydrogen Fuel cell vehicles must not have plug-in capacity.

1) For conversions of any type of vehicle to zero-emission, the aftermarket conversion kits must receive an exemption EO from CARB.

2) A voucher will not be issued until the vehicle conversion is verified by the grantee, CARB, or CARB's designee.

3) The maximum chassis age for zero-emission vehicle conversions is ten years. CARB may consider chassis older than ten years on a case-by-case basis.

4) The incentive amounts for truck conversions are 75% of a new truck voucher.

5) Conversions must demonstrate proof of compliance with the AER requirements.

6) If a vehicle has an Executive Order Relating to Conversion of On-Highway Vehicles to Electricity, (Conversion EO) the vouchers requested for that vehicle must be a Conversion Voucher.

7) The dealer may sell a powertrain/drivetrain installed in a vehicle identified at the time of voucher request. The dealer is prohibited from requesting a voucher for a transaction involving only the powertrain/drivetrain without installation of the powertrain/drivetrain into a vehicle identified at the time of voucher request.

E. Vehicles with ePTO

The following vehicle eligibility requirements apply to vehicles equipped with ePTO

1) Vehicles with an ePTO powered by lead acid battery technology are not eligible.

2) Vehicles whose ePTO is powered by a battery chemistry other than lithium ion or other zero-emission technology will be considered for HVIP funding eligibility on a case-by-case basis, with voucher amounts dependent upon technology incremental cost, potential for technology transfer to other vehicle or equipment applications, and other criteria.
3) An ePTO system must use alternating current (AC) to power the electric motor and have a voltage of at least 40 volts. An ePTO system using direct current may be approved by CARB Project Liaison on a case-by-case basis based upon evidence the system is robust and will not compromise workplace safety.

4) The vehicle ePTO system must demonstrate ability to charge from the battery manufacturer recommended minimum state-of-charge (i.e., the remaining battery voltage defined by the manufacturer at which the vehicle engine will turn on to recharge the ePTO battery) to fully charged within twelve hours when plugged in. The manufacturer recommended minimum state-of-charge utilized during HVIP eligibility application ePTO demonstration may not be adjusted in-use for a minimum of three years from the vehicle's HVIP voucher redemption date.

5) When the ePTO system is engaged at the jobsite, heating, ventilation, and air conditioning (HVAC) cab comfort must be powered by the ePTO battery.

6) In addition to the telematics requirement for all vehicles, ePTO vehicles should report time and location when operating in ePTO mode.

    a) Each report shall be broken into two groups:
        i) Vehicles domiciled in a DAC.

        ii) Vehicles not domiciled in a DAC.

        iii) Vehicle manufacturers shall provide a minimum of three years of data for vehicles from the date of voucher payment.

        iv) For DAC mapping data files, visit CARB's Priority Populations Mapping Tool.

7) Class 5 (GVWR 16,001 to 19,500)/6 (GVWR 19,501 to 26,000) ePTO Plug-In Requirement: Vehicle purchasers must agree to provide access to necessary charging equipment at the domicile location, or a copy of their company's charging policy showing plug-in access.

8) Work vehicles with ePTO may be deemed HVIP eligible by CARB staff based on a demonstration that the vehicle engine does not idle to recharge the battery or to power the truck mounted hydraulic, pneumatic or electric work equipment utilized for performing stationary work in a typical workday.

a) The use of video conferencing and/or telematics data collection may be utilized for ePTO demonstrations, unless the CARB Project Liaison specifies otherwise. The CARB Project Liaison and manufacturer applicant will agree on the demonstration method on a case-by-case basis.

b) The CARB Project Liaison may also require in-person demonstration. In-person demonstration must be conducted within a 100-mile radius of CARB headquarters in Sacramento, California unless an alternate location is preapproved by the CARB Project Liaison.

1. Additional Requirements for Utility Bucket Trucks

The following procedures are required for the demonstration of utility bucket trucks. The CARB Project Liaison or designee may approve in writing modifications to the ePTO demonstration procedures listed below.

For the demonstration of non-utility bucket truck ePTO systems, the CARB Project Liaison and manufacturer applicant will develop and agree on the testing procedure on a case-by-case basis.

2. Demonstration of ePTO Systems on Aerial Vehicles with GVWR 26,001+ lbs.

1) The CARB Project Liaison or designee approves in writing a vehicle and ePTO duty cycle that reflects a typical workday. The duty cycle must include the following parameters:

   a) At least 45 minutes of total boom movement with at least 175 lbs. in the bucket, including a minimum of 22.5 minutes of vertical boom movement and 22.5 minutes of horizontal boom movement. Each boom movement must extend to maximum achievable boom left/right and up/down positions.

   b) At least five minutes of air conditioning, running at maximum capacity with the cab windows closed.

   c) Vehicles with a battery charge while driving feature may include up to one hour of driving as part of the duty cycle. Drive cycles will be considered by the CARB Project Liaison on a case-by-case basis and must reflect a suburban driving environment (i.e. moderate speeds and number of stops).

3. Demonstration of ePTO Systems on Aerial Vehicles with GVWR 16,000-26,000 lbs.

Due to differing duty cycles of Class 5 and Class 6 aerial vehicles, the following demonstration is required for ePTO installed on aerial vehicles with GVWR between 16,001-26,000 lbs.

The work cycle is defined as 6 job sites with 10 miles between each job site. At each job site, the vehicle will perform one aerial boom cycle as defined below.

1) An aerial boom cycle consists of taking the aerial device from the stowed position, to a defined working position, and returning to the stowed position.

2) From stowed to the working position: activate upper and lower boom simultaneously until upper boom reaches 45 degrees above horizontal and lower boom is completely unfolded or vertical. Rotate machine 90 degrees. Extend upper boom if unit is equipped with a telescopic boom section.

3) From working position to the stowed position: stow the unit fully in the reverse order, retracting telescopic boom sections, rotating, and lower the upper and lower boom simultaneously. A cycle is considered completed once the aerial device has returned to the stowed position.

4) ePTO systems must be able to perform the below defined demonstration without fully depleting the ePTO battery and without engine auto-start in order to be eligible for funding. During the ePTO demonstration, the battery state-of-charge (SOC) must be recorded for each of the steps below. The ePTO demonstration consists of the following:

    a) Park the test vehicle at the test site and conduct pre-operational safety procedures, as applicable.

    b) Place the vehicle into ePTO mode and set the outriggers, if applicable

    c) Engage the aerial device controls and perform one aerial boom cycle (as described above)

    d) Return aerial boom to the stowed position and operate at least five minutes of air conditioning, running at maximum capacity with the cab windows closed.

    e) Drive vehicle for a total of 10 miles and return to test site.

    f) Repeat steps 1-5 to simulate a second jobsite.

    g) Repeat steps 1-5 to simulate a third jobsite.

    h) Repeat steps 1-5 to simulate a fourth jobsite.

    i) Repeat steps 1-5 to simulate a fifth jobsite.

    j) Repeat steps 1-5 to simulate a sixth jobsite.

    k) Record final battery SOC.

F. New and Repowered Vehicles using Engines certified to the optional NOx Standard of 0.01 g/bhp-hr

Below are the minimum criteria necessary for a vehicle equipped with or repowered with an engine certified to the optional NOx standard of 0.01 g/bhp-hr. Once a vehicle is equipped with such an engine, the vehicle must continually meet the minimum criteria as stated. The telematics requirement (Section B(1)(l) does not apply to this section.

1) New vehicles must be equipped or repowered with an engine certified to 0.01 g/bhp-hr.

2) The engine must be covered by a manufacturer warranty. The warranty must provide protection for a minimum of three years or 50,000 miles, whichever comes first or two years or 250,000 miles, whichever comes first.

3) The engine warranty requirement in HVIP applies to vehicles receiving funding and is not intended to supplant or limit the certification requirements. The emissions warranty specified in title 13 CCR section 2036, remain applicable to engines used in HVIP-funded vehicles. For example, for an engine used in a heavy heavy-duty Class 8 vehicle (33,000 lbs. and greater gross vehicle weight rating) that is funded, the engine emissions warranty would be as specified in title 13 CCR section 2036.

4) If the engine is for a repower, the engine repower must be performed by an installer authorized by the engine manufacturer.

5) Fleets using natural gas internal combustion engines are required to self-certify per the Terms and Conditions that they are refueling with 100% California-produced Renewable Natural Gas (RNG) for a minimum of three years, either at public stations, via a fuel contract, or both.

IV. Purchaser Eligibility

Eligible purchasers must be a business, nonprofit, or government entity which is based in California or has a California-based affiliate. Vehicles for personal use are not eligible for HVIP funding.

A purchaser for the purposes of HVIP is the individual or organization who will operate the vehicle for a minimum of three years after voucher redemption.

Fleets based in Mexico are eligible to participate in HVIP so long as they register with the California Secretary of State, have California DMV registration, and can adhere to the provisions of the Implementation Manual. They can accrue up to 50% of mileage outside of California, non-inclusive of idle time.

A purchaser cannot be a manufacturer, or an entity with a dealers license. Entities with dealer licenses', manufacturers, and any entities under common ownership or control with such establishments are prohibited from requesting a voucher as a purchaser.

Entities, including entities under common ownership or control, that have been identified as a dealership, or manufacturer in any previous HVIP transactions are prohibited from requesting new vouchers as a purchaser. Voucher requests cannot list any HVIP-approved dealer, manufacturer, and any entities under common ownership or control with such establishments as the purchaser.

If a voucher request of more than five vehicles is submitted, and the voucher request represents the fleet's first vehicles domiciled in California, the fleet must submit a letter to hvip-processing@catalystmobility.org within 14 calendar days of the voucher request, explaining the operations that are anticipated for these vehicles for the first year after vehicle delivery

Purchasers with outstanding CARB penalties or entities out-of-compliance are not eligible for HVIP incentives. Vouchers for fleets found to be out of compliance with any regulation cannot be redeemed, and funds may be recaptured.

To receive an HVIP voucher:

1) If the purchaser is a private business the purchaser must:

   a) Have possessed the business for no less than 365 calendar days prior to submitting a request for an HVIP voucher, and

   b) Must show proof of business operations in the State of California for a minimum of 365 calendar days prior to voucher request.

   c) Additionally, if the purchaser is a small fleet, they must also demonstrate an operational need for the vehicle(s) requested.

   Below is a list of some of the types of documentation that can be submitted to verify the eligibility criteria (a and b) described above

      i. A valid registration with the Secretary of State of the business entity (CARB or its designee may utilize the California Secretary of State Business Search portal to determine validity of business entity registration).

      ii. A valid business license issued by the municipality the purchaser operates within.

      iii. Provide a cover page of previous two years of filing of State of California of IRS Tax Return or an IRS transcript showing proof of filing.

2) Nonprofits must provide an IRS Determination Letter or Form 990 within 14 calendar days of the voucher request.

3) A tax identification number (TIN) must be provided from the purchaser at the point of voucher request. If the purchaser is a Sole Proprietorship, provide Social Security number in lieu of TIN. Note: Tax information as provided to substantiate revenue will also be used to substantiate California business location.

4) Businesses that are not registered with the California Secretary of State or unable to provide a TIN or SSN are not eligible for HVIP.

5) Businesses not listed on the Secretary of State portal that believe they are valid HVIP-eligible purchasers as defined by this manual may submit a letter describing why they are not listed on the California Secretary of State Business Search to hvip-processing@catalystmobility.org at the time of the voucher request for consideration by CARB.

Voucher requests from businesses that have been in business for more than a year but not the 365 calendar days preceding the voucher submission may be considered on a case-by-case basis however the purchaser will need to explain the gap in operations.

1. Eligible Applications for School Buses

School buses with current California Highway Patrol (CHP) safety certifications qualify for an all-electric school bus conversion voucher funding if all other requirements in HVIP are met.

Public school districts in California that own their own school buses are eligible to participate in HVIP and receive the public school bus voucher amount. This includes public school districts that own their school buses but contract with a County Office of Education or private contractor for maintenance and operations. Where several public-school districts have formed a Joint Powers Authority (JPA), and the JPA holds ownership of the school buses, then the JPA is also eligible, including for the public-school bus voucher amount. Public (not private) charter schools, as listed at as listed at the California Department of Education's Charter School Locator, that own their own school buses are also eligible. County Offices of Education that own their own school buses and the Division of State Special Schools of the California Department of Education are also eligible.

Private transportation providers that own their own school buses and contract with public school districts to provide transportation services for public school districts and fleet management companies that contract with public school districts are also eligible purchasers and, like the entities identified above, are eligible for the school bus voucher amount. The contract or contracts must be for three years or longer and will be required to be submitted during the voucher's initial review. School buses purchased by the contracted private transportation providers count towards the fleet cap of the public school district(s) to which they are contracted. Public school districts and the private transportation providers that they contract with are considered public fleets for the purposes of the Fleet Size Voucher Adjustment.

Private schools are not eligible school bus purchasers and are prohibited from receiving the larger school bus voucher amount

Please see Appendix G for information on ZESBI.

2. Eligible California Tribal Governments

Tribal governments eligible for HVIP include all federally recognized tribes in California listed on the most recent notice of the Federal Register, and non-federally recognized

tribes, including those listed on the California Tribal Consultation List maintained by the California Native American Heritage Commission.

Limited Waiver of Sovereign Immunity: For applicants that are Federally Recognized Tribes or Federally Recognized Tribal controlled entities, all such applicants shall provide and execute a limited waiver of sovereign immunity agreeing to the personal and subject matter jurisdictions of state court and shall require at a minimum, compliance with state standards and regulations. Sovereign immunity waiver language shall be included in the voucher agreement and all regulatory and loan or grant agreements, all of which may be accomplished by incorporating by reference a separately executed sovereign immunity waiver instrument.

3. Compliance with Labor Laws (AB 794 Attestation)

Pursuant to Assembly Bill 794 (Chapter 748, Statutes of 2021)[7], a fleet purchaser of new drayage and short-haul trucks is eligible to participate in an incentive program if it can demonstrate that it does not have any applicable law violation at the time of applying for the incentive, is not on the list maintained by the Division of Labor Standards Enforcement under Section 2810.4 of the Labor Code, and attests it will retain direct control over the manner and means for performance of any individual using or driving the vehicle.

Prior to submitting voucher requests, drayage and short haul fleets of one or larger, must submit a public attestation at cazevlaborlawcompliance.org that they are in full compliance with all labor laws including Section Ren2810.4 of the Labor Code and in compliance with all Assembly Bill 794 conditions. Complaints received against fleets alleging labor law violations or false attestations will be investigated and referred to the state labor law agencies or CARB enforcement, as appropriate. Attestations must be renewed annually for at least three years from the date of application for incentives or the duration of the incentive agreement, whichever is longer; failure to do so will result in ineligibility to participate in the incentive program.

4. Fleet Size

For Standard HVIP and all set-asides except for Zero-Emission School Bus and Infrastructure (ZESBI), the fleet size includes all on-road vehicles with a GVWR of 8,500+ lbs. under common ownership or control by the purchaser regardless of the vehicles domicile location plus any/all unredeemed HVIP vouchers (excluding ZESBI vouchers).

See Appendix C for more information about definitions of common ownership or control.

Furthermore, the fleet size is inclusive of vehicles registered with the California Department of Motor Vehicles (DMV) as non-operational, but excludes off-road vehicles, unregistered vehicles, and those registered with the DMV as non-revivable junk or dismantled.

Small business fleets are defined as public and non-profit fleets with 20 or fewer on-road vehicles with a GVWR of 8,500+ lbs. or a private fleet with 20 or fewer on-road vehicles with

[7] *AB 794 bill text.*

a GVWR of 8,500+ lbs. and less than $15 million in annual revenue. Purchases by 501(c)(3) non-profit organizations are exempt from the revenue provision.

The small business voucher amount is only available for a maximum of five vouchers (all-time total, not annually). For purchasers who previously received small business fleet vouchers before 11/22/2024; those vouchers do not count towards the lifetime cap of five.

Additional verification of fleet size may be required at CARB's sole discretion, including site visits.

5. Domicile Address

The vehicles' domicile address must be in California and must remain the same for the duration of voucher and for the three-year operational term after voucher redemption. If the purchaser anticipates changing the domicile address during the three-year term, they must receive approval from CARB prior to making the change.

In order for the domicile address to be verified, examples of acceptable documentation include a business license, deed, water or power utility bill, or a domicile agreement three years or longer in length. DMV registration, phone bills, and tax returns **are not** acceptable.

If a leased domiciled address is provided, a rental/lease agreement of a minimum length of three years must be provided for any voucher requests utilizing a domicile address that is not owned by the fleet.

For small business fleets, an agreement of less than three years or public charging may be provided. An updated agreement(s) for the remaining years of the HVIP term length will need to be provided subsequently. Requests to use rental/lease agreements less than three years or public charging can be submitted for CARB's review to *hvip-processing@catalystmobility.org*

A residential address **may not** be used as a vehicle domicile location unless specifically approved by CARB or its designee. Purchasers intending to use a residential address as a vehicle domicile location must provide a letter of explanation as to the commercial use of the residential property to hvip-processing@catalystmobility.org at the time of voucher request, or the voucher will be cancelled. The letter should detail the infrastructure and parking arrangements that support the vehicles listed in the voucher request at the residential location, demonstrating its suitability for commercial use. It must specify the number of commercial vehicles housed on-site and the date commercial vehicle operations began there. Additionally, the letter must include a copy of the purchaser's charging strategy, outlining access to charging infrastructure at the domicile, such as plug-in access for all HVIP-funded vehicles based at the location.

The purchaser must be able to demonstrate reasonable access to necessary charging or fueling equipment located in California, as well as sufficient parking and operational capability to support all vehicles identified in the voucher request. The purchaser must also clearly demonstrate an operational need for and intended use of the specific vehicle type requested. CARB retains sole discretion to cancel voucher(s) if CARB determines that the purchaser cannot demonstrate a legitimate operational need for the vehicle(s) or cannot

demonstrate the ability to support, operate, and utilize HVIP-funded vehicles prior to voucher redemption.

V. Voucher Requirements

Within 30 calendar days of the voucher progressing to the Accepted Pending Confirmation stage, the dealer must provide the anticipated delivery date. If more than 30 calendar days passes and a deliver date is not provided the voucher is subject to cancellation. 90 calendar days before the specified delivery date arrives the dealer will receive an automated reminder of the approaching delivery date is approaching and prompt the dealer to update or confirm. Dealers will receive two additional reminders of the approaching delivery date, 60 calendar days before the anticipated delivery date and again 30 calendar days before the delivery date. If the anticipated delivery date passes and there have been no updates to the voucher for 30 calendar or more days after the provided delivery date, the voucher will automatically be cancelled.

A voucher must be redeemed within 540 calendar days from the time of the voucher request reaches the funding reserved status.

Vouchers for transit buses must be redeemed within 1,095 calendar days.

Requests for voucher extensions beyond 540 calendar days will be reviewed by the grantee in consultation with CARB on a case-by-case basis. Extensions shall be based upon factors, including but not limited to the projected vehicle DMV registration date, demand from other participants for remaining available HVIP funding, and the good faith efforts of the purchaser, dealer and manufacturer to complete the purchase and place the vehicle into service. CARB has sole discretion to cancel vouchers exceeding the 540-day limit. The administrator must maintain written documentation regarding approval of vouchers that are extended beyond 540 calendar days for three years after voucher redemption.

In instances when HVIP funding is unavailable and a purchaser is initiating a voucher cancellation due to manufacturer's production capacity, meaning the vehicle cannot be produced in the 540-day voucher timeline, transferring the vouchers to another manufacturer may be permitted at CARB's sole discretion. In instances when HVIP has available funding, a purchaser requesting a manufacturer transfer should reach out to hvip-processing@catalystmobility.org requesting cancellation of the original voucher(s), and the new dealer can then request a new voucher(s).

A. In-Flight Voucher Limits

Each purchaser is limited to having no more than 50 unredeemed vouchers at any given time. Exceptions apply for public agencies which is limited to 50 rolling voucher requests per calendar year, cumulatively in HVIP standard and the set-asides (i.e. voucher count may exceed per year cap if some vouchers are redeemed in the same calendar year they were submitted). ZESBI vouchers do not affect the HVIP purchaser cap. See Appendix G for information about the ZESBI fleet cap specifically.

ISEF purchases plus vouchers do not count towards the lifetime cap of five. Innovative solutions, such as truck-as-a-service and short-term leases, continue to be available through ISEF for small fleets. See Appendix F for more information.

If a waitlisted request is made in a different calendar year than the calendar year in which it is converted to funding-reserved status, the fleet cap applies to the year in which it is converted to funded status. For example, if a fleet places a waitlisted request for 20 public school buses in 2022 and the request moves off the waitlist and is funded[6] the following year, these vouchers will count towards the cap for 2023.

If a voucher or batch of vouchers is cancelled in a subsequent calendar year to the year in which it was requested, and is then re-requested through another dealer/manufacturer in the same subsequent year, CARB has sole discretion to permit that the new request counts toward the fleet cap of the original request year, and not the subsequent year. A request for such approval must be submitted to hvip-processing@catalystmobility.org and CARB will not consider approval unless the entire order is moving to a different manufacturer that can deliver on a faster timeline than the cancelled order.

B. Purchase Orders

A valid Purchase Order (or other binding Agreement, Contract, Buyer's Order, Letter of Intent or action/resolution by a government entity's governing body) from the dealer to purchaser—and signed by both dealer and purchaser—is required at the time a voucher request is submitted for vehicles purchases and leases, excluding requests submitted with a letter of intent for public agencies. Non-binding agreements or quotes are not sufficient to reserve a voucher.

Purchase Orders must reflect at the time of voucher request of any non-standard requests such as lease, finance or any additional incentive sources the purchaser may use. The Voucher Processing Center will prompt the Dealer to indicate whether the voucher is for a lease.

The purchase order provided must represent a real vehicle order that is ready to be placed. Voucher requests submitted with a purchase order/sales agreement that is missing any of this mandatory information may be subject to cancellation.

Voucher requests for engine repowers may only be submitted for engines that are anticipated to be installed within 90 calendar days of the date of voucher request.

Submittal of a voucher request with a letter of intent (LOI) that is not associated with a binding complete vehicle order is prohibited unless the submission is for a public agency.

Voucher requests for incomplete vehicles, including vehicles without the body installed, and zero-emission powertrains/drivetrains alone are prohibited and are subject to cancellation at the point of voucher request

Voucher requests submitted for vehicles that have already been delivered, paid for, and/or registered will not be accepted.

Purchase Orders (PO) or other binding sales agreements for private-entity purchasers can be dated no earlier than 90 calendar days before the date the voucher request is submitted. For public-entity purchasers, POs or other binding sales agreements can be no older than 365 calendar days. See updates at CaliforniaHVIP.org/funding.

The PO must include the purchaser and dealer names, an itemized HVIP voucher amount with its associated value, down payments (if applicable), number of units (if a batch request), model name and year of the vehicle as listed on the CARB EO, issued date, HVIP-eligible vehicle description, and the purchaser's and dealer's signature. The HVIP voucher amount needs to be a clear line item on the purchase order. All other external incentive sources and the anticipated amount must be included but are not required as line items; this can be in a notes field or in the vehicle/order description.

Inclusion of non-vehicle-related costs in the base vehicle price, such as taxes, fees, and markup are prohibited. Dealers that submit false information to the grantee or inflate the price of a vehicle may face cancellation of vouchers, be required to return the full voucher amount to the grantee or CARB, and may be suspended or excluded from future participation in HVIP. In addition, CARB may seek other remedies available at law.

Any changes to the PO requested by the purchaser must be submitted within 90 calendar days of the date the voucher request is submitted. The purchaser and dealer must sign the updated PO. Changes to the PO requested by the dealer are not permitted. If a purchaser requests any changes to the vehicle after the 90 calendar days, which will affect pricing, contact hvip-processing@catalystmobility.org for next steps so the request can be reviewed at CARB's sole discretion.

1. Letter of Intent

In cases where a public agency's governing body plans for final approval of the binding agreement after the award of HVIP funds, a letter of intent (LOI) stating the date by which documentation of final approval will be provided must be included at the time of the voucher request, signed by an authorized representative of the public entity in lieu of a purchase order. With approval from CARB or its designee, a public entity may use the same binding agreement for two different voucher requests. For example, if an agreement is for 60 vehicles, the purchaser can use the agreement in one calendar year for 30 and then in the next calendar year for the additional 30.

A purchase order or other binding agreement will be required within 180 calendar days of submission, otherwise the voucher requests will be cancelled. Case-by-case requests for accommodation of longer procurement timelines for public fleets can be submitted to hvip-processing@catalystmobility.org.

C. Voucher Redemption

Only complete and accurate voucher redemption forms will be accepted. A voucher shall only be redeemed if the vehicle and purchaser match that on the original voucher request form and all other requirements are met. CARB, the grantee, and HVIP are not responsible for payment of a voucher if the vehicle or purchaser does not match those described on the voucher request form.

All vouchers except for vouchers for transit buses are required to be redeemed within 540 calendar days of date of funding reserved. Vouchers for transit buses must be redeemed within 1,095 calendar days. For instances when a voucher is not redeemed within 540 calendar days of the date of the voucher request (or the date on which the request was moved off a

waitlist), a non-fungible redemption schedule may be imposed at CARB's sole discretion, in lieu of cancellation at the 540-day mark. If such a schedule is permitted, vouchers not redeemed in accordance with the schedule will be cancelled on the corresponding dates outlined by the schedule.

A signed copy of the voucher redemption form must be provided prior to voucher redemption. The Dealer and purchaser must sign electronically.

The dealer must submit the required documentation to the grantee for redemption either before or at the time the vehicle is registered with the DMV and ready to be placed into service.

The Dealer must submit all voucher redemption documentation within 60 calendar days of receipt of payment from the purchaser. Failure to provide all the required documentation by this deadline may nullify the voucher. Payment is inclusive of the vehicle itself but does not need to include related items such as vehicle training that the dealer/manufacturer may be providing to the purchaser

A voucher will only be redeemed following vehicle delivery, final payment to the dealer by the purchaser (less the voucher amount), and registration of the vehicle in California.

It is the goal of HVIP to provide payment to the dealership within 10 calendar days from the time the eligible voucher redemption form and all associated documentation is approved by the grantee. If the voucher payment is delayed beyond 14 calendar days from the time the eligible voucher redemption form and associated documentation is approved, the grantee will notify the dealership by phone or email at the earliest possible time of such delay.

Voucher reimbursement directly to a purchasing fleet instead of the HVIP dealer may be permitted only when necessary to support the goals of HVIP and only with case-by-case approval from CARB. In such instances, the fleet must provide additional information to CARB. This includes, but is not limited to, a signed letter explaining the reasons for requesting direct reimbursement and acknowledging that this request departs from standard HVIP procedure, as well as a copy of a paid invoice demonstrating that the voucher amount was paid to the dealer.

All items listed below must be submitted via the Voucher Processing Center (VPC) before the voucher can be redeemed. All documents submitted must clearly indicate the voucher number and VIN. All photos and other documentation must be original, and must not be created, edited, or manipulated using editing software. artificial intelligence, or other means.

1) Signed Final Invoice:

    a) A copy of the final complete vehicle invoice. The invoice for the complete vehicle must be signed and dated by the vehicle purchaser. Invoices must be issued for the purchaser only. Invoices issued to any entities that are not the purchaser will not be accepted for voucher redemption.

b) Must itemize the state sales tax (and local sales tax and any appliable federal excise tax). Sales tax must be calculated on the total vehicle cost before subtracting the HVIP voucher amount and any external incentives. While HVIP will not cover taxes, fees, and non-vehicle costs, those costs must be clearly itemized on the invoice. Tax exempt organizations (as defined by the Internal Revenue Service and the California Department of Tax and Fee Administration) must provide additional documentation to support exemption from sales tax.

c) Must show that the HVIP voucher amount has been fully discounted from the base vehicle price and must show all other sources of incentive funding from any source. The HVIP voucher amount must be a line item on the invoice. External incentives do not need to be a line item but must be included on the final invoice[8].

d) Must itemize all complete vehicle charges (e.g., price of the complete vehicle, vehicle base price, upfitting cost if applicable, extended warranty if applicable, delivery fee, all applicable taxes, etc.) on a single invoice. In certain cases, it may be applicable to include the shelving in the base vehicle price, only if the vehicle comes pre-built with the shelving. If a third party adds items to the vehicle, those items must not be shown as part of the base vehicle price and must be itemized separately.

e) The VIN must be included on the invoice and match the VIN on the voucher and on the VIN tag and VECI label.

f) Invoices for incomplete vehicles or for zero-emission powertrains/drivetrains will not be accepted for voucher redemption.

2) Financial Documentation

a) Financial documentation identifying the method and date of final payment from the purchaser to the dealer, including an invoice number as well as VIN and/or voucher ID, must be provided to the grantee prior to voucher redemption. This can be a copied check or transaction showing an electronic money transfer.

b) Leases:

i) If lease or financial arrangements involve a third party, they must also be identified with the title or lienholder clearly indicated. The date and method of final payment from the purchaser to the dealer is required on the financial documentation and must include an invoice number, VIN, and/or voucher ID.

ii) The lease schedule must illustrate that the full value of the voucher was passed down to the lessee, for example through a capital cost reduction. The cost of the

[8] The HVIP voucher amount must be a line item on the signed final invoice showing the amount was reduced from the base vehicle cost. Any external incentives must be included on the signed final invoice however they are not required to be a line-item showing a reduction in price unless the incentive is paid directly to the dealer.

vehicle listed on the lease agreement would reflect the voucher discount; lease installment payments would be based on that reduced price.

c) Cash Deals:

i) When a purchaser pays for the vehicle up-front, a receipt with the contract number, invoice number, VIN and/or voucher identification number is required.

3) Vehicle Inspection:

a) A photo of the VIN tag installed on the vehicle, listing the GVWR, must be provided to the grantee to confirm vehicle GVWR. The GVWR on the VIN tag must match the GVWR provided on the voucher request form.

i) VIN tags uploaded to the VPC must clearly indicate that the vehicle is complete, including a fully installed body. If a VIN tag contains the phrase "incomplete vehicle," a secondary tag from the body upfitter is required. There are no exceptions to this requirement.

b) For engine repowers, a copy of the final signed and dated repower invoice containing the VIN and engine serial number must be provided to the grantee.

c) Digital inspection photos of the vehicle showing that it is ready to be placed into service must be provided prior to voucher redemption. In instances where vouchers for an order of 10 or more vehicles are being redeemed at the same time, a "group photo" may be uploaded, however a list of the VINs of all pictured vehicles must accompany the photo.

d) Refuse Only: A digital photo of the front/rear/side loader on solid waste vehicle is required in order to receive the refuse voucher amount.

e) A photo of the vehicle emission control information (VECI) label is required for all vehicles.

f) All photos and other documentation must be original, and must not be created, edited, or manipulated using editing software. artificial intelligence, or other means.

g) A HVIP Vehicle Inspection Form signed by an HVIP-Approved Dealer or Manufacturer must be submitted electronically prior to voucher redemption.

h) California Highway Patrol (CHP) certification is required for all school buses. It is the responsibility of the school district to obtain CHP certification once the school district takes possession of the school bus.

4) Proof of Delivery to Purchaser:

a) Delivery documentation, such as Bill of Lading, must include:

i) Carrier company and contact info

ii) Origin and destination address (address must match domicile location in VPC)

iii) Vehicle information including the complete VIN

iv) Inspection notes (optional)

v) Driver signature and date when the vehicle is picked up (optional if attestation letter is provided)

vi) Driver and destination/receiving party signature and date when the vehicle is delivered (optional if attestation letter is provided)

Note: a Bill of Lading is not required if other delivery documentation includes the same information.

5) Proof of Mileage at the Time of Vehicle Delivery (not applicable for engine repowers):

a) The vehicle must have no more than 3,500 miles when it is delivered, and the dealer submits the redemption checklist documents. Vehicles can be used for demos for customer engagement or other purposes before the vehicle is sold, as long as mileage does not exceed 3,500. Proof of vehicle mileage at the time of vehicle DMV registration must be provided by the dealer in the form of a telematics mileage report, DMV odometer disclosure statement, or photo of the odometer. Vouchers for vehicles with more than 3,500 miles may be redeemed on a case-by-case basis with CARB's sole approval prior to vehicle delivery and with sufficient evidence or explanation justifying such mileage.

6) Voucher Request, Redemption, and Vehicle Eligibility Continuity:

a) Vehicle model year, vehicle model name, chassis, chassis model year, and configuration on redemption paperwork must be consistent with the vehicle on the original purchase order and be in compliance with the corresponding CARB issued EO.

b) The Vehicle Emission Control Information (VECI) label must match the vehicle listed on the CARB EO.

7) NOx Repowers:

a) For vehicles repowered with engines certified to the optional NOx standard of 0.01 g/bhp-hr as of the publication of this Implementation Manual, vouchers may be redeemed when the customer takes delivery of the engines and has paid the balance due (minus voucher amount).

8) Labor Laws Compliance Attestation (AB 794):

a) Purchasers of a tractor, panel/step van, straight truck, refuse truck or 2b vehicle must certify compliance with state labor laws at the time of application and renew annually until three years after voucher redemption. Attestations by purchasers are visible approximately two weeks after submittal, by searching at cazevlaborlawcompliance.org.

b) Vehicle Registration with the California DMV:

i) The Dealer must only transfer DMV registration after receiving final approval of the voucher request from the grantee.

ii) A copy of the DMV registration for the purchased vehicle must be provided. CARB may approve HVIP vouchers for vehicles that are federally registered in lieu of being registered in California (such as military vehicles) on a case-by-case basis.

VI. Funding Categories and Voucher Amounts

A. Funding Categories (Set-Asides)

All eligible vehicles may receive an HVIP voucher for up to the funding amounts identified in the tables below. The Class 8 Fuel Cell voucher is for vehicles fueled exclusively with hydrogen and not capable of being recharged with electricity.

Available funds are updated regularly at CaliforniaHVIP.org/funding, including any funds still remaining from previous funding years.

Public Transit Bus Set-Aside: The Public Transit Bus Set-Aside funding is reserved for transit agencies subject to the ICT Regulation, that are purchasing eligible transit buses in excess of regulatory targets. Specifically, transit agencies that own, operate, lease, rent, or contracts with another entity to operate buses in California are eligible for the Public Transit Bus Set-Aside. Tribal entities requesting transit bus vouchers are also eligible for the Transit Set-Aside.

The following are not eligible for the Transit Set-Aside:

1) Vehicles that operate on rails, (electric) trolleybuses, or school buses, even if operated by a transit agency.

2) Caltrans, Caltrain, Amtrak, or any local school district.

3) Correctional facility, airport, college or university, national park, tour bus service providers, or an entity that provide shuttle services solely for patrons of its organization.

When the 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. *See more details in Appendix H, which will be published separately from this document.*

Innovative Small e-Fleets: Innovative Small e-Fleets supports simple and low-cost solutions to help small fleets deploy medium- and heavy-duty zero-emission vehicles. These include flexible leases, short term rentals, vehicles-as-a-service, subscription services, and other mechanism. *See more details in Appendix F, which will be published separately from this document. The requirements for this funding differ from standard HVIP. Interested parties can contact ISEF@CaliforniaHVIP.org for additional information.*

Zero-Emission School Bus and Infrastructure (ZESBI): This set-aside funding is for California public school bus fleets purchasing zero-emission school buses. *Details about eligible applicants, scrappage, and other project requirements are in Appendix G. The requirements for this funding differ from standard HVIP.* HVIP will continue to allow standard HVIP voucher requests for any school buses not eligible for ZESBI and for all zero-emission school buses if set-aside funding is exhausted, subject to funding availability.

Drayage Truck Set-Aside: In order to qualify for the Drayage Set-Aside, purchasers must submit a copy of their permission to enter a port or railyard to hvip-processing@catalystmobility.org within 30 calendar days of the voucher request. Acceptable documentation includes Uniform Intermodal Interchange and Facilities Access Agreement UIIA Authorization, concession agreements, or other forms of drayage operations permissions. If drayage operations are being performed at the Port of Los Angeles or the Port of Long Beach, the permissions document must specify this.

Drayage trucks are defined in CARB's regulations at California Code of Regulations, title 13, section 2027(c)(15), as: Any in-use on-road vehicle with a (GVWR) greater than 26,000 pounds that is used for transporting cargo, such as containerized, bulk, or break-bulk goods, that operates on or transgresses through a port or intermodal railyard property for the purpose of loading, unloading or transporting cargo, including transporting empty containers and chassis or off port or intermodal railyard property transporting cargo or empty containers or chassis that originated from or is destined to a port or intermodal railyard property. Vehicles participating in dray-off activities (as defined in CCR Title 13 Division 3, Chapter 1, Article 4.5 Section 2027) are not considered drayage trucks.[9]

B. Maximum Allowable Voucher Amount

For privately owned vehicles, the total voucher amount including HVIP Base Vehicle Incentive, plus all other eligible public incentives—or other discretionary incentive funding such as grants—may not exceed 90% of the base vehicle price. For the purposes of the 90% limit, the base vehicle price does not include taxes and fees or any other expenses including, but not limited to, extended warranties or spare parts.

For publicly owned vehicles, including public school buses, public transit buses, and municipal vehicles, HVIP voucher amount may not exceed 100% of the base vehicle cost. Utilities that are investor-owned are not public entities. The base vehicle price does not include taxes and fees or any other expenses including, but not limited to, extended warranties or spare parts.

Vouchers exceeding the above limits will be adjusted to the maximum allowable voucher amounts. The base vehicle cost is to be determined by CARB in consultation with the vehicle manufacturer, based upon the vehicle invoice sale price, typical industry standard costs for that vehicle technology and type, and other factors.

[9] *Drayage Truck Regulation*

C. Voucher Amounts

The Innovative Small E-Fleets pilot project and ZESBI may have differing voucher amounts and cannot be combined with other HVIP categories, unless otherwise specified; see Appendices F and G at CaliforniaHVIP.org/im.

The incentive amounts for truck conversions are 75% of a new truck voucher.

Table 2: Zero-Emission Vehicle Voucher Amounts by Class

Vehicle Class	Base Voucher	Small Business Voucher
Class 2b (8,501-10,000 lbs.)	$7,500	$9,000
Class 3 (10,001-14,000 lbs.)	$15,000	$40,000
Class 4 (14,001-16,000 lbs.)	$60,000	$130,000
Class 5 (16,001-19,500 lbs.)	$60,000	$130,000
Class 6 (19,501-26,000 lbs.)	$85,000	$160,000
Class 7 (26,001-33,000 lbs.)	$85,000	$160,000
Class 8 (33,001+)	$120,000	$330,000
Class 8 Fuel Cell (33,001+)	$240,000	$420,000

Table 3: Voucher Amounts for Zero-Emission Public School Bus or Public Transit Bus

Bus Class	School Bus Voucher[10]	Small Public School Bus Voucher	Public Transit Voucher[11]	Small Public Transit Agency Voucher
Class 2b (8,501-10,000 lbs.)	N/A	N/A	$9,750	$19,500
Class 3 (10,001-14,000 lbs.)	$81,000	$103,500	$58,500	$117,000
Class 4 (14,001-16,000 lbs.)	$108,000	$138,000	$78,000	$156,000
Class 5 (16,001-19,500 lbs.)	$108,000	$138,000	$78,000	$156,000
Class 6 (19,501-26,000 lbs.)	$153,000	$195,000	$110,500	$221,000
Class 7 (26,001-33,000 lbs.)	$153,000	$195,000	$110,500	$221,000
Class 8 (33,001+)	$216,000	$276,000	$156,000	$312,000
Class 8 Fuel Cell (33,001+)	N/A	N/A	$312,000	$552,000

[10] School buses for public school districts.

[11] "Public transit bus" voucher requests for the purposes of this program are only available to entities that meet the definition of a Transit Agency as defined in Appendix H.

Table 4: Voucher Amounts for Zero-Emission Vehicle (ZEV) Drayage (D)/Refuse (R) Trucks

Truck Class	Base Voucher	Small Fleet Drayage/Refuse Voucher
Class 4 (14,001-16,000 lbs.) (R)	$75,000	$130,000
Class 5 (16,001-19,500 lbs.) (R)	$75,000	$130,000
Class 6 (19,501-26,000 lbs.) (R)	$106,250	$160,000
Class 7 (26,001 – 33,000 lbs.) (D, R)	$106,250	$160,000
Class 8 (33,001+) (D, R)	$150,000	$330,000
Class 8 Fuel Cell (33,001+) (D, R)	$300,000	$420,000

Table 5: Eligible ePTO Voucher Amounts

Energy Storage Capacity	Base Vehicle Incentive[12]
3 - 10 kWh	$20,000
>10 - 15 kWh	$30,000
> 15 - 25 kWh	$40,000
> 25 kWh	$50,000

[12] ePTO funding amounts may cover up to 65% of the incremental cost of the ePTO vehicle, not to exceed the funding levels listed in this table.

D. Combining HVIP with Other Funding Sources

In limited cases, HVIP vouchers may be combined or stacked with other eligible public incentives (and other types of discretionary funding), with the provision that HVIP will only fund the remaining cost up to the maximum voucher amount after the other incentives have been applied to the base vehicle price, ensuring that HVIP pays last. The dealer and purchaser must ensure that all of HVIP's and respective public incentive program's requirements and policies regarding the stacking of funds are met. Vouchers where HVIP is stacked with incompatible programs will be cancelled. The grantee and CARB reserve the right to require the return of voucher funds that were obtained in violation of program rules. All stacked public incentives must be disclosed on the final invoice.

For privately owned vehicles, the total voucher amount plus all other eligible incentive funding —or other discretionary public funding such as grants—may not exceed 90% of the base vehicle cost excluding taxes and fees.

For publicly owned vehicles, including public school buses, public transit buses, and municipal vehicles, the sum of HVIP and other eligible incentive funding may not exceed the out-the-door vehicle price. Revenue funding does not count towards the maximum allowable voucher amount.

Standard HVIP, ZESBI and ISEF cannot be stacked with each other in any circumstances.

For HVIP stacking calculations, tariffs are not to be included in the vehicle base price. Other funding sources may be used to pay for tariffs. The dealer or purchaser must provide sufficient documentation demonstrating that the tariff cost is directly related to that specific vehicle and tied to that specific purchase. Tariff coverage applies only to the complete vehicle and cannot be used for component parts.

Drayage funds are made available on behalf of the Port of Los Angeles and the Port of Long Beach, generated from the Clean Truck Fund, which is a fee imposed on loaded trucks entering or leaving container terminals[13]. Purchasers receiving these funds for drayage trucks via HVIP must commit to a minimum number of annual trips to the ports. Additional information is included in the Voucher Request Form for relevant requests. More information is available at CaliforniaHVIP.org/funding.

State incentives can only be stacked with other state incentives by small businesses with 20 or fewer vehicles, or public fleets, so long as each state incentive program allows stacking, each incentive program is not paying for the same incremental cost, and the non-HVIP incentive program is not required to generate greenhouse gas (GHG) emission reductions.

CARB's Clean Mobility Options (CMO) program is an exception to the above rule. HVIP may fund or co-fund vehicles that are part of CMO, at CARB's sole discretion. Contact info@CaliforniaHVIP.org for more information.

Locally funded incentives may be combined with HVIP including programs administered by local air districts or local municipalities for fleets of any size.

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[13] *polb.com/port-info/news-and-press/port-of-long-beach-launches-clean-truck-fund-rate-04-01-2022/*

Table 6: Other Incentive Programs that can be combined with HVIP

	Public Entity (any fleet size)	Small Business (≤ 20 vehicles)	Large Business (≥ 21 vehicles)
Federal Incentives	√	√	√
Port Incentives*	√	√	√
Volkswagen (VW) Mitigation	√	√	√
Carl Moyer (Moyer)	√	√	X
Goods Movement (Prop 1B)	√	√	X
On-Road Voucher Incentive Program (VIP)	√	√	X
Clean Fuel Rewards (CFR)**	√ Small business only	√	X
Clean Mobility Options (CMO)	√	√	X
ZE Truck Loan	√	√	√
Local, Municipal, Utility	√	√	√
Low Carbon Transportation Investments (LCTI)	X	X	X

*** Rental, lease, or fleet management companies are not eligible for additional port incentives.**

****CFR can only be stacked with HVIP by small fleets for class 8 truck purchases**

For stacking requirements for ISEF and ZESBI, see Appendices F and G, respectively.

E. Example Calculations

This section provides example calculations of the maximum allowable HVIP voucher amount, based upon assumptions regarding other potential incentive sources. These examples are for illustrative purposes only. The actual maximum voucher amount will depend upon each specific circumstance.

Example 1: A large fleet purchases a class 8 battery electric truck. The base price of the truck excluding taxes and fees is $350,000. For large fleets, the HVIP voucher amount is $120,000. The large fleet will pay $230,000 plus taxes and fees.

Example 2: A small business fleet purchases a class 8 battery electric truck. The base price of the truck excluding taxes and fees is $400,000. For small businesses, the HVIP voucher amount is $330,000. The HVIP voucher amount does not exceed the 90% maximum of $30,000. Thus, the small fleet will pay $70,000 plus taxes and fees.

Example 3: A large private fleet purchases a class 8 battery electric truck. The base price of the truck excluding taxes and fees is $350,000. This large fleet also has a total external incentive amount of $225,000. For large fleets, the HVIP voucher amount is $120,000. Thus, the total incentive for this purchase would be $345,000.

However, the total incentive cannot exceed 90% of the base price of the vehicle. This amount is $315,000. Since the total incentive amount exceeded this cap, the HVIP voucher amount is decreased by the difference above the cap. After the external incentive of $225,000, the final HVIP voucher amount is $90,000.

Example 3 Calculation	
Base price of vehicle excluding taxes and fees	$350,000
HVIP 90% incentive cap	$315,000
Total external incentives	$225,000
HVIP base voucher amount	$120,000
Total incentive (external incentives + HVIP)	$345,000
Total incentive amount above the HVIP 90% cap	$30,000
Final HVIP voucher (HVIP voucher – incentive above cap)	$90,000

Example 4: A small private fleet purchases a Class 8 battery electric truck. The base price of the truck excluding taxes and fees is $300,000. This small fleet also has a total external incentive amount of $225,000. For small fleets, the HVIP voucher amount is $330,000. Thus, the total incentive for this purchase is $555,000.

However, the total incentive amount cannot exceed 90% of the base vehicle price. This amount is $270,000. Since the total incentives exceeded this cap, the HVIP voucher amount is decreased by the difference above the cap. The final HVIP voucher amount is $45,000.

Example 4 Calculation	
Cost of vehicle excluding taxes and fees	$300,000
HVIP 90% incentive cap	$270,000
Total external incentives	$225,000
Small Fleet HVIP voucher	$330,000
Total incentives (external incentives + HVIP)	$555,000
Total incentive amount above the HVIP 90% cap	$285,000
Final HVIP voucher (HVIP voucher – incentives above cap)	$45,000

Example 5: A fleet of 15 trucks has two unredeemed small business vouchers and requests an additional four small business vouchers. In HVIP the fleet size is inclusive of the current fleet size, vouchers requested, and unredeemed vouchers. In addition, a small business may only request up to five small business vouchers. When all vouchers are redeemed, the fleet size will be 19 trucks and still remains a small fleet.

Example 6: Public Transit Agency

A small transit agency purchases a class 8 battery electric city bus. The base price of the bus excluding taxes and fees is $1,000,000. This transit agency also has a total external incentive amount of $200,000. For small transit agencies, the HVIP voucher amount is $312,000. Thus, the total incentives for this fleet is $512,000.

In HVIP, the total incentives for public agencies cannot exceed 100% of the out-the-door-price of the vehicle. This amount is $1,220,000. Since the total incentives did not exceed the maximum allowable incentives, the HVIP voucher remains $312,000.

Example 6 Public Transit Agency Calculation	
Cost of vehicle excluding taxes and fees	$1,000,000
Out-the-door cost of the vehicle	$1,220,000
HVIP 100% incentive cap	$1,000,000
Total external incentives	$200,000
Small Fleet HVIP Voucher	$312,000
Total incentives (External incentives + HVIP)	$512,000
Total incentives amount above the HVIP 100% Cap	$0
Final HVIP Voucher (HVIP voucher – incentives above cap)	$312,000

Example 7: Allowing other incentive sources to pay for taxes and fees

Below is a side-by-side comparison of the same situation, one allowing external incentives to pay for taxes and fees, and one where all external incentives are applied to the base vehicle cost.

A small private fleet purchases a class eight battery electric truck. The base price of the truck excluding taxes and fees is $300,000; the out the door cost of the vehicle is $370,000. This small fleet also has a total external incentive amount of $225,000 from a source that can cover taxes and fees. For small fleets, the HVIP voucher amount is $330,000. Thus, the total incentives for this purchase would be $555,000.

However, the total incentive amount cannot exceed 90% of the base vehicle price for a private purchaser. This amount is $270,000. Since the total incentives exceeded this cap, the HVIP voucher amount is decreased by the difference above the cap. The new HVIP voucher amount is $45,000.

Example 7 Calculation	Applying external incentives to taxes and fees	Applying maximum allowable incentives to base vehicle cost
Out-the-door cost of the vehicle	$370,000	$370,000
Cost of vehicle excluding taxes and fees	$300,000	$300,000
HVIP 90% incentive cap	$270,000	$270,000
Total external incentives	$225,000	$225,000
Small Fleet HVIP voucher	$330,000	$330,000
Total incentives (External incentives + HVIP)	$555,000	$555,000
External incentives applied to taxes and fees	$70,000	$0
External incentives applied to base vehicle cost	$155,000	$225,000
Total incentive amount above the HVIP 90% Cap	$285,000	$285,000
Final HVIP voucher (HVIP voucher – incentives above cap)	$45,000	$45,000
Out-the-door cost to the purchaser	$100,000	$100,000

Funding Availability

1. Randomization

When new funds are released after HVIP was closed for a period of time, the Voucher Processing Center will be open to new voucher requests for a minimum of 24 hours (until 9:59 a.m. Pacific Time on the day after opening day with a 10:00 start) when the program reopens; requests submitted will not be assigned a status of funded or unfunded during that timeframe. If the cumulative dollar value of all requests received during the first 24 hours is lower than the amount of available funds, funds will be assigned in the order the requests were received, based on the timestamp. If a batch is requested, funding will be assigned for all requests in the batch (as long as funds are available).

If standard HVIP is closed to new voucher requests due to oversubscription of funds, a randomization process may be used, at CARB's sole discretion, to manage demand when HVIP reopens.

If oversubscription occurs in the first 24 hours after releasing new funds after being closed for a period of time:

Duplicate voucher requests will be removed before funds are assigned. Duplicates are defined as two voucher requests, or two separate batches of voucher requests, for the same purchaser, vehicle, and vehicle domicile location. If two or more duplicate batches of different quantities are submitted, the smaller will be deleted.

After funding has been set aside, the initial review of the voucher will commence as specified in this Implementation Manual. After the first 24 hours that HVIP is open, the amount of funding requested to date will be posted at CaliforniaHVIP.org and any additional voucher requests submitted thereafter will be assigned funds in the order they are received based on timestamp.

If the dollar value of all requests received during the first 24 hours is greater than the amount of available funds, funding will be assigned using a randomization process.

Specifically, requests will be assigned their place in the queue for funding using a random-number generator, with the caveat that requests for vehicles domiciled in a DAC will be assigned funded status before the remaining voucher requests, as will any requests for vehicles purchased/leased by a California Native American Tribal Government.

Having funds reserved for a voucher does not ensure that the voucher will be paid, as payment is contingent on meeting all requirements of the Implementation Manual and redemption processes.

If requests for DACs/tribal entities made in the first 24 hours do not exceed available funds, voucher requests for DACs/tribal entities will be assigned funding in the order they were received based on timestamp, and all remaining requests that had been received during the initial 24 hours will be randomized as described below as needed based on demand.

If requests for DACs/tribal entities made in the first 24 hours exceed available funds, these requests will be randomized first and all other requests will be randomized separately and remain on a contingency list as described below.

The process of applying the randomization will be conducted by the grantee and witnessed by CARB staff. The process will be video recorded and the recording will be available upon request by contacting hvip-processing@catalystmobility.org. Any batch of requests—which includes more than one vehicle request with the same purchaser, vehicle, and domicile submitted together or individually—will be assigned one "group" number for randomization, not multiple numbers for each vehicle in the batch, and all vouchers in the batch will receive funding according to that position in the queue.

Any requests not allocated funding via the randomization process will remain on a contingency list for 90 calendar days after the date that funding status is announced. They will be assigned funds—in the order of their randomly-assigned numbers, designating their place in the queue for funding—if any requests are cancelled during the initial review period. At the end of 90 calendar days the remaining unfunded contingency list will be cancelled.

Note: If randomization is needed due to demand, funds for standard HVIP, transit set-aside funds, public fleet set-aside funds, and drayage set-aside funds, as referenced in this Implementation Manual, will be assigned within their own cohort. ISEF and ZESBI funds will not be randomized in this process. See Appendices F—G for details on these set-asides.

2. Waitlist or Contingency List

When available voucher funding is fully subscribed and the program has been open more than 24 hours, CARB has sole discretion to permit a waitlist, a contingency list, instead of closing to new submissions.

CARB may permit a waitlist, only if adequate funding will be available in the following budget cycle to cover a waitlist. Waitlisted voucher requests will be submitted to the grantee following existing voucher processing procedures. When funding is available, waitlisted voucher requests will be reviewed in the order they were received by the Voucher Processing Center.

CARB may permit a contingency list, similar to a waitlist but intended to fill in for cancellations and will only be kept for a pre-specified amount of time. If funds become available due to cancellations voucher requests will be reviewed in the order received based on timestamp.

Requests are subject to the Implementation Manual and the Terms and Conditions that are in place at the time they reach "Funding Reserved" in Voucher Request Stages, not the version in place at the time the waitlist request is initially made (if different).

VII. HVIP Dealer Eligibility and Requirements

A. Dealer Eligibility

Vehicle dealers play a central role in HVIP's success. The grantee will work with CARB to develop/maintain a list of dealers eligible to participate in HVIP, and to receive a written commitment from these dealers to comply with all applicable project requirements. The eligible dealer list will be used to streamline project access while ensuring project transparency and accountability. For the purposes of HVIP, an HVIP-Approved Dealer may

be considered a dealership or OEM salesperson, grant manager, financial controller, or similar role. Those individuals are responsible for requesting and redeeming vouchers for a vehicle they are approved to sell according to the HVIP-Eligible Vehicle Catalog. The following entities may be considered eligible vehicle dealer entities for the purposes of HVIP:

1) A truck or bus dealership that has had a valid business license for the past two years, has an official new vehicle dealer license and has a written agreement with a specific medium- or heavy-duty vehicle manufacturer.

2) A vehicle manufacturer that manufactures HVIP-eligible vehicles and sells those vehicles directly to fleets.

3) A truck, bus or equipment manufacturer that has a written agreement with another medium- or heavy-duty vehicle manufacturer that has had a valid business license for the past two years and an official dealer license.

4) A manufacturer that produces engines certified to the optional NOx standard of 0.01 g/bhp-hr, or dealer in possession of an official dealer license and selling such engines.

5) A manufacturer or dealer that converts an existing vehicle and has had a valid business license for the past two years and either has an official dealer license or automotive repair dealer license.

6) A rental, leasing, and/or fleet management company that has had a valid business license for the past two years and a dealer license.

The HVIP-Approved Dealer is defined as the vendor of the completed vehicle or vendor that sells and installs engines in existing vehicles, and not the vendor of the vehicle chassis. An HVIP-Approved Dealer is the individual responsible for the final invoice to the purchasing fleet and delivery of the completed vehicle to the purchaser.

HVIP-Approved Dealers must provide an authorization letter verifying that they are authorized to sell a manufacturer's technologies. A copy of email correspondence with the manufacturer stating that a specific dealership is authorized to sell specific vehicles from the HVIP vehicle catalog is sufficient. Manufacturers who are also acting as dealers are exempt from the requirement to submit this letter.

An entire dealership (or manufacturing organization) is not entitled to request HVIP vouchers when it employs an HVIP-approved dealer. Rather, an individual at the dealership is responsible for becoming an approved HVIP dealer if they wish to request their own vouchers. Each separate office location of a dealership or manufacturing organization is limited to three individual VPC accounts. If a dealership is at their maximum number of VPC accounts but believe they have circumstances that require additional VPC accounts they can reach out to dealertraining@CaliforniaHVIP.org explaining their situation and need for additional accounts, decisions will be made on a case-by-case basis.

Sharing VPC accounts is prohibited. Manufacturers or other affiliated parties who are not authorized dealers do not have access to the VPC and can request voucher status information directly from the dealer who submitted the voucher request. Therefore, Vouchers and/or voucher requests cannot be transferred from one HVIP-approved dealer's VPC account to another. Therefore, once a voucher request is submitted, the dealer, vehicle, and purchaser information cannot change.

A purchaser with active vouchers or any entity that has participated as a purchaser in HVIP may not become an HVIP-approved dealer. Dealerships, manufacturers, and any entities under common ownership or control with such establishments are prohibited from requesting a voucher as a purchaser. Additionally, entities, including entities under common ownership or control, that have been identified as a dealership, leasing entity, or manufacturer in past HVIP transactions are prohibited from requesting new vouchers as a purchaser.

B. Dealer Requirements

Dealers will be contacted by the administrator within 5 business days of submitting a voucher request regarding any missing information that must be addressed. The vehicle dealer must provide CARB (or its designee) with all requested information related to compliance with HVIP requirements or any vehicle(s) purchased with a HVIP voucher within 14 calendar days of written request for such information. Requested information may include but is not limited to purchase orders or agreements and vehicle payment information and related bank records.

Vehicle dealers must respond to inquiries from purchasers and prospective purchasers within 5 business days of receiving any such outreach.

The dealer must sell the entire HVIP-eligible completed vehicle to the purchaser.

Dealers must indicate at the time of voucher request of any non-standard requests such as lease, finance or any additional incentive sources the purchaser may use. The Voucher Processing Center will prompt the Dealer to indicate whether the voucher is for a lease.

The dealer must also provide the last 6 characters of the vehicle identification number (VIN) (or the complete VIN and serial number for repowers) that uniquely identifies the vehicle, along with the vehicle expected delivery date, within 60 calendar days of the voucher progressing to the *accepted pending confirmation* stage. Serial numbers, production numbers, factory build sheets, or other documentation that confirms that the dealer has made an order with the manufacturer may be accepted in lieu of a VIN, and may be considered by CARB on a case-by-case basis.

CARB or its grantee may reject the voucher after 60 calendar days if the last 6 characters of the VIN is not provided. Consideration of alternative documentation to identify the unique vehicle ordered may be allowed on a case-by-case basis.

Automated emails from the Voucher Processing Center will be sent directly to the Dealer regarding voucher status and required actions. However, purchasers will also receive notifications in some cases, such as 1) when the Dealer requests a voucher on their behalf, and when funding is secured, 2) when the voucher has been redeemed by the Dealer, 3)

when a purchaser signature is required and 4) in any instance wherein the voucher is cancelled for any reason.

Dealers are required to use email addresses and other contact information affiliated with the business on whose behalf they are participating in HVIP. Use of personal contact information (i.e. using general domains such as @gmail and @yahoo) is prohibited unless business-affiliated contact information is the same as personal contact information.

The dealer is responsible for checking CaliforniaHVIP.org on an ongoing basis for the latest program updates.

A vehicle dealer must provide CARB (or its designee) with all requested information related to voucher redemption for compliance with requirements found in this HVIP Implementation Manual within 14 calendar days of CARB's written request for such information. Any vouchers found not in compliance with HVIP requirements or for vehicles not in compliance with the corresponding CARB Executive Order will be cancelled. Dealers are also responsible for replying to all inquiries from prospective purchasers within 5 business days.

Dealers and participating fleets that provide false or misleading information may be barred from future participation in CARB incentives and may be subject to enforcement action or other legal remedies at CARB's sole discretion.

It is the grantee's responsibility to notify the dealer that the voucher request or redemption has been rejected in writing within 5 business days of receipt of signed Terms and Conditions forms or vehicle documentation that disqualifies the vehicle and/or voucher request or redemption. Any rejections will include the reason for a rejected voucher request or redemption.

Vouchers that have been cancelled by the grantee may be reviewed by CARB at CARB's sole discretion. To request such a review, the dealer must reach out to hvip-processing@catalystmobility.org within 14 calendar days of the date of the cancellation. Only the Dealer can request a review. Vouchers cancelled due to purchaser caps are not eligible for CARB review. A request for review cannot be accepted if the only reason for the request is that the dealer or purchaser disagrees with the policies outlined in the HVIP Terms and Conditions or the Implementation Manual. If a review is underway, updates may be requested monthly by contacting hvip-processing@catalystmobility.org

Note: When a review is requested by the dealer on behalf of the purchaser, new information must be submitted to support the review request, or the vouchers will remain cancelled.

C. Dealer Responsibilities

1) Familiarity with all HVIP requirements.

2) Participation in dealer training and registration.

3) Providing accurate information to the vehicle purchasing fleet, the grantee, and CARB and replying to all inquiries.

a) Replies to purchasers must occur within 14 calendar days.

b) Replies to CARB or its administrator must occur within 14 calendar days.

4) Completing voucher requests and voucher redemption forms, with the assistance of the vehicle purchasing fleet, and in supplying the necessary vehicle purchase documentation.

5) Ensuring access to the correct vehicles in the VPC by checking the HVIP-Eligible Vehicle Catalog (CaliforniaHVIP.org) and notifying the grantee if it appears inaccurate.

6) Issuing the final vehicle invoice to the purchaser and delivering the completed vehicle to the designated domicile location.

7) Invoices must show the HVIP voucher amount being provided to the purchaser to discount the purchase or lease of the vehicle.

8) Maintaining a current and valid dealer license that permits selling vehicles to eligible HVIP purchasers within California. Note: If a dealer is located outside of California, tax reflected on the invoice should still be based on the vehicle's California domicile location.

9) Providing accurate and complete documentation of the vehicle purchase to the grantee.

10) Providing reasonable assistance to CARB or its designee to obtain updated purchaser/fleet information, inspect vehicles, and review HVIP related records during the first three years after vehicle receipt and final payment by the purchasing fleet, whichever is later.

11) Adhering to all rules and requirements of the California Department of Motor Vehicles (DMV) at the point of applying to become an HVIP-Approved Dealer and while maintaining status as an approved dealer.

12) Frequently checking CaliforniaHVIP.org for updates and announcements.

HVIP is intended to lower the base vehicle price for purchasers up to the full voucher amount. Vehicle dealers must deduct the full voucher amount from the base vehicle price to be eligible for a voucher. Sales tax for the vehicle purchase shall be based upon the pre-voucher price of the completed vehicle. The invoices provided by the dealer as proof of purchase for voucher redemption must itemize all vehicle charges (e.g., price of the vehicle, delivery fee, all applicable taxes, etc.) and must show the deduction of the voucher amount from the base vehicle price for the purchaser. Dealers and purchasing fleet are required to disclose other sources and amounts of additional incentives.

The voucher request form and voucher redemption form both are legally binding and enforceable agreements to meet the requirements of the project. The dealer is responsible for ensuring the accuracy of the vehicle and dealership information on all voucher request and redemption forms submitted to the grantee. Submission of false information on any of these forms may result in cancellation of the voucher, recapture of funds, and removal from the dealer list. In addition, CARB may seek other remedies available at law.

Participating dealers must keep written records of sales transactions for vehicles funded with an HVIP voucher—including but not limited to the vehicle invoice and proof of purchase—for three years after the vehicle receipt and final payment by the fleet, whichever is later. A vehicle dealer must provide CARB (or its designee) with all requested information related to compliance with HVIP requirements or any vehicle(s) purchased with a HVIP voucher within 14 calendar days of CARB's written request for such information. Requested information may include but is not limited to purchase orders or agreements and vehicle payment information and related bank records.

A dealer with no voucher activity for more than 365 calendar days may be deactivated from the VPC. Reactivation may require additional dealer training. All dealers associated with unredeemed vouchers (voucher owner) are required to keep their VPC account active, including any required training. This also applies where account sharing is enabled.

Dealers that submit false information to the grantee or inflate the price of a funded vehicle may face cancellation of vouchers, be required to return the full voucher amount to the grantee or CARB and may be excluded from future participation in HVIP. In addition, CARB may seek other remedies available at law.

Dealer or manufacturer violations of any parameter of the Implementation Manual may result in CARB barring or limiting the number of new voucher requests that can be placed by that dealer or manufacturer, and by any other dealers from an affiliated dealership.

D. Voucher Transfers at a Dealership

In the event where an approved dealer no longer works for the dealership or is no longer in the role of voucher processing for any reason CARB or its grantee must immediately be notified. Additionally, a Voucher Transition Plan summarizing the circumstances, voucher nuances, causes for delivery delays, case-by-case exceptions, and other relevant information is required from the owner of the vouchers prior to their departure whenever possible. Voucher transition plans should be submitted as soon as the dealer knows vouchers will need to be transferred; the plans should be submitted via email to dealertraining@CaliforniaHVIP.org. CARB may waive this requirement at its sole discretion.

VIII. HVIP Purchaser Responsibilities

Purchasers should notify their dealer and hvip-processing@catalystmobility.org if the email address that should receive these messages changes. Dealers must keep their contact information current by updating dealertraining@CaliforniaHVIP.org.

1) Purchasers are required to use email addresses and other contact information affiliated with the business on whose behalf they are participating in HVIP. Use of personal

contact information (i.e. using general domains such as @gmail and @yahoo) is prohibited unless business-affiliated contact information is the same as personal contact information. Purchasers may receive automated emails from the Voucher Processing Center in conjunction with notifications sent to the dealers. This occurs when:

a) The Dealer requests a voucher on their behalf;

b) Funding is secured;

c) The voucher has been redeemed by the Dealer;

d) A purchaser signature is required, and

e) A voucher is cancelled for any reason.

2) Purchasers must maintain insurance as required by law. If the purchased vehicle is destroyed or otherwise permanently inoperable due to a crash or for any other reason, the vehicle purchaser must notify the grantee and may be responsible to return voucher funds at CARB's sole discretion.

a) The notification to CARB and grantee must provide proof that the specific funded vehicle has become inoperable, including photographs of the inoperable vehicle with license plates or other identifying markings, as well as any applicable insurance or police documentation. CARB may elect not to pursue the return of funds from a purchaser if the vehicle becomes non-operational due to damage that was not intentionally, negligently, or fraudulently caused by the purchaser.

2) The purchaser must commit to ensuring operation of the vehicle in California, as described below, for at least three years after the voucher redemption date. Additional flexibilities can be requested from CARB by contacting hvip-processing@catalystmobility.org

a) Vehicles registered in a California county that borders another state or Mexico, and emergency response vehicles may accrue up to 25% of their mileage each year for the three-year reporting period outside of California, without prior approval.

b) Class 8 trucks, including port drayage trucks, may accrue up to 50% of their mileage each year outside of California without prior approval, as long as goods are being transported to or from California.

c) Vehicles that are registered via the California DMV's International Registration Plan (IRP) may also accrue up to 50% of their mileage each year outside of California without prior approval.

d) Fleets based in Mexico can accrue up to 50% of mileage outside of California, non-inclusive of idle time. All other vehicles must operate 100% within California for at least three years.

3) Purchasers must not make or allow any modifications to the vehicle's emissions control systems, hardware, software calibrations, or hybrid system (Vehicle Code Section 27156).

4) Purchasers must submit annual surveys for three years following voucher redemption. Surveys will be provided by CARB or grantee for completion by the vehicle purchaser. Fleets and businesses that systematically fail to submit accurate and timely surveys/questionnaires may be prohibited from future HVIP and other incentive participation.

5) Purchasers must agree to telematics requirements specified in Section B(1)(l), except vehicles equipped with engines certified to the optional NOx standard of 0.01 g/bhp-hr.

6) Purchasers must allow CARB, the grantee, or their designee to verify the vehicle registration with the DMV. The DMV registration must match the vehicle listed on the CARB EO.
7) Purchasers must make the HVIP funded vehicle or domicile location available for follow-up inspection if requested by the grantee, CARB, or CARB's designee.

8) Military vehicles are not subject to some conditions in this Implementation Manual (see Appendix E).

9) Purchasers must disclose all sources of incentives, including, but not limited to, federal, local, and state incentive programs used in combination with HVIP funds. Purchasers who fail to disclose all sources of public incentives may face voucher cancellation and be required to return voucher funds where stacking funding is prohibited.

10) The purchaser is responsible for ensuring the accuracy of the vehicle, engine and purchaser information on the voucher request and redemption forms. Submission of false information on any of these forms may be considered a criminal offense and is punishable under penalty of perjury under the laws of the State of California.

11) Purchasers must keep written records of the vehicle purchase for vehicles funded with an HVIP voucher—including the vehicle invoice, proof of purchase, and DMV records—for three years after the vehicle purchase transaction.

   a) A vehicle purchaser must provide CARB (or its designee) with all requested information related to any vehicle purchased with an HVIP voucher within 14 calendar days of CARB's written request for such information. Requested information may include but is not limited to purchase orders or agreements, vehicle payment information and related bank records, and purchaser fleet information.

   b) Purchasers that submit false information to the grantee or CARB may be required to return the full voucher amount to the grantee or CARB and may be excluded from

future participation in HVIP. In addition, CARB may pursue other remedies available under the law.

12) The purchaser must ensure the domicile address remains in California, and the location cannot be changed without advance CARB approval for three years after voucher redemption.

13) For the purposes of HVIP, the purchaser is responsible for ensuring the Terms and Conditions are met, including ensuring vehicle operation for at least three years. The purchaser is expected to disclose and provide all pertinent information regarding fleet inventory and compliance status to the HVIP-approved dealer at time of voucher request and throughout voucher processing, with additional information as necessary up through the Redemption Processing stage. The Purchaser is also required to complete an annual survey for three years after redemption.

14) CARB, at its sole discretion, may request documentation from natural gas internal combustion engine purchasers to verify the use of 100% California-produced RNG. Natural gas internal combustion engine purchasers not adhering to the in-State RNG requirement may be barred from eligibility for HVIP and other CARB incentives.

15) The purchaser is responsible for participating in the preparation of voucher request and redemption forms with the dealer and for paying the non-voucher portion of the vehicle cost.

IX. Rental, Leasing and Fleet Management Companies

Rental, leasing, and fleet management companies may be eligible to act as purchasers under HVIP. Conversely, rental, leasing, and fleet management companies associated with vehicle manufacturer(s) are prohibited from being a purchaser.

Rental, leasing, and fleet management companies are prohibited to act as the dealer on HVIP Voucher transactions, even if they have a direct purchase agreement with a manufacturer. If a rental fleet or fleet management company is under common ownership or control with an HVIP-approved dealer, they must not purchase through that affiliated dealer. Instead, they are required to:

1) Purchase through a different HVIP-approved dealer, or
2) Purchase directly from an OEM that is also a HVIP-approved dealer.

An HVIP Voucher may only be requested at the time of vehicle purchase and is not permitted at the time a vehicle is leased.

Voucher extension requests will not be granted for rental fleets and fleet management companies. Vouchers that are not redeemed by their expiration date will be cancelled.

If a lessee defaults on the lease agreement, the lessor must work with the dealer to obtain CARB approval—via request submitted to *hvip-processing@catalystmobility.org* —to sell or lease the vehicle if within three years of voucher redemption.

If a lease is broken or terminated, the vehicle lessor must notify *hvip-processing@catalystmobility.org* within 14 calendar days. If a lessee defaults on the lease agreement the lessor must work with the dealer to obtain CARB approval to sell or lease the vehicle to a new purchaser if within the three-year operational timeframe.

A. Vehicle Lease Agreements for Three or More Years

For lease agreements with a term greater than three years, the lessee may qualify for a voucher amount based on the lessee's business eligibility. Additionally, the lessor entity must disclose the entire voucher amount and voucher terms to the vehicle lessee on the lease agreement. The lease agreement must include all commitments needed from the lessee to ensure that 1) the vehicle operates 100% in California as required by the voucher redemption form and 2) all required annual Purchaser Surveys will be submitted.

The cost of the vehicle listed on the lease must match the cost of the vehicle reflected on the final invoice from the dealer to the purchaser and must ensure that the full value of the voucher has been passed on to the lessee before the conclusion of the lease and not passed down to intermediary parties. CARB or its grantee may request lease agreements to confirm appropriate disclosures are made regarding HVIP voucher amount received and vehicle activity and reporting requirements. The lessor entity must provide CARB (or its grantee) all requested information related to any vehicle leased with an HVIP voucher within 14 calendar days of CARB's written request for such information. An HVIP voucher can be requested at the time of vehicle purchase only and is not provided at the time a vehicle is leased. If a lease is broken or terminated, the vehicle lessor must notify hvip-processing@catalystmobility.org within 14 calendar days.

Voucher requests from a rental fleet or fleet management company, in which the rental fleet or fleet management company has determined the lessee prior to submitting the request, and the lease is for three or more years must provide a domicile address that is associated with the purchaser and in line with the domicile address requirements outlined in IV. (5) Domicile Address of this Implementation Manual.

B. Rental Companies and Lease Agreements for Less Than Three Years

Rental, leasing, and fleet management companies are only eligible for the base voucher amount, regardless of company size or ownership structure. Small businesses in this category are not eligible for increased incentive levels. Additionally, rental fleets and fleet management companies are not eligible for supplemental drayage truck funding from the Port of Los Angeles or Port of Long Beach.

C. Reporting Requirements for Leasing, Rental and Fleet Management Companies

To support transparency and compliance, all rental and fleet management purchasers must report annually on each HVIP-funded vehicle. Reporting must continue for three years from delivery. Required data must be submitted in the following format to hvip-processing@catalystmobility.org :

Vehicle VIN	Lessee/Renter Name	USDOT (if applicable)	Miles Driven	Lease/Rental Start Date	Lease/Rental End Date

Rental, and fleet management companies must also maintain detailed records of customer use and executed rental or lease agreements for all HVIP funded vehicles for a minimum of three years after the vehicle is delivered. These records must be made available to CARB or its designated administrator upon request for audit or compliance review.

Failure to comply with annual reporting may result in disqualification from future HVIP participation and potential voucher recapture.

X. Extenuating Circumstances

A. Vehicle Resale

Purchasers participating in HVIP are expected to keep the vehicle and meet all applicable project requirements for a minimum three-year period after the date of voucher redemption. However, resale of a vehicle may be allowed within this three-year period if necessitated by unforeseen or unavoidable circumstances. Resale of an HVIP funded vehicle must receive CARB written approval prior to resale; the name, phone number, sale price, and email address of the prospective new purchasing organization must be provided to hvip-processing@catalystmobility.org before the sale. At that time, a copy of the current Purchaser Terms and Conditions Form will be provided to the prospective new vehicle purchaser to review before the sale by the administrator. If written approval to resell the vehicle is provided by CARB, the original vehicle purchaser cannot profit from selling the vehicle and must pass down the original voucher amount to the new purchaser hvip-processing@catalystmobility.org. If the original voucher amount was for a small business fleet or a drayage operator, the new purchaser must be eligible to receive the larger amount or a prorated voucher amount will need to be returned to CARB upon completion of the resale. A vehicle purchased with an HVIP voucher may not be resold more than once within three years of the voucher redemption date. Any resale request is required to comply with the Implementation Manual in effect at the time of the resale request.

For vehicles resold within three years of the voucher redemption date (and after CARB provides written approval), the original vehicle purchaser must provide the new purchaser of applicable voucher project requirements. The new vehicle purchaser must meet all HVIP eligibility requirements and agree in writing to meet all applicable program requirements found in the Implementation Manual in effect at the time of the resale request.

If the vehicle is moved out of the State, resold to an entity that enters into an agreement with another party to operate the vehicle, resold to a purchaser that is ineligible, or resold and the new vehicle purchaser does not agree in writing to meet all applicable HVIP requirements in place at the time of resale, the original vehicle purchaser must refund a prorated portion of their voucher to the grantee within 30 calendar days, in an amount equivalent to the original voucher amount divided by 36 months and then multiplied by the

number of months remaining in the original 36 month period (rounded to the nearest month): (Original Voucher Amount ÷ 36 Months) x (36 – months since vehicle or engine purchase or lease date).

The original vehicle purchaser must notify the grantee at hvip-processing@catalystmobility.org and obtain CARB's approval in writing of its intent to sell the vehicle prior to the vehicle resale. Specifically, a prospective purchaser cannot be obtained prior to CARB approval. Within 7 calendar days after the CARB-approved vehicle resale, the original vehicle purchaser must notify the grantee that the vehicle has been resold and provide the resale price. Within 30 calendar days after the vehicle resale, the entity buying the vehicle from the original vehicle purchaser must also provide the grantee with: a copy of the signed Terms and Conditions, a copy of the new DMV title documenting of the vehicle resale and Terms and Conditions signed by the new purchaser, and a written commitment to complete and return the annual usage survey/questionnaire as required by the original voucher. CARB reserves the right to pursue all remedies available at law for noncompliance with these requirements.

XI. Oversight and Accountability

Through administration of longstanding incentive programs such as the Carl Moyer Program, CARB has found that project evaluations and program reviews are essential to ensure that incentive programs run in accordance with statutory requirements and that State funds are spent transparently and efficiently. The grantee is responsible for working closely with vehicle manufacturers, dealers and CARB to safeguard HVIP funds from misuse as it implements HVIP. Vehicle dealers and purchasers participating in HVIP must provide CARB or its designee and the grantee access to all requested files and relevant information related to vehicle purchases involving an HVIP voucher.

CARB holds the overarching responsibility for HVIP fund oversight and project accountability and has final authority and sole discretion over all aspects of HVIP, including applicant and vehicle eligibility, and all program requirements. As such, CARB is responsible for monitoring and reviewing the grantee's implementation of HVIP. The grantee shall allow CARB, the Bureau of State Audits, or their designated representative the right to review and to copy any records and supporting documentation pertaining to its development or implementation of HVIP. The grantee must maintain such records for a possible audit for a minimum of three years after final payment from CARB. The grantee must allow CARB or its designee access to such records during normal business hours and allow interviews of any employees who might reasonably have information related to such records.

CARB will take appropriate actions to protect against fraud and seek all remedies under the law to hold all parties accountable. CARB may implement processes to prevent fraud, which may include, but are not limited to, the use of VIN decoders, protocols for repeat offenders, and other mechanisms as identified by CARB.

Responsibilities for HVIP oversight include but is not limited to the following:

1) CARB has primary oversight responsibility for HVIP to ensure transparent and efficient implementation, and that funds are spent consistent with the requirements of statutes, CARB regulations, the AQIP Guidelines and Funding Plan, HVIP solicitation and grant

agreement with the grantee, and this Implementation Manual. CARB reserves the right to conduct a site visit, evaluation, review, or audit of the HVIP participants, including but not limited to, the grantee, dealers, purchasers, leasing entities, and manufacturers.

2) If the grantee detects any potentially fraudulent activity by a vehicle dealer or purchaser, they shall notify CARB as soon as possible and work with CARB to determine an appropriate course of action.

3) CARB staff or its designees have primary responsibility for conducting project reviews and/or fiscal audits of HVIP administration and implementation.

4) Dealers, Original Equipment Manufacturers (OEM), Voucher recipients, the grantee and its subcontractors shall allow CARB, the California Department of Finance, the California Bureau of State Audits, or any authorized designee access, during normal business hours, to conduct HVIP reviews and fiscal audits or other evaluations. Granting of access includes, but is not limited to, reviewing project records, site visits, and other evaluations as needed. Project evaluations or site visits may occur unannounced as CARB staff or its designee deems necessary.

5) The grantee shall, in coordination with CARB, maintain a Voucher Processing Center for dealers to quickly, effectively, and transparently request and redeem vouchers. The Voucher Processing Center shall include all the information necessary for the dealer to submit the voucher request. Only completed and accurate voucher request forms will be accepted. The grantee will review the voucher request form for eligibility and provide vouchers until HVIP funds are depleted or until CARB pauses requests.

A. Project Non-Performance

In the event of non-performance by the grantee or its subcontractor(s) in administering the HVIP program, CARB reserves all rights and remedies available at law, including but not limited to, remedies detailed in the Grant Solicitation and Grant Agreement.

In the event of non-performance by the program participant, CARB reserves all rights and remedies available at law, including but not limited to remedies listed in the applicable Terms and Conditions, and in this Implementation Manual.

B. Compliance with Air Quality Laws

By participating in the HVIP program, the participant understands, acknowledges and agrees that compliance with all applicable federal, state and local air quality rules, regulations and statutes is a precondition to the receipt or use of any state funds provided by or through CARB. The participant understands, acknowledges and agrees that a failure to comply in whole or in part with any local, state or federal air quality rules, regulations or statutes, or a failure to comply, in whole or in part, with any of the requirements or obligations under the program and all applicable Terms and Conditions is, in each instance, a material breach of the conditions under which state funds were provided or made available, and such breach will result in undue hardship and damages to the grantee and the State of California, some or all of which may be impossible to easily calculate.

C. Liquidated Damages

If CARB within its sole and absolute discretion, determines that the HVIP program participant is in breach of program rules or has breached any obligation to remain in compliance with any applicable federal, state or local air quality rules, regulations and statutes, then the HVIP program participant, immediately upon demand, will pay the grantee (or to CARB, as requested), as recaptured funds or liquidated damages, the full amount of all state funds received during the period of noncompliance, as determined by CARB.

The HVIP program participant agrees that quantifying the losses arising from any breach is inherently difficult insofar as breach may cause the state of California or the grantee irreparable, serious or substantial harm or damage, including to taxpayers or to the environment. The HVIP program participant further agrees that the above-mentioned amount of recaptured funds or liquidated damages is not a penalty, but rather a reasonable measure of damages based upon experience and given the nature of the losses that may result from said breach. The HVIP program participant agrees that the recaptured funds or liquidated damages have been computed, estimated and agreed upon by all parties and represents an attempt to make a reasonable forecast of probable actual loss because of the difficulty of estimating with exactness the damages which will result. This obligation shall apply even if there is a concurrent noncompliance or violation of air quality rules, regulations or laws caused by a third party. The remedies set out in this paragraph are contractual in nature.

Nothing stated herein above in any way limits, prevents, or precludes the State of California, CARB or the grantee from taking any enforcement action, exercising any police power or prosecuting any violation of law against a HVIP program participant, its employees, officers, agents, assigns, representatives, contractors, subcontractors, affiliates, grantees, sub-awardees, subgrantees, or any third parties. CARB retains the authority to suspend and prohibit any entity from participating in the HVIP program if CARB determines, within its sole and absolute discretion, that the HVIP program participant is in breach of program rules.

XII. Definitions

Account Sharing: A feature within the Voucher Processing Center which allows multiple HVIP-approved dealers within the same organization to view/edit one another's vouchers.

Batch: One voucher request that includes a quantity of more than one, with the same purchaser, vehicle, and vehicle domicile

Bill of Lading: A written receipt that confirms transportation of goods by a carrier (i.e., a binding contract that evidences an agreement of shipment between carrier and shipper; a receipt that acts as evidence of delivery of the shipment). The delivery address should match the domicile address on file. Per the Redemption Checklist available at californiahvip.org/dealers/, a Bill of Lading is no longer required if other delivery documentation includes the same information.

CARB-Certified: A vehicle that has been certified and issued an Executive Order by CARB.

CARB Project Liaison: A CARB staff person named in this Implementation Manual who serves as the point of contact for coordination with HVIP grantee.

California Native American Tribal Government: Includes all federally recognized tribes in California listed on the most recent notice of the Federal Register, and non-federally recognized tribes, including those listed on the California Tribal Consultation List maintained by the California Native American Heritage Commission.

Commercial Vehicle: Any vehicle used by a business, public or governmental agency, or non-profit to carry people, property, or hazardous materials.

Common Ownership or Control: Being owned by the same person, corporation, partnership, limited liability company, or association. In addition, vehicles managed day to day by the same directors, officers, or managers, or by corporations controlled by the same majority stockholders are considered to be under common control even if their title is held by different business entities. See Appendix C of this Implementation Manual for more information.

Complete Vehicle: As defined by the Federal Transit Administration, "a vehicle that requires no further manufacturing operations to perform its intended function. This includes vehicles that are altered only by (1) the addition, substitution, or removal of readily attachable components (such as mirrors, or tire and rim assemblies) or (2) minor finishing operations (such as painting) in such a manner that the vehicle's stated weight ratings are still valid."

Dealer or HVIP-Approved Dealer: The vendor of the eligible complete vehicle or vendor that sells and installs eligible technologies in existing vehicles and includes dealers or manufacturers that sell medium- or heavy-duty vehicles directly to a vehicle purchaser.

Disadvantaged Communities: Communities identified by the California Environmental Protection Agency (CalEPA) to determine whether a project qualifies as located in a disadvantaged community, the grantee must use the criteria in Assembly Bill 1550.[14]

For the DAC incentive, the domicile address must fall in one of the following areas of the mapping tool at *California Climate Investments Priority Populations 4.0*.

1) Disadvantaged communities

2) Disadvantaged and low-income communities

3) Low-income communities within ½ mile of a disadvantaged community

4) Low-income households within ½ mile of a disadvantaged community

Domicile: for the purposes of this program is defined as the vehicle's "home base" or deployed location; where the vehicle stays overnight, returns after its route, or is parked when it is not working.

Emergency Vehicle: Vehicles meeting the definition of California Vehicle Code (CVC) 165.

Expend: The payment of funds on an invoice for an eligible vehicle.

Exportable Power: AC electrical power generated by a commercial plug-in vehicle, typically to power electric tools, lighting, or other accessories at a job site.

Fleet: Vehicles traveling in California owned by a person, business, non-profit or government agency and consists of one or more vehicles. Vehicles under common ownership or control are considered part of a single fleet even if they are part of different subsidiaries, divisions, or other organizational structures of a company or government agency. A fleet is not a manufacturer, dealership, or leasing company that enters into any agreement with another party to operate the vehicles unless these specified entities own their own vehicles.

Fleet Size: for Standard HVIP and all Set-Asides except for ZESBI, is inclusive of the fleet's vehicles domiciled anywhere globally that are over 8,500 lbs. GVWR, including all such vehicles under common ownership or control, as defined in HVIP's Implementation Manual.

Fleet size is inclusive of vehicles registered with the California Department of Motor Vehicles (DMV) as non-operational, but excluding off-road vehicles, unregistered vehicles, and those registered with the DMV as non-revivable junk or dismantled.

Fleet size is inclusive of existing unredeemed HVIP vouchers and ~~but~~ does count the current voucher request; therefore, if a voucher(s) represents the fleet's first purchase of a vehicle with a GVWR greater than 8,500 lbs., a fleet size of "0" should be entered. Before

[14] Assembly Bill 1550 Implementation, contains the criteria for determining whether a project is located within a disadvantaged community. This Guidance is available at *www.arb.ca.gov/cc/capandtrade/auctionproceeds/communityinvestments.htm*.

voucher redemption, additional verification of fleet size may be required at CARB's sole discretion, including site visits.

g/bhp-hr: Grams/brake horsepower-hour.

Grantee: The entity selected by CARB via competitive solicitation to administer HVIP. The responsibilities of the grantee are described in this Implementation Manual and in the grant agreement between CARB and the grantee. The grantee is responsible for ensuring it and its HVIP subcontractors meet all project requirements.

Gross Vehicle Weight Rating (GVWR): The vehicle weight described on the VIN tag or original manufacturer Line Setting Ticket provided to the vehicle dealer.

Hybrid Vehicle: Any vehicle that can draw propulsion energy from both of the following on-vehicle sources of stored energy:1) consumable fuel, and 2) a rechargeable energy storage system.

Hydrogen Fuel Cell Vehicle: A ZEV that is fueled primarily by hydrogen and does not have plug-in capacity.

Eligible Engines: Any engine certified to the optional NOx standard of 0.01 g/bhp-hr as of the publication of this document.

Incentive Funding: funds awarded to the purchaser via an application process in which the money is not guaranteed, such as a grant program, voucher program or government issued rebate. Incentive funding is to be used for a vehicle purchase with the sole purpose of reducing the vehicle cost. This does not include annual revenue.

Incomplete Vehicle: As defined by the Federal Transit Administration, "an assemblage of components consisting of, as a minimum, frame and chassis structure, powertrain, steering system, suspension system, and braking system—to the extent that those systems are to be part of a completed vehicle."

Incremental Cost: The difference in cost between an HVIP-eligible vehicle and a comparable new conventionally fueled vehicle that would be purchased to perform the same function. For engine vouchers, the incremental cost means the difference in cost between a baseline vehicle/engine and vehicle/engine certified to the standard utilizing the same fuel type. This cost is determined on a case-by-case basis based upon a manufacturer's HVIP eligibility application submittal, HVIP voucher redemption data, discussions with fleets and other stakeholders, and other relevant data and information.

In-Kind Services: Payments or contributions made in the form of goods and services, rather than direct monetary contributions.

Lessor Entity: An entity, often a financial institution, that holds the lease on an HVIP-funded vehicle.

Line Setting Ticket: The factory build or construction sheet created when the vehicle order is sent to the vehicle manufacturer. The Line Setting Ticket typically includes the new vehicle's VIN, all the codes for standard equipment and options the salesman used to create this vehicle for his purchaser. After the factory assembles the vehicle and the vehicle is shipped and sold, the Line Setting Ticket identifies such things as the gross vehicle

weight rating, engine type, transmission type, drive line, paint codes, gear ratio, and standard and optional equipment, specific to that vehicle.

Match Funding: Those funds contributed by the grantee directly to HVIP for the sole purposes of funding additional vehicles or increasing the vehicle voucher amount.

Non-Profit or Non-Profit Agency: An agency or corporation that does not distribute corporate income to shareholders and is exempt from federal income taxes under Section 501 of the Internal Revenue Code (26 U.S.C.A. § 501). Non-profits are categorized as private entities in HVIP.

Out-the-Door Price: The total amount associated with the vehicle purchase transaction, including the Base Price and all applicable taxes, fees, products, services, and other charges.

Plug-In Hybrid Electric Vehicle: Also known as a grid-connected HEV or GHEV, means a hybrid electric vehicle that has:

1) Zero-emission vehicle range capability, and

2) On-board electrical energy storage device with useful capacity equivalent to greater than or equal to ten miles of Urban Dynamometer Driving Schedule range on electricity alone is equipped with an on-board charger and is rechargeable from an external connection to an off-board electrical source.

Public Fleet: Includes all federal, state, city and other government fleets plus public universities, public airports, public school districts, California public ports and special districts such as water, utility, and irrigation districts.

Public Transit Bus: An on-road vehicle greater than 8,500 pounds GVWR, owned or operated by a city or county government; a transportation district/transit district; or a public agency. Public transit includes paratransit and micro transit services operated by or on behalf of a public transit agency but not shuttle buses with restricted services including but not limited to airport shuttles, university shuttles, and prisoner transport shuttles.

Purchaser: A purchaser for the purposes of HVIP is responsible for ensuring the Terms and Conditions are met, including ensuring vehicle operation for at least three years.

Manufacturer Recommended Minimum State-of-Charge: The minimum allowable battery capacity recommended by the battery manufacturer to ensure the most efficient and durable battery operation, as a percent of the maximum battery capacity.

Refuse Vehicle: Vehicles that collect garbage as a front load, rear load, side load, or other form of garbage packer truck[15]; and not be a roll-off or other form of waste transfer vehicle.

Renewable Fuel: Comprised of definitions of alternative fuels from the Low Carbon Fuel Standard (LCFS), California Code of Regulations Section 95481. Section 95481(79) defines

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[15] *ww2.arb.ca.gov/resources/fact-sheets/swcv-garbage-roll-and-garbage-packer-requirements#:~:text=%E2%80%9CGarbage%20packer%E2%80%9D%20means%20a%20vehicle,and%20semi%2Dautomated%20side%20loaders.*

transportation fuel as any fuel used or intended for use as a motor vehicle fuel or for transportation purposes in a non-vehicular source. For HVIP, transportation fuel, as defined above, must satisfy Section 95481(11) that defines Bio-CNG as biogas-derived biomethane which has been compressed to CNG. Additionally, fuel may be produced out-of-state as defined in Section 95481(66) that defines Producer as the entity that made or prepared the fuel. This definition of Producer includes "out-of-state" producers where the production facility is out of the State of California and the entity has opted into the LCFS pursuant to section 95483.1. As more engines that use renewable fuels other than renewable become available, CARB will expand this definition to include those renewable fuels.

Rental and Fleet Management Company: Are businesses that manage, own, or operate commercial vehicle fleets, for the purpose of transportation services, vehicle rentals, short or long-term leasing to other businesses or individuals.

Repower: The replacement of an existing engine with a new engine certified to any tier of the Optional emission standard approved by CARB instead of rebuilding the existing engine to its original specifications.

Small business fleets: For Standard HVIP and all Set-Asides except for ZESBI, HVIP's fleet size definition for voucher requests placed on or after 1/1/24 is inclusive of the fleet's vehicles domiciled anywhere globally that are over 8,500 lbs. GVWR, including all such vehicles under common ownership or control.

Small business fleets are defined as public and non-profit fleets with 20 or fewer such vehicles, and private fleets with 20 or fewer such vehicles *and* less than $15 million in annual revenue. Fleet size is inclusive of vehicles registered with the California Department of Motor Vehicles (DMV) as non-operational, but excluding off-road vehicles, unregistered vehicles, and those registered with the DMV as non-revivable junk or dismantled. Fleet size is inclusive of existing unredeemed HVIP vouchers. If a voucher(s) represents the fleet's first purchase of a vehicle with a GVWR greater than 8,500 lbs., a fleet size of "0" should be entered. Before voucher redemption, additional verification of fleet size may be required at CARB's sole discretion, including site visits. For example, if a purchaser with a fleet size of 17 requests 5 vouchers they are eligible for 3 small business vouchers and the remaining 2 would be base vouchers.

Telematics: A data acquisition system capable of collecting vehicle GPS data, vehicle mileage and hours of operation.

Truck Equipment Manufacturer (TEM): A company that installs equipment on a truck or bus chassis. The TEM bears full responsibility for any vehicle defects under federal law and is responsible for certifying that the vehicle meets all applicable federal safety standards.

UDDS: Urban dynamometer driving schedule as set forth Appendix I of title 40, Code of Federal Regulations, Part 86.

Vehicle Type: Listed in Voucher Processing Center and Vehicle Catalog: ePTO, Heavy Duty Bus, Medium Duty Bus, Refuse, School Bus, Step/Panel Van, Straight Truck, Tractor.

Zero-Emission Power Take-Off (ePTO): A method for taking power from an on-vehicle source (typically a battery) that produces no emissions of pollutants (including carbon

dioxide, carbon monoxide, hydrocarbons, oxides of nitrogen, and particulates) and which can be used to power truck mounted hydraulic, pneumatic or electric work equipment utilized for performing stationary work.

Zero-Emission Vehicle (ZEV): A vehicle that itself produces no emissions of pollutants (including carbon dioxide, carbon monoxide, hydrocarbons, oxides of nitrogen, and particulates) when stationary or operating.

Zero-Emission Vehicle Conversions: Removing any type of existing system that utilizes conventional fuel and replacing it with a zero-emission propulsion system, such as battery or hydrogen fuel cell powered electric powertrain/drivetrain.

XIII. List Of Acronyms

AB	Assembly Bill
AC	Alternating Current
AQIP	Air Quality Improvement Program
CARB	California Air Resources Board
CA #	California Carrier Identification Number
CCR	California Code of Regulations
CFR	Code of Federal Regulations
CMAQ	Congestion Mitigation and Air Quality
DAC	Disadvantaged Community
DMV	Department of Motor Vehicles
DOC	Diesel Oxidation Catalyst
DPF	Diesel Particulate Filter
ePTO	Electric Power Take-Off
FTA	Federal Transportation Authority
FY	Fiscal Year
GHG	Green House Gas
GGRF	Greenhouse Gas Reduction Fund
GVWR	Gross Vehicle Weight Rating
HSC	Health and Safety Code
HVIP	Clean Truck and Bus Voucher Incentive Project
IRS	Internal Revenue Service
JPA	Joint Powers Authority
LESBP	Lower-Emission School Bus Program
MY	Model Year
PEMS	Portable Emissions Measurement System
NOx	Oxides of Nitrogen
OBD	On-Board Diagnostics
OEM	Original Equipment Manufacturer
SB	Senate Bill

SCR	Selective Catalytic Reduction
TEM	Truck Equipment Manufacturer
USC	United States Code
VECI	Vehicle Emission Control Information (label)as adopted by CARB test procedures[16]
VIN	Vehicle Identification Number
VIP	Voucher Incentive Program
VPC	Voucher Processing Center
ZEV	Zero-Emission Vehicle
ZESBI	California's Zero-Emission School Bus and Infrastructure Program

[16] *On-Road Heavy-Duty Certification Program: Labeling | California Air Resources Board*

Appendix A: HVIP Vehicle Eligibility List

The current list of HVIP-eligible vehicles, as well as a historical record of some previously-eligible vehicles, and a list of Vehicle Types and active dealers, can be found at CaliforniaHVIP.org

Appendix B: Vehicle Eligibility Applications

Vehicle Eligibility Application Submittal Instructions for Original Vehicle Manufacturers

Submit the vehicle eligibility application to CARB at hvip@arb.ca.gov and provide a signed electronic copy of the application. There is no deadline for application submittal. Vehicle eligibility applications will be evaluated in the order they are received.

Applications for HVIP eligibility must match the corresponding Executive Order including vehicle model year, vehicle model name, chassis, chassis model year, and configuration. Voucher requests that are not identical to the corresponding Executive Order and HVIP Approval Letter may be subject to cancellation. The exception to this is when a letter of attestation is provided addressing Vehicle – EO MY alignment.

Specifically, in instances where the Model Year of the VIN for an HVIP-funded vehicle will not match the Model Year on the corresponding CARB Executive Order, a letter of attestation must be provided by the OEM on company letterhead a minimum of 30 calendar days in advance of the voucher request to hvip-processing@catalystmobility.org with the following information: 1) identifying the EO that covers the vehicle for which funds are being requested, 2) listing which Vehicle Models are covered by the corresponding EO, 3) listing which Vehicle MYs are covered by the MY of the corresponding EO, and 4) stating the OEM's understanding that if the OEM delivers an HVIP-funded vehicle that is not covered by the EO and HVIP Approval Letter, the OEM will be responsible for returning HVIP funds and covering any penalties issued by CARB, if applicable.

Questions regarding submittal of the vehicle eligibility application or application requirements should be directed to CARB. All vehicles eligible for HVIP are required to be certified at the vehicle level. Zero-Emission Powertrain Certification (ZEPCert) is additional requirement for all new HVIP vehicle eligible applications submitted to CARB, for all applicable zero-emission powertrains and the trucks and buses they are installed in.

For repowers, an aftermarket certification is required.

The timeline from when a complete and accurate eligibility application is received by CARB to when the vehicle is available in the HVIP-Eligible Vehicles Catalog and Voucher Processing Center (VPC) is an average of 75 calendar days. This includes 60 days for CARB's review and 15 days for HVIP staff to update the Catalog and VPC.

Manufacturers should be aware that voucher information regarding their technologies (i.e., quantity by dealer), may be released to the public at CaliforniaHVIP.org and by other mechanisms.

Note: If the MY of an HVIP-funded vehicle changes in the time between when the voucher was requested and when the voucher was redeemed (i.e., MY2026 requested and MY2027 delivered), this does not affect the voucher status/redemption or the purchase order, if the subsequent model year is covered by a letter of attestation as described above. It will be

acceptable for the voucher request and purchaser order/sales agreement even if it is not included in the HVIP Vehicle Catalog.

Note: All manufacturers of HVIP-eligible vehicles that are subject to National Highway Traffic Safety Administration (NHTSA) recalls must provide a copy within 30 calendar days of the NHTSA filing to hvip@arb.ca.gov

Appendix B1: New Zero-Emission Vehicle/Zero-Emission Commercial Vehicle Conversion Eligibility Application

This is an application for new zero-emission commercial vehicles and zero-emission vehicle conversion to be included on the list of vehicles eligible for HVIP. This application must be completed along with the Zero-Emission Vehicle/Zero-Emission Commercial Vehicle Conversion Vehicle Component Cost supplemental application form. Vehicle must receive approval by CARB prior to the vehicle being eligible for a voucher. Zero-emission vehicles subject to the Federal Transit Administration's (FTA) New Model Bus Testing Program (often referred to as "Altoona Testing") are required to have passed the testing before becoming HVIP eligible.

CARB reserves the right to request additional information or clarification of information provided in this application. This application applies to and must be completed by the original vehicle manufacturer or its legal representative.

Please check the box that applies:

☐ New zero-emission commercial vehicle

☐ Zero-emission vehicle conversion commercial vehicle

Effective January 1, 2024, **all** battery electric school bus eligibility applications for HVIP must have Vehicle-to-Grid (V2G) functionality and meet the following requirements.

1. Each bus must have the ability to charge with level 2 SAE J-1772 charging.
2. Each bus must be capable of vehicle-to-grid (V2G) bi-directional charging and discharging via use of type 1 combined charging system (CCS), with a minimum of 60 kW.
3. New school buses must comply with ISO 15118-20 Road vehicles — Vehicle to grid communication interface — Part 20: 2nd generation network layer and application layer requirements.
4. The bus must be designed so that no hardware or firmware changes are necessary to allow the bus to immediately serve demand that is independent of the utility grid (e.g., vehicle-to-load functions that are "islanded" or electrically separated from the utility system).
5. The bus must be able to receive a remote update enabling grid-interconnected V2G functions (e.g., vehicle-to-building functions connected to the utility system), upon completion of applicable requirements for safe electrical interconnection.

Please self-certify that this vehicle meets this definition if the vehicle is a school bus:

☐ Yes

☐ No

Part I: Vehicle Manufacturer Information

1. Manufacturer Name: Tax Identification Number:		
2. Staff Contact Name and Title:		
3. Business Mailing Address and Contact Information Street:		
City:	State:	Zip Code:
Phone:	Email:	

Please identify the zero-emission vehicle and its baseline (gasoline or diesel-powered) equivalent in Tables 1 and 2, respectively. The baseline equivalent must be a comparable Internal Combustion Engine, regardless of the manufacturer.

For conversion kits, if more than one vehicle, please include an attachment with the complete list of vehicles and vehicle information and reference attachment here as follows: multiple vehicles, see "*file name.*"

Table 1: Zero-Emission Vehicle Information

Vehicle MY	**Vehicle Information** (vehicle make, vehicle model, vehicle type, drive configuration (4 x 2 or 4 x 4), and frontal area)	**Gross Vehicle Weight Rating**

Table 2: Baseline Vehicle Information

Vehicle MY	**Vehicle Information** (vehicle make, vehicle model, vehicle type, drive configuration (4 x 2 or 4 x 4), and frontal area)	**Gross Vehicle Weight Rating**

What is the typical California pre-tax cost of the zero-emission vehicle (identified in Table 1) with normal dealer profit? $_____

What is the typical California pre-tax cost of this equivalent baseline vehicle (identified in Table 2 with normal dealer profit $_____

Part II: Verification of Vehicle Eligibility

For vehicle models not currently on the list of eligible vehicles:

Please provide the following information as attachments to this form for each vehicle model listed in Table 1. CARB reserves the right to request additional information to complete the vehicle eligibility evaluation.

- CARB Executive Order (EO) for new zero-emission commercial vehicles.
- For conversions of any type of vehicle to zero-emission, the aftermarket conversion kits must receive an exemption EO from CARB
- Warranty provisions
- After sales service provisions
- MSRP price sheets
- Proof of compliance with the all-electric range requirements identified in Section II(B)(4) and II(C)(5) of HVIP Implementation Manual
- Briefly describe information provided to vehicle dealers/purchasers regarding proper disposal of both the propulsion and auxiliary vehicle battery and how this information is conveyed

For vehicle models currently on the list of eligible vehicles (addition of new model years):

Please check box below if the following statement is true.

☐ I certify that the vehicle(s) listed in Table 1 have not been modified from the vehicle(s) that were previously approved by CARB for inclusion on the List of Eligible Vehicles including warranty and after sales service provisions.

Please provide the following information for each vehicle model listed in Table 1.

- CARB EO for new zero-emission commercial vehicles
- For conversions of any type of vehicle to zero-emission, the aftermarket conversion kits must receive an exemption EO from CARB
- Warranty provisions
- After-sales service provisions
- MSRP price sheets

Which HVIP-approved-dealers currently sell this vehicle? See CaliforniaHVIP.org/dealerlist.

Describe vehicle maintenance training that is provided to dealers, and any other workforce development or infrastructure-readiness outreach and education that is provided. Indicate if any of this outreach is in low-income or disadvantaged communities:

Part III: Applicant Signature

I certify under penalty of perjury that all information provided in this application and any attachments are true and correct. Additionally, the vehicle manufacturer agrees to the telematics requirement as stated in Section II(A)(15) of the HVIP Implementation Manual.

Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:
City:	State:

Appendix B2: Zero-Emission/Zero-Emission Conversion Commercial Vehicle Component Cost Form

This is a supplemental application form for new zero-emission and zero-emission vehicle conversion commercial vehicles to be included on the list of vehicles eligible for the HVIP. This application must be completed and submitted to CARB along with the New Zero-Emission Vehicle/Zero-Emission Vehicle Conversion Eligibility Application for vehicle eligibility approval.

Approved in the Fiscal Year 2020-21 Funding Plan for Clean Transportation Incentives, the application form is a part of the required HVIP vehicle eligibility documentation for each model year to help maintain current data and identify cost trends. Staff will monitor and use the results to better determine voucher incentive amounts or modify voucher amounts for specific applications, vehicle classes, or technologies.

CARB reserves the right to request additional information or clarification of information provided in this application. This application applies to and must be completed by the original vehicle manufacturer or its legal representative.

Please check the box that applies:

- ☐ New zero-emission commercial vehicle
- ☐ Zero-emission vehicle conversion commercial vehicle

Part I: Vehicle Manufacturer Information

2. Contact Name and Title:		
3. Business Mailing Address:		
City:	State:	Zip Code:
Phone:	Email:	

Part II: Zero-Emission Vehicle/Zero-Emission Vehicle Conversion Component Costs

Zero-Emission Vehicle Information

Vehicle MY	
Vehicle Make and Model	
California Pre-Tax Cost of Vehicle	
Gross Vehicle Weight Rating (GVWR)	
Length of Vehicle (for buses only)	
Zero-Emission Driving Range	

Component Information and Costs

Battery Manufacturer	
Battery Chemistry	
Battery Capacity (kWh)	
Battery System Cost	
Battery Cost ($/kWh)	
Fuel Cell Cost (FCEV only)	
Hydrogen Storage Tank Size (FCEV only)	
Hydrogen Storage Tank Cost (FCEV only)	
Electric Traction Motor Manufacturer	
Electric Traction Motor Power (kW)	
Electric Traction Motor Cost (Total)	
Onboard Charger Cost	
Power Electronic Controller Cost	

Vehicle Chassis/Glider Kit Cost	

Please check the box that applies:

- ☐ The information highlighted above and indicated in any additional documentation is confidential and considered proprietary information/trade secrets. The Applicant understands that in the event there is a California Public Record Request for this document, that CARB will follow the process set forth in Title 17, California Code of Regulations, sections 91000 - 91022
- ☐ All of the information and documentation provided as part of this supplemental application form are not confidential, proprietary information or trade secrets *http://www.californiahvip.org/dealerlist*

Part III: Applicant Signature

I certify under penalty of perjury that all information provided in this application and any attachments are true and correct.

Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:
City:	State:

Appendix B3: ePTO Eligibility Application

Part I: Original Manufacturer Information

1. Company Name/Organization Name/Individual Name: Tax Identification Number:		
2. Contact Name and Title:		
3. Business Mailing Address:		
City:	State:	Zip Code:
Phone:	Email:	

ePTO systems are approved for HVIP eligibility with specific vehicle model year(s). ePTO systems may be approved for HVIP eligibility for a vehicle model year range of up to five model years. Provide additional compatible vehicles as an attachment if the space above is not sufficient.

Table 1: ePTO Information

Battery Manufacturer	
Battery Chemistry	
Battery Capacity (kWh)	
Battery Manufacturer Recommended Minimum State-of- Charge	
ePTO Make and Model	
Regenerative Braking	Yes No
Alternator Charging	Yes No
Battery State-of-Charge (SOC) at Engine Auto-Start	

What is the typical California pre-tax cost with normal dealer profit of the truck identified in Table 1 with traditionally powered PTO (i.e. vehicle engine idles to power bucket)?
$_____

What is the typical California pre-tax cost with normal dealer profit of the bucket truck identified in Table 1 when equipped with the ePTO system identified in Table 2?
$_____

Make and model of vehicle telematics system:

_____

Which HVIP-approved -dealers currently sell this vehicle? See CaliforniaHVIP.org/dealerlist.

_____

Describe vehicle maintenance training that is provided to dealers, and any other workforce development or infrastructure-readiness outreach and education that is provided. Indicate if any of this outreach is in low-income or disadvantaged communities.

_____

_____

_____

Part II: Self-Certification of Vehicle, Engine and ePTO Parameters

Please check the box next to each statement if the statement is correct. **Do not check the box if the statement is not correct.**

- ☐ The vehicle complies with applicable air quality provisions of California and federal law.
- ☐ The vehicle complies with motor vehicle safety provisions of 49 USC Sections 30101 through 30169.
- ☐ The vehicle meets the original engine manufacturer's build requirements.
- ☐ No modifications have been made to the engine hardware or after-treatment device(s).
- ☐ No modifications have been made to the engine's original software calibrations.
- ☐ The vehicle meets HVIP minimum three-year warranty requirements, as described in Section II(A)(1) of the HVIP Implementation Manual
- ☐ The vehicle manufacturer agrees to the telematics requirement as stated in Sections II(A)(15) and II(D)(6) of the HVIP Implementation Manual.
- ☐ The ePTO battery is capable of recharging from the manufacturer specified battery cut-off voltage to full charge within twelve hours.

☐ The battery manufacturer recommended minimum state-of-charge for the ePTO make/model identified in this application equals that in the aerial boom vehicle provided for consumer purchase and intended for the vehicle in-use for a minimum of three years from date of voucher redemption.

☐ There is at least one service provider for the vehicle in California. Please provide name and city of primary service provider:_____

☐ The vehicle and ePTO system meet all the requirements of the HVIP, including those identified in this application and the HVIP Implementation Manual.

Part III: Application Attachments to be Provided by Original Vehicle Manufacturer

- Warranty provisions.
- After sales service provisions.
- MSRP price sheets.
- Manufacturer's vehicle marketing flyer, including vehicle and exportable power specifications and justification for export power usage in proposed vehicle vocation (if requesting HVIP approval of exportable power option).
- If any of the statements in Part III are not true and correct (i.e. if any of the boxes above are not checked), please attach a narrative explaining why.
- Briefly describe what information is provided to vehicle dealers/purchasers regarding proper disposal of the ePTO battery and how this information is conveyed.

Part IV: Demonstration of ePTO System

The intent of the ePTO system demonstration is to verify that the ePTO will function entirely on battery power over the course of a typical work day.

The applicant shall work with the CARB Project Liaison or his or her designee to determine an applicable method to demonstrate the ePTO system to ensure that the vehicle completes a typical work day duty cycle without the need for the engine to recharge the battery (i.e., the battery manufacturer recommended minimum state-of-charge is not reached). The use of video conferencing and/or telematics data collection will be required unless specified by the CARB Project Liaison. The CARB Project Liaison may also require in-person demonstration of the ePTO system. The CARB Project Liaison and applicant will agree on the testing method on a case-by-case basis. For more information on ePTO demonstration, see Section II(D)(13) of the Implementation Manual.

Which HVIP-approved dealers currently sell this vehicle? See **CaliforniaHVIP.org/dealerlist**

Describe vehicle maintenance training that is provided to dealers, and any other workforce development or infrastructure-readiness outreach and education that is provided. Indicate if any of this outreach is in low-income or disadvantaged communities:

Part V: Applicant Signature

I certify under penalty of perjury that all information provided in this application and any attachments are true and correct.

Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:
City:	State:

Appendix B4: Eligibility Application for New Vehicle Equipped with Engine Certified to the Optional NOx Standard of 0.01 g/bhp-hr

This is an eligibility application for new vehicles equipped with engines certified to the optional NOx standard of 0.01 g/bhp-hr. This application must be completed, submitted to CARB, and vehicle must receive approval prior to the vehicle being eligible for a voucher.

Do not use this application for an engine used for a repower.

CARB reserves the right to request additional information or clarification of information provided in this application. This application applies to and must be completed by the original vehicle/ engine manufacturer or its legal representative.

Part I: Vehicle Manufacturer Information

<table>
<tr><td colspan="3">1. Manufacturer Name:
Tax Identification Number:</td></tr>
<tr><td colspan="3">2. Staff Contact Name and Title:</td></tr>
<tr><td colspan="3">3. Business Mailing Address and Contact Information
Street:</td></tr>
<tr><td>City:</td><td>State:</td><td>Zip Code:</td></tr>
<tr><td colspan="2">Phone:</td><td>Email:</td></tr>
</table>

Please identify the vehicle equipped with an engine certified to the optional NOx standard of 0.01 g/bhp-hr and its baseline equivalent in Tables 1 and 2, respectively. These vehicles must be of the same make, model, drive configuration (4 x 2 or 4 x 4), frontal area, and gross vehicle weight.

Table 1: New Vehicle Information

Vehicle Model Year	
Vehicle Make/Model	
Vehicle Gross Vehicle Weight Range	
Engine Model Year	
Engine Make/Model	
Executive Order Number	

Table 2: Baseline Vehicle Information

Vehicle Model Year	
Vehicle Make/Model	
Vehicle Gross Vehicle Weight Range	
Engine Model Year	
Engine Make/Model	
Executive Order Number	

What is the typical California pre-tax cost of the vehicle equipped with engine certified to the optional NOx standard of 0.01 g/bhp-hr (identified in Table 1) with normal dealer profit? $_____

What is the typical California pre-tax cost of this equivalent baseline vehicle (conventional engine identified in Table 2) with normal dealer profit $_____

Part II: Verification of Vehicle Eligibility

For vehicle models not currently on the list of eligible vehicles:

Please provide the following information as attachments to this form for each vehicle model listed in Table 1. CARB reserves the right to request additional information to complete the vehicle eligibility evaluation.

- CARB engine executive order
- Warranty provisions for engine and vehicle
- After sales service provisions
- MSRP price sheets

For vehicle models currently on the list of eligible vehicles (addition of new model years):

Please check box below if the following statement is true.

☐ I certify that the vehicle(s) listed in Table 1 have not been modified from the vehicle(s) that were previously approved by CARB for inclusion on the List of Eligible Vehicles including warranty and after sales service provisions.

Which HVIP-approved -dealers currently sell this vehicle? See CaliforniaHVIP.org/dealerlist.

_____

Describe vehicle maintenance training that is provided to dealers, and any other workforce development or infrastructure-readiness outreach and education that is provided. Indicate if any of this outreach is in low-income or disadvantaged communities:

_____

_____

_____

Part III: Applicant Signature

I certify under penalty of perjury that all information provided in this application and any attachments are true and correct.

Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:
City:	State:

Appendix B5: Eligibility Application for Engine Certified to the Optional NOx Standard of 0.01 g/bhp-gr Used for Repower

This is an eligibility application for engines certified to the optional NOx standard of 0.01 g/bhp-hr used for repowers. This application must be completed, submitted to CARB, and the engine must receive approval prior to the engine being eligible for a voucher.

CARB reserves the right to request additional information or clarification of information provided in this application. This application applies to and must be completed by the original engine manufacturer or its legal representative.

Part I: Vehicle Manufacturer Information

1. Manufacturer Name: Tax Identification Number:		
2. Staff Contact Name and Title:		
3. Business Mailing Address and Contact Information Street:		
City:	State:	Zip Code:
Phone:	Email:	

Please identify the engine(s) and its baseline (conventional engine) equivalent in Tables 1 and 2, respectively. The engine(s) must be of the same make, horsepower, and displacement.

Table 1: Engine Information

Engine Model Year	
Engine Make/Model	
Engine Horsepower	
Engine Displacement	
Executive Order Number	

Table 2: Baseline Engine Information

Engine Model Year	
Engine Make/Model	
Engine Horsepower	
Engine Displacement	
Executive Order Number	

What is the typical California pre-tax cost of the n engine (identified in Table 1) with normal dealer profit? $_____

What is the typical California pre-tax cost of this equivalent baseline engine (conventional engine identified in Table 2) with normal dealer profit $_____

Part II: Verification of Engine Eligibility

1. For engine models not currently on the list of eligible engines:

Please provide the following information as attachments to this form for each engine model listed in Table 1. CARB reserves the right to request additional information to complete the vehicle eligibility evaluation.

- CARB Natural Gas Internal Combustion engine Executive Order
- Warranty provisions for engine
- After sales service provisions
- MSRP price sheets

2. For engine models currently on the list of eligible engines (addition of new model years):

Please check box below if the following statement is true.

☐ I certify that the engine(s) listed in Table 1 have not been modified from the engine(s) that were previously approved by CARB for inclusion on the List of Eligible Engines including warranty and after sales service provisions.

Which HVIP-approved -dealers currently sell this vehicle? See **CaliforniaHVIP.org/dealerlist**.

Describe vehicle maintenance training that is provided to dealers, and any other workforce development or infrastructure-readiness outreach and education that is provided. Indicate if any of this outreach is in low-income or disadvantaged communities:

Part III: Applicant Signature

I certify under penalty of perjury that all information provided in this application and any attachments are true and correct.

Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:
City:	State:

Appendix C: Vehicles Under Common Ownership or Control

If vehicles are under common ownership, for the purposes of the Clean Truck and Bus Voucher Incentive Project (HVIP) this means that they are owned by the same person, corporation, partnership, limited liability company, or association, including sharing a Tax Identification Number (TIN) or California Carrier Identification Number (CA#). In addition, vehicles managed day to day by the same directors, officers, or managers, or by corporations controlled by the same majority stockholders are considered to be under common control even if their title is held by different business entities.

The examples provided below are intended to further specify, for the purposes of HVIP, the definition of common ownership, corporation, or other entity wishing to purchase or lease an HVIP-eligible vehicle or engine.

Example 1: Parent/Child Company

The George Corporation forms a new, wholly owned corporation, Sam's Transportation Services, and secures a different federal tax identification number for it. While the George Corporation and Sam's Transportation Services can report and comply separately with the regulation, because they are under common ownership, the total number of vehicles of both must be summed in order to determine the fleet size.

Example 2: Common Ownership

The ABC Company and the 123 Company are wholly-owned subsidiaries of Alphabet Group Incorporated. They were acquired by Alphabet Group Incorporated in 1950 and 1970, respectively. Alphabet Group Incorporated is located in Nevada; however, ABC Company and 123 Company are both located in California and each have their own Federal Tax Identification numbers. In addition, they each have unique motor carrier numbers. Both ABC and 123 are decentralized, with most of the decision making pushed down to the operating company level. However, the corporate office centralizes things like insurance, bonding, cash, and financial statement consolidation.

Because ABC and 123 are under common ownership, the total number of vehicles of this fleet must be determined by adding up all the vehicles for ABC and 123. However, ABC and 123 can report and comply separately with the regulation.

Example 3: Common Control

Bill Brown owns Brown's Transportation and controls the day-to-day operation of his fleet. Bonnie Brown is the owner of Bonnie's Transportation, but her vehicles are controlled on a day-to-day basis by Bill Brown. Bill Brown makes decisions regarding vehicle use, maintenance, purchases and sales, etc. Because Brown's Transportation and Bonnie's Transportation fleets are under the common control of Bill Brown, all of the vehicles in both fleets must be summed to determine their fleet size. If, for example, the summed vehicles exceed three, neither could utilize the small business fleet provision.

Example 4: 50/50 Ownership

John Smith owns Company A, and Jane Doe owns Company B. John and Jane also each both own 50% of Company C. Because neither John nor Jane have a majority stake in Company C (neither have more than 50%), as long as Company C is not under common control with either Company A or B, neither John nor Jane must add Company C's vehicles to their own when determining fleet size. Each fleet—Company A, B, and C would report separately and determine its fleet size separately.

If, however, John controlled both the Company A and Company C fleet on a day-to-day basis (managing the vehicles use, maintenance, purchases and sales, etc.), then Company A and Company C's vehicles would need to be combined when determining fleet size.

CARB enforcement may use organizational documents of fleet owners (such as articles of incorporation) to validate fleet ownership.

Example 5: Farming Business

Top Grade Dairy owns two dairies in Tulare with 100 milking cows at each location. John Smith, the owner, the president, and CEO of the company manages the day-to-day operations. Top Grade Dairy owns the land where the dairies are located and also owns 25 acres where sorghum is grown. Mr. Smith formed a limited liability company, where he is the only member, called Top Grade Silage, which is also managed by Mr. Smith, and only supplies silage to Top Grade Dairies. Each company has a different federal tax identification number.

Since Mr. Smith owns both companies, all the vehicles owned by both Top Grade Dairy and Top Grade Silage would be counted to determine fleet size.

For purposes of determining whether each company meets the definition of a farming business, each business entity must be examined separately. Top Grade Dairy clearly meets the definition of a farming business because it is involved in the operation of a farm as an owner. However, Top Grade Silage does not own the land and therefore does not meet the definition of a farming business. If Top Grade Silage had owned the land, or was a tenant, it would meet the definition of a farming business.

Joint ventures are not considered common ownership or control.

Appendix D: HVIP Voucher Stages

There are 6 voucher stages. The first stage of voucher review, “Request in process”, consists of 6 phases prior to progressing to the second stage of the voucher process. The majority of the review confirming purchaser eligibly is conducted during the “request in process” stage, as outlined below. While funding is reserved for all vehicle purchases upon voucher submission, since the majority of eligibility review occurs during the “request in process” stage, that is also the stage where potential for voucher cancellation is highest.

Voucher Request Stages (REQ):

Stages below outline the review conducted while vouchers are in the “request in process” stage.

- Pending Submittal: Dealer enters information into Voucher Processing Center about the request (quantity, purchaser, etc.) The request will remain in the pending status until the dealer uploads a purchaser (PO), selects a vehicle and the quantity and hits "submit". If applicable, dealers submitting bulk POs must upload those as well.
- Submitted: The dealer has submitted the voucher request. If any issues are found with any of the submission documents, the Request form, or AB794 compliance, the Voucher Processing Team will reach out to the dealer within 5 business days. False and/or misleading information will be subject to immediate cancellation upon review.
- Queued: The Voucher Processing Team performs a preliminary review of the voucher request to check for any outstanding issues before standard initial review. The Team then assigns funding status or assigns request to a contingency list if available. The average wait times to begin initial review and receive communication is 7 calendar days.
- Funding Reserved: Funds are reserved from the appropriate funding source (i.e. drayage or transit set-aside, etc.) for the voucher request. This step of the process is not voucher approval; funding is not guaranteed. A full and comprehensive review must take place for the voucher request to progress to “Accepted Pending Confirmation” for funding to be secured, The Project Administrator then begins standard initial review. The dealer will have 14 calendar days to address any issues or the vouchers may be subject to cancellation. Without any outstanding issues, the average wait times for the initial review to be complete is 30 calendar days.
- Accepted Pending Signed Forms (APSF): The Project Administrator sends Terms and Conditions to both the dealer and purchaser for review and signature. Upon completion of the Purchaser section of the Voucher Request form, the average wait time to receive Terms and Conditions is 14 calendar days. A voucher must pass the regulatory compliance review to move past APSF.

- Vouchers Created: All stages of a voucher request have been completed. Terms and Conditions and Purchaser Form have been accepted for review. Under the “Voucher Requests” tab, the dealer will see the “Vouchers Created” status. Simultaneously, under the “Vouchers” tab in the VPC, the dealer will be able to see assigned voucher IDs by looking at the “Accepted Pending Confirmation” status.

Voucher Processing Stages (VR)

1. Request in Process: This is the first status in the voucher object. It is used as a placeholder until all the voucher request statuses are completed. This stage is not visible to dealers and is only visible to project administrators. No actions are needed by dealer and the vouchers will automatically be moved to "Accepted Pending Confirmation" once the voucher request is moved from "Accepted Pending Signed Forms."

2. Accepted Pending Confirmation: Individual vouchers are now visible to dealers under the "Vouchers" tab in the VPC. Before this status, their Vouchers tab will be blank. Dealers must fill out VINs and requested vehicle information in the "Key Fields" section in order for their vouchers to move forward. Project Administrators reviews for partial VIN and confirms MY of vehicle is what is listed in the VPC Vehicle Catalog. After VINs and an Anticipated Delivery date has been provided, the average wait time for the Team to move this voucher to the next status is 14 calendar days.

3. Pending Delivery: Vouchers must be updated every 90 calendar days to re-confirm the anticipated delivery date. Dealers must fill out additional vehicle information in the "Key Fields" section in order for vouchers to move forward. As well, photos of the VIN Tag and the VECI Label are required at this status.

4. Redemption Processing: Dealers are sent a Redemption Form for completion. Dealers must also complete all items on the Redemption Checklist in order to move their vouchers forward. CARB extension approval is needed if redemption will not occur within 540 calendar days of the date funding is reserved, except for vouchers for public transit buses which have a longer timeline of 1,095 calendar days from the date funding is reserved. The average wait time for a voucher that is complete and error free to move to the next status is 14 calendar days.

5. Redemption Approved: Grantee's Accounts Payable team mails payment to dealer (approximately 10 calendar days) (or electronic payment, if available). The purchaser is required to complete an annual survey for three years after redemption.

6. Completed Paid: Check information has been added to voucher record. Dealer reimbursement process is complete.

7. Cancel/Voided: Upon dealer or purchaser request or for other reasons, HVIP staff can cancel a pending voucher or voucher request at any stage. Visible to the dealer in the Voucher Processing Center, staff will mark a cancellation reason as indicated by the dealer and will notify both the dealer and purchaser via email. If a voucher is cancelled within the first 30 calendar days of the date on which it was requested,

it is considered Voided, whether the cancellation was initiated by the purchaser or by HVIP staff.

Appendix E: HVIP Terms and Conditions

I. HVIP Terms and Conditions Form - Purchaser

As a condition for participating in the State of California, Air Resources Board (CARB)

Clean Truck and Bus Voucher Incentive Project (HVIP), the purchaser must comply with the requirements below:

1. I have reviewed and verified all information in all sections of the voucher request, including the fleet definitions, DAC, and all other Purchaser Information on this request form, and including the Vehicle and Vehicle Vocation/Type selected for this voucher;
2. I certify compliance with state labor laws and will remain in compliance with labor laws for at least three years after voucher redemption and will retain direct control over the manner and means for performance of any individual using or driving the vehicle. I will attest annually at **cazevlaborlawcompliance.org**.
3. I have read, understand and agree to all provisions in HVIP Implementation Manual;
4. I agree to register the vehicle in California with the Department of Motor Vehicles (DMV). Military and U.S. Postal Service vehicles are not subject to this requirement;
5. I agree to allow CARB, grantee, or their designee to verify the vehicle registration with the DMV;
6. I agree to maintain vehicle insurance as required by law;
7. I agree to never modify the vehicle's emission control system, engine, or engine software calibrations;
8. I agree to provide access to necessary charging equipment at the domicile location, or a copy of my company's charging policy showing plug-in access at the domicile location;
9. I understand that the fleet must be in compliance and remain in compliance with all applicable federal, state, and local air quality rules and regulations, including but not limited to the CARB Clean Truck Check Regulation furthermore I understand that CARB reserves the right to check compliance at any time;
10. I agree to own/lease and ensure the vehicles operates 100% in California for a minimum of three years from the date of voucher redemption unless: 1) the vehicle is an emergency response vehicle which may be deployed out of state, 2) the vehicle address identified in this form is in a county which borders Arizona, Nevada, Oregon or Mexico, or 3) the vehicle is a Class 8 truck conducting business outside of California. In the first two cases only, the vehicle may operate outside of California for

up to 25% of its mileage. For the third case, the vehicle may operate outside of California for up to 50%. Military vehicles are not subject to this requirement;

11. I agree to retain ownership/lease of the vehicle for at least three years from the date of voucher redemption, unless given explicit prior written approval from CARB to sell or transfer the vehicle;

12. I understand that I will receive automated emails from the HVIP Voucher Processing Center when the Dealer requests a voucher on my behalf; when the voucher has been redeemed by the Dealer; and in any instance wherein the voucher is cancelled for any reason. I will notify **hvip-processing@catalystmobility.org** if a different person should receive these messages instead;

13. I agree to keep written records of the vehicle purchase/lease for three years after the purchase/lease date and provide CARB or its designee with these records within fourteen calendar days of their request. These records include but are not limited to the vehicle invoice, proof of purchase, DMV records, vehicle payment information and related bank records, and purchaser fleet information;

14. I agree that the purchased/leased vehicle and emission reductions it generates shall not be used as emission reductions to comply with an enforcement obligation of any person or entity other than CARB;

15. I agree to complete the annual usage survey and questionnaire for three years, as requested by CARB. Military vehicles are not subject to this requirement;

16. I agree that all information associated with this voucher request and voucher redemption, including business name and address, contact information, and sales transaction are public information and subject to release;

17. I understand that this information will also be shared with geographically relevant utility provider(s) for the purposes of infrastructure planning and incentive coordination, as well as with infrastructure providers if I am requesting infrastructure coordination through the EnergIIZE Commercial Vehicles project;

18. I agree to disclose all sources of incentive funding that apply to the purchase of any vehicles for which I request HVIP vouchers;

19. I agree to the Manufacturers Terms and Conditions for usage of the vehicle's telematics device. Additionally, I agree to allow the Manufacturer to have access to the vehicle location and on/off data so the Manufacturer can report to CARB grantee, or their designee the vehicle operation telematics for each HVIP-funded vehicle within disadvantaged communities. Vehicles equipped with Natural Gas Internal Combustion engines, and military vehicles are exempt from this requirement;

20. I agree to be available for a follow-up inspection by CARB, grantee or their designee, if requested;

21. The information provided in this application is true and all supporting documentation is true and correct and meet the minimum requirements of HVIP;
22. I have the legal authority to apply for incentive funding for the purchasing entity described in this agreement;
23. I agree that failure to comply with the terms of this agreement may result in repayment to CARB of voucher funds received;
24. I understand that this HVIP voucher request is only valid for this specific vehicle purchased/leased through this specific dealer/manufacturer, and that any voucher provided based on this voucher request will be null and void if the purchaser/ dealer/manufacturer, or vehicle identified herein change prior to voucher redemption or for noncompliance with applicable HVIP requirements;
25. I understand that CARB reserves all rights and remedies available at law to enforce the terms of this agreement.
26. I have reviewed the fleet size information provided by the dealer on this request, and I attest that it accurately represents the size of my fleet, inclusive of vehicles domiciled anywhere globally that are over 8,500 lbs. GVWR, including all such vehicles under common ownership or control. I acknowledge that fleet size is inclusive of vehicles registered with the California Department of Motor Vehicles (DMV) as non-operational, but excluding off-road vehicles, unregistered vehicles, and those registered with the DMV as non-revivable junk or dismantled. I acknowledge that fleet size is inclusive of unredeemed HVIP vouchers and does count the current voucher request quantity; therefore, if a voucher(s) represents the fleet's first purchase of a vehicle with a GVWR greater than 8,500 lbs., a fleet size of "0" should be entered. Before voucher redemption, additional verification of fleet size may be required at CARB's sole discretion, including site visits.

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Incentive Source (i.e., name of grant program)	**Incentive Organization**	**Anticipated Incentive Amount**	**Date or Anticipated Date of Incentive**

The purchaser will be asked to re-confirm the amount of additional incentives before redemption.

By signing HVIP Voucher Request and Terms and Conditions Form, I acknowledge that I have read and understand, and agree to be bound by, the Terms and Conditions as outlined above.

I certify under penalty of perjury that the information provided is accurate.

Name of Vehicle Purchaser: _____

Signature of Vehicle Purchaser: _____

Date: _____

II. HVIP Voucher Request and Terms and Conditions Form - Dealer

1. I have read, understand and agree to all provisions in the HVIP Implementation Manual;
2. The vehicle and vehicle order information on this form are true and correct;
3. I certify that this HVIP voucher request corresponds with a real and completed vehicle order, which has not yet been delivered to the purchaser;
4. I agree to seek pre-approval from the California Air Resources Board before any sale of the vehicle, or any lease not included on the Voucher Request Form;
5. I have not inflated the price of the HVIP funded vehicle and I agree to deduct 100% of the requested voucher amount from the price of the vehicle;
6. I agree to be available for a follow-up inspection by the California Air Resources Board, grantee, or their designee, if requested;
7. I agree to keep written records of the vehicle purchase for three years after the purchase date and provide the California Air Resources Board or its designee with these records within fourteen calendar days of their request. These records include but are not limited to the vehicle invoice, proof of purchase, California Department of Motor Vehicle records, vehicle payment information and related bank records, and purchaser fleet information;
8. I understand that this HVIP voucher request is only valid for this specific vehicle purchaser and vehicle, and that any voucher provided based on this voucher request will be null and void if the purchaser and vehicle identified herein change prior to voucher redemption or for noncompliance with applicable HVIP requirements;
9. I agree to keep my Voucher Processing Center account active while I have unredeemed vouchers, including any required training, and including shared accounts;
10. I have the legal authority to participate in HVIP for the Dealer described in this agreement;
11. I understand that any information submitted may be subject to public requests for information;
12. I understand that CARB reserves all rights and remedies available at law to enforce the terms of this agreement;
13. I agree that failure to comply with the terms of this agreement may result in repayment to CARB of voucher funds received.
14. Repayment Obligations: If CARB or the state of California (State) determines that Dealer is in breach or has breached any obligation to remain in compliance with any applicable laws and regulations, including but not limited to obligations in the HVIP

Implementation Manual or any other term of this agreement, then Dealer immediately upon demand shall pay CARB (or CARB's grantee as requested), as liquidated damages, the amount determined by CARB, up to the full amount of all HVIP voucher funds previously paid to the Dealer under this agreement. This obligation may apply even if there is a concurrent noncompliance caused by a third party.

Dealer agrees that quantifying the losses arising from any breach or noncompliance is inherently difficult insofar as breach may cause CARB and the State irreparable, serious, or substantial harm or damage, including to taxpayers or to the environment. Dealer further stipulates that the agreed upon amount of liquidated damages is not a penalty, but rather a reasonable measure of damages based upon a reasonable forecast of probable actual loss because of the difficulty of estimating with exactness the damages which will result. The remedies set out in this paragraph are contractual in nature. Nothing in this agreement in any way limits, prevents, or precludes CARB and the State from taking any enforcement action, exercising any police power, or prosecuting any violation of law.

By signing HVIP Voucher Request and Terms and Conditions Form, I acknowledge that I have read and understand, and agree to be bound by, the terms and conditions as outlined above. I certify under penalty of perjury that the information provided is accurate.

Name of Dealer Representative: _____

Signature of Representative: _____

Date: _____

Appendix F: Innovative Small E-Fleets

Appendix F is published separately from this document at **CaliforniaHVIP.org/im**.

Contact **ISEF@CaliforniaHVIP.org** and visit **CaliforniaHVIP.org/purchasers** for more information.

Appendix G: Zero-Emission School Bus and Infrastructure

Appendix G will be published separately from this document at **CaliforniaHVIP.org/im**.

Contact **schoolbusteam@calstart.org** and visit **CaliforniaHVIP.org/purchasers** for more information.

Appendix H: Transit Set Aside

Appendix H will be published separately from this document at **CaliforniaHVIP.org/im**

Contact **info@CaliforniaHVIP.org** and visit **CaliforniaHVIP.org/purchasers** for more information.

Appendix I: Demonstration Vehicles

Appendix I will be published separately from this document at CaliforniaHVIP.org/im.

Appendix J: Class 2b Pilot Program

Appendix J will be published separately from this document at CaliforniaHVIP.org/im.

Appendix K: Bulk Purchase Provision

Appendix K will be published separately from this document at CaliforniaHVIP.org/im.