



# **Informational Update on the Enhanced Fleet Modernization Program (EFMP) and Plus-Up Car Scrap and Replace Program**

# Today's Presentation

- Program Background
- Progress Update
- Future Plans



# Background

- Voluntary scrap program for cars
- Authorized by AB 118 in 2010
- Two elements:
  - Retirement-Only (Bureau of Automotive Repair)
  - Retire and Replace (CARB)

# 2014 Program Revisions

- Focus on lower-income consumers
- Expand outreach and consumer protections
- Flexibility to allow region-specific approaches
- Ensure retired vehicles operate to maximize air quality benefits
- EFMP Plus-Up created
  - Cap and Trade auction proceeds to benefit disadvantaged communities (DACs)

# EFMP Retirement-Only

- Implemented by BAR in collaboration with CARB
- ~\$30 million available annually
- \$1,500 to scrap high-emitting vehicle
- Available to lower-income consumers statewide

# Update: EFMP Retirement- Only

- Regularly over-subscribed
- Approximately 25,000 vehicles retired annually
- CARB and BAR staff conducted follow-up study to ensure scrapped vehicle was being driven
  - Quality of scrapped vehicles improved

# EFMP Retire and Replace

- Air districts implement program locally
- Annual budget of \$2.8 million
- Provides incentive for cleaner replacement vehicles or alternative mobility option
  - Available to all low-income residents of air district
  - Funding for fuel-efficient conventional vehicles
- Incentive amount varies according to income and type of replacement vehicle

# EFMP Plus-Up

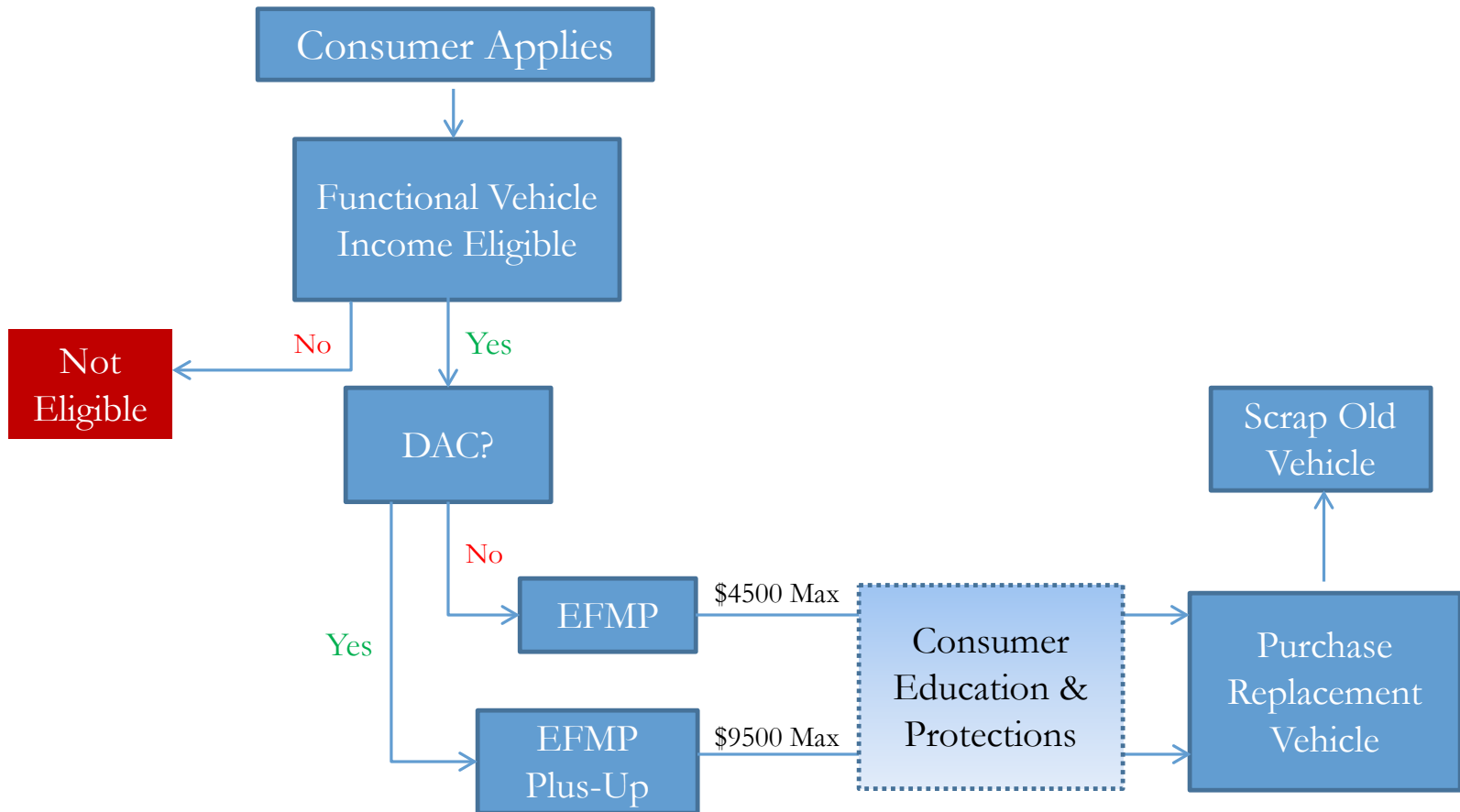
- Cap and Trade proceeds provide additional support to Retire and Replace program
  - Promotes advanced technology replacement vehicles
  - Available only to participants living in or near disadvantaged communities
- Significantly increases program budget
  - \$72 million budgeted to date



# EFMP/Plus-Up Retire and Replace Incentives

| Income Eligibility              | Eight Years Old or Newer |                    |  | Alternative Transportation Mobility Options |
|---------------------------------|--------------------------|--------------------|--|---|
|                                 | Hybrid Electric Vehicle  |                    | Plug-In Hybrid And Zero-Emission Vehicle |   |
|                                 | 20+ MPG* (Combined)      | 35+ MPG (Combined) |  |   |
| Low Income ≤225% FPL            | \$6,500                  | \$7,000            | \$9,500                                  | \$4,500                                     |
| Moderate Income ≤300% FPL       | Not Available            | \$5,000            | \$7,500                                  | \$3,500                                     |
| Above Moderate Income ≤400% FPL | Not Available            | Not Available      | \$5,500                                  | \$2,500                                     |

# EFMP/Plus-Up Flow Chart

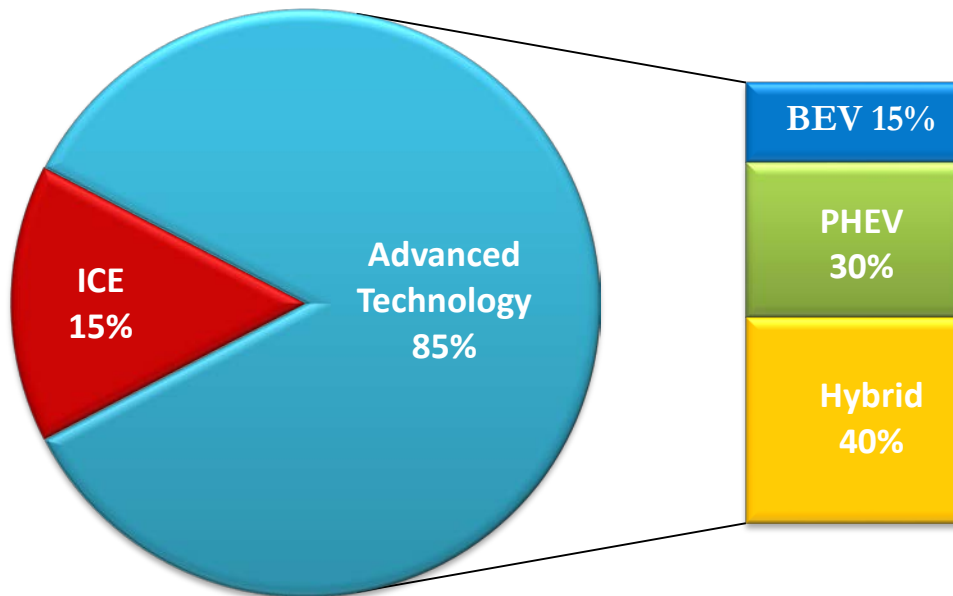


# Update: EFMP/Plus-Up Retire and Replace

- Pilot programs in San Joaquin Valley and South Coast air districts successfully launched in July 2015
- Over 2,000 total vehicles replaced through QI of 2017
- 92% of participants make less than 225% of FPL, or less than \$55,000 for family of four

# EFMP/Plus-Up Retire and Replace Statistics

Replacement Vehicle Technology  
2,076 Total Vehicles



# San Joaquin Valley APCD

## Tune-In, Tune-Up

- San Joaquin Valley leverages existing Tune-In, Tune-Up smog repair program
- Bi-weekly events held throughout the Valley
- Works closely with network of community-based organizations



# South Coast AQMD

## Replace Your Ride

- South Coast created the Replace Your Ride program
- Established website, call center and case managers to assist applicants
- Periodic outreach events held throughout the region



# Benefits to Disadvantaged Communities

- 96% of all participants live in or near a DAC
- Program currently available to 70% of State population living in or near a DAC
- Participants gain access to newer, cleaner and more reliable transportation



# Lessons Learned

- Program is effectively supporting lower-income communities and DACs
- High demand for advanced technology vehicles
- Need for financing assistance
- Alternative mobility option faces regional challenges
- Importance of consumer protections and education



# Program Expansion

- At least \$10 million available to expand EFMP Plus-up
- Staff currently working closely with three new air districts:
  - Bay Area AQMD
  - Sac Metro AQMD
  - San Diego APCD
- Largest 5 air districts contain 90% of State population living in or near DAC
- Tentative launch dates late 2017 or early 2018

# Applying SB 350 Study Recommendations

- One-Stop-Shop
  - Single entity to improve consumer access to all programs
- Financing Assistance program
  - Low-cost financing options for participants

Potential funding source: \$25 million from VW 3.0L settlement

# Future Outlook

- Continue to closely monitor pilot programs
- Ensure lessons learned inform program expansion
- Maintain flexibility to design region-specific programs
- Integration with other equity projects

