Air Quality Improvement Program (AQIP) and Low Carbon Transportation Investments Fiscal Year 2017-18

Clean Vehicle Rebate Project (CVRP) Work Group Handout
February 14, 2017 1:30 PM – 4:00 PM PST

Budget and Funding Need
- Budget allocation at $120- $130 million (M)
  - Roughly same funding amount as last fiscal year ($133M)
- Between $140 - $185M needed for CVRP to fund between 55,000–70,000 rebates in FY 2017-18, as discussed in Funding Plan workshop

### 3 Year Funding Estimate

**Projection Method and Statistics:**
- Linear extrapolation of life-of-product PHEV, BEVx, BEV, and FCEV registration (DMV) data.
- Portion of market rebated: 63 percent of PHEVs; 83 percent of BEVs
- Income cap excludes approximately ~17 percent PHEV applicants and ~28 percent of BEV applicants
- Increased rebates for low- moderate income (LMI) consumers accounts for ~10 percent of rebates based on applicant data from Nov ’16 to mid–Jan ’17
- Range Assumptions:
  - Low - No additional participants are added to program due to LMI increased rebate, zero Bolt rebates added to program
  - Middle - 25 percent increase in additional LMI rebates (from ~10 percent of participants to ~12.5 percent, and ~640 Bolt rebates added to program monthly (Based on Leaf launch)
  - High - 50 percent increase in additional LMI rebates (from ~10 percent of participants to ~15 percent), fuel cell vehicle volume increases based on mid-term review and ~950 Bolt rebates added to program monthly (Based on estimated CA share of production)
Will refine over next 4 months as more LMI increased rebate data becomes available and Chevy Bolts are produced and sold

Program Considerations for Budget Alignment:

- Rebate Limits
  - Limit rebates to one per person
    - Would disqualify just under 3 percent of applicants from reapplying

- Rebate Amounts
  - Reducing standard rebates by up to $500 for PHEVs and BEVs
    - Does not include LMI increased incentives or FCEV rebates
    - Lowering the standard rebate to $2000 for BEVs and $1000 for PHEVs would reduce the funding need by about 17 percent

<table>
<thead>
<tr>
<th>Funding Needs</th>
<th>Low</th>
<th>Middle</th>
<th>High</th>
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</thead>
<tbody>
<tr>
<td>Estimate with No Project Changes</td>
<td>$140M</td>
<td>$167M</td>
<td>$190M</td>
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<tr>
<td>With Reducing Rebate Amount by $500 for PHEVs and BEVs</td>
<td>$114M</td>
<td>$139M</td>
<td>$161M</td>
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<tr>
<td>% Decrease in Funding Need</td>
<td>-18%</td>
<td>-17%</td>
<td>-15%</td>
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- Should a $5,000 fuel cell rebate be maintained for 3rd year?
  - ~900 vehicles rebated to date

- Zero-Emission Motorcycle (ZEM) Eligibility