



Funding and Financing Opportunities for Zero-Emission Vehicles and Equipment

Funding Opportunities: This section summarizes funding opportunities that are currently available in most parts of California to help transition to zero-emission vehicles, equipment, and infrastructure.

- **Carl Moyer Program (CMP):** The CMP is a state-funded program offering grants to owners of heavy-duty vehicles and equipment, including trucks, buses, agricultural and marine equipment, and locomotives, to reduce air pollution from heavy-duty engines. Engine owners must operate CMP-funded vehicles and equipment within the BAAQMD's jurisdictional boundaries, and priority is given to projects that reduce emissions in impacted communities. More information can be found at www.baaqmd.gov/moyer.
- **Community Health Protection Grant (AB134/617):** AB 617 directed the California Air Resources Board, in conjunction with local air districts, to establish the Community Air Protection Program. **AB 134 appropriated \$250 million from the Greenhouse Gas Reduction Fund to reduce mobile emissions in communities most affected by air pollution. The Bay Area has been allocated \$50 million of these funds for emission reduction projects.** These funds will be used to implement projects under the Carl Moyer Program, and optionally under the Proposition 1B Goods Movement Emission Reduction Program. **More information can be found at** <http://www.baaqmd.gov/plans-and-climate/community-health-protection-program/grant-program>.
- **California Climate Investments (CCI) and Greenhouse Gas Reduction Fund (GGRF):** CCI is a statewide initiative that puts billions of Cap-and-Trade dollars, established by AB 1532 and SB 535 through the GGRF, to work by reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment—particularly in disadvantaged communities, low-income communities, and low-income households. **More information can be found at** <https://ww2.arb.ca.gov/our-work/programs/california-climate-investments>.
- **California Clean Vehicle Rebate Project (CVRP):** GGRF is the primary funding source for the CVRP, which promotes clean vehicle adoption in California by offering rebates of up to \$7,000 for the purchase or lease of new, eligible zero-emission vehicles, including electric, plug-in hybrid electric and fuel cell vehicles. More information about this program can be found at: <https://cleanvehiclerebate.org/eng/about-cvrp>.
- **Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP):** **The HVIP was formed by the California Air Resources Board as a result of the Air Quality Improvement Program** following the passing of the California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007 (AB 118, Statutes of 2007, Chapter 750). HVIP offers point-of-sale incentives for clean trucks and buses. **More information can be found at** <https://www.californiahvip.org/about/#why-clean-vehicles>.
- **Enhanced Fleet Modernization Program (EFMP):** The EFMP is a voluntary car retirement (scrap) and replacement incentive program. The goal of the program is to incentivize lower-income California motorists to scrap their older, high-emitting cars and replace them with newer, cleaner and more

fuel-efficient cars. The EFMP Plus-Up Program for the Bay Area is currently under development. More information can be found at: <https://www.arb.ca.gov/msprog/aqip/efmp/efmp.htm>.

- Volkswagen (VW) Settlement Funds:
 - Electrify America: The settlement requires VW to invest \$800 million in Zero-Emission Vehicle (ZEV) projects in California and more information about this program can be found at: <https://www.electrifyamerica.com/>.
 - Environmental Mitigation Trust (Trust): The settlement allocates about \$423 million from an Environmental Mitigation Trust (Trust) to California. The Trust will provide focus fund on “scrap and replace” projects for the heavy-duty sector, including on-road freight trucks, transit and shuttle buses, school buses, **forklifts, and port cargo handling equipment, commercial marine vessels, and freight switcher locomotives.**

More information can be found at https://www.arb.ca.gov/msprog/vw_info/vsi/vsi.htm.
- California Energy Commission (CEC): **The CEC’s Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP) invests in the energy innovation pipeline for the development and deployment of alternative and renewable fuels and advantage transportation technologies to help meet the state’s goals of reducing greenhouse gas emissions and petroleum dependence in the transportation sector. More information can be found at** <http://www.energy.ca.gov/contracts/transportation.html>.

San Francisco Bay Area

- Local Sources: Local sources of funding in the Bay Area include the Transportation Fund for Clean Air (TFCA), which collect revenue from a \$4 surcharge fee on vehicles registered in the Bay Area to fund cost-effective clean air vehicle and trip reduction projects that reduce on-road motor vehicle emissions within the BAAQMD’s jurisdiction. More information can be found at: <http://www.baaqmd.gov/grant-funding/funding-sources>.
- Pacific Gas & Electric (PG&E) Funds:
 - **PG&E provides \$500 clean fuel rebates to customers with EVs (more information at** https://www.pge.com/en_US/residential/solar-and-vehicles/options/clean-vehicles/electric/clean-fuel-rebate-for-electric-vehicles.page?WT.mc_id=Vanity_cleanfuelrebate-ev.
 - **PG&E also launched the EV Charge Network program to accelerate California’s transition to a clean transportation future by offering electric vehicle charger installation. More information can be found at** https://www.pge.com/en_US/business/solar-and-vehicles/your-options/clean-vehicles/charging-stations/ev-charge-network.page.

Federal Funding Sources

- Environmental Protection Agency’s (EPA) Diesel Emissions Reduction Act (DERA) Program: **The EPA’s DERA Program provides support for projects that protect human health and improve air quality by reducing harmful emissions from diesel engines. More information can be found at** <https://www.epa.gov/cleandiesel>.

- **Federal Highway Administration’s (FHWA) Congestion Mitigation and Air Quality Program (CMAQ):** Administered by the FHWA, the CMAQ supports surface transportation projects and other related efforts that contribute air quality improvements and provide congestion relief. More information can be found at https://www.fhwa.dot.gov/environment/air_quality/cmaq/.

Financing Opportunities: This section summarizes some of the financing opportunities that are currently available to businesses and agencies to help transition to zero-emission alternatives.

San Francisco Bay Area

- **Pacific Gas & Electric Energy Efficiency Financing:** PG&E provides interest-free loans with on-bill financing to commercial customers to adopt new, energy-efficient equipment. Eligible project types include lighting, heating, ventilation and air conditioning (HVAC), electric motors, refrigeration, food service equipment and water pumps. Loans range from \$5,000 to \$100,000, and up to \$250,000 for government agencies. More information can be found at: https://www.pge.com/en_US/business/save-energy-money/financing/energy-efficiency-financing/energy-efficiency-financing.page.

California Funding Programs

- **California Hub for Energy Efficiency Financing (CHEEF):** CHEEF is a program of the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA). CHEEF’s energy efficiency financing pilot programs offer loans and credit enhancements for eligible energy projects for residential (single-family and affordable multifamily units), small business, and commercial customers (including for-profit, non-profit, and government entities of any size). At least 70% of the financed amount must go towards energy efficiency or demand response measures. Up to 30% of the financed amount may fund non-energy efficiency improvements. More information can be found at <https://www.thecheef.com/commercial>.
- **California Infrastructure and Economic Development Bank (IBank):**
 - **California Lending for Energy and Environmental Needs (CLEEN):** CLEEN is a program of the IBank which provides financing, including direct loans and publicly-offered tax-exempt bonds, to help meet the state’s goals for greenhouse gas reduction, water conservation, and environmental preservation. MUSH (municipalities, utilities, schools, and hospitals) are eligible for loans ranging between \$500,000 and \$30 million for projects spanning energy generation, energy conservation, and energy storage. More information can be found at: <http://www.ibank.ca.gov/cleen-center/>.
 - **Small Business Loan Guarantee Program (SBLGP):** SBLGP is a program of the California Infrastructure and Economic Development Bank (IBank) which provides loan guarantees of up to \$2.5 million or up to 80% of the loan amount to small businesses that experience barriers to capital access. Loan funds can be used for a variety of business-related purposes including construction, expansion, and disaster relief. More information can be found at: <http://www.ibank.ca.gov/small-business-finance-center/>.
- **Self-Generation Incentive Program (SGIP):** The California Public Utilities Commission’s SGIP program offers rebates to commercial and residential customers for installing distributed energy systems such as stationary engines, fuel cells, and energy storage systems. For example, incentives for

battery systems can be as high as \$400 per kWh. More information can be found at: <http://www.cpuc.ca.gov/sgip/>.

Federal Programs

- **Rural Energy for America Program (REAP):** USDA's REAP program provides agricultural producers and small businesses located in eligible rural areas with guaranteed loan financing and grant funding for renewable energy systems or energy efficiency improvements. More information can be found at: <https://www.rd.usda.gov/programs-services/rural-energy-america-program-renewable-energy-systems-energy-efficiency>.
- **Property Assessed Clean Energy (PACE):** PACE financing programs provide loans to commercial and residential property owners to cover upfront costs of installing energy efficiency and renewable energy improvements, including energy generation with renewable fuels. Loans are repaid through property tax assessments over 5 to 25 years. PACE programs are currently available in 35 states. More information can be found at: <https://www.energy.gov/eere/slsc/property-assessed-clean-energy-programs>.